

LEXMARK INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(In Millions, Except Per Share Amounts)
(Unaudited)

	Three Months Ended September 30	
	<u>2002</u>	<u>2001</u>
Revenue	\$1,041.0	\$995.7
Cost of revenue	<u>702.7</u>	<u>693.7</u>
Gross profit	<u>338.3</u>	<u>302.0</u>
Research and development	57.9	58.0
Selling, general and administrative	<u>156.7</u>	<u>143.1</u>
Operating expense	<u>214.6</u>	<u>201.1</u>
Operating income	123.7	100.9
Interest expense	2.5	3.6
Other (income) expense	<u>(0.2)</u>	<u>2.0</u>
Earnings before income taxes	121.4	95.3
Provision for income taxes	<u>31.6</u>	<u>25.3</u>
Net earnings	<u>\$ 89.8</u>	<u>\$ 70.0</u>
Net earnings per share:		
Basic	<u>\$ 0.71</u>	<u>\$ 0.54</u>
Diluted	<u>\$ 0.70</u>	<u>\$ 0.52</u>
Shares used in per share calculation:		
Basic	<u>126.8</u>	<u>130.2</u>
Diluted	<u>129.2</u>	<u>133.9</u>

Note: Certain 2001 amounts have been reclassified due to the company's adoption of EITF 00-25. Details of this reclassification are available at <http://investor.lexmark.com>.

LEXMARK INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(In Millions, Except Per Share Amounts)
(Unaudited)

	Nine Months Ended September 30	
	<u>2002</u>	<u>2001</u>
Revenue	\$3,149.1	\$2,964.4
Cost of revenue	<u>2,162.3</u>	<u>2,004.1</u>
Gross profit	<u>986.8</u>	<u>960.3</u>
Research and development	182.6	184.4
Selling, general and administrative	<u>453.2</u>	<u>435.2</u>
Operating expense	<u>635.8</u>	<u>619.6</u>
Operating income	351.0	340.7
Interest expense	7.9	10.1
Other (income) expense	<u>4.7</u>	<u>8.4</u>
Earnings before income taxes	338.4	322.2
Provision for income taxes	<u>88.0</u>	<u>85.4</u>
Net earnings	<u>\$ 250.4</u>	<u>\$ 236.8</u>
Net earnings per share:		
Basic	<u>\$ 1.94</u>	<u>\$ 1.83</u>
Diluted	<u>\$ 1.89</u>	<u>\$ 1.77</u>
Shares used in per share calculation:		
Basic	<u>129.1</u>	<u>129.1</u>
Diluted	<u>132.2</u>	<u>133.6</u>

Note: Certain 2001 amounts have been reclassified due to the company's adoption of EITF 00-25. Details of this reclassification are available at <http://investor.lexmark.com>.

LEXMARK INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL POSITION
(In Millions)
(Unaudited)

	<u>September 30</u> <u>2002</u>	<u>December 31</u> <u>2001</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 248.4	\$ 90.7
Trade receivables, net	605.3	702.8
Inventories	511.1	455.1
Prepaid expenses and other current assets	<u>263.4</u>	<u>244.5</u>
Total current assets	1,628.2	1,493.1
Property, plant and equipment, net	737.9	800.4
Other assets	<u>197.8</u>	<u>156.4</u>
Total assets	<u>\$ 2,563.9</u>	<u>\$2,449.9</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 14.0	\$ 11.0
Accounts payable	424.3	384.7
Accrued liabilities	<u>662.3</u>	<u>535.4</u>
Total current liabilities	1,100.6	931.1
Long-term debt	149.2	149.1
Other liabilities	<u>273.7</u>	<u>293.8</u>
Total liabilities	<u>1,523.5</u>	<u>1,374.0</u>
Stockholders' equity:		
Preferred stock	-	-
Common stock and capital in excess of par	845.9	807.8
Retained earnings	1,539.5	1,289.1
Treasury stock	(1,209.8)	(879.8)
Accumulated other comprehensive loss	<u>(135.2)</u>	<u>(141.2)</u>
Total stockholders' equity	<u>1,040.4</u>	<u>1,075.9</u>
Total liabilities and stockholders' equity	<u>\$ 2,563.9</u>	<u>\$2,449.9</u>