

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

	<b>Three Months Ended September 30</b>	
	<b><u>2003</u></b>	<b><u>2002</u></b>
Revenue	\$1,157.1	\$1,041.0
Cost of revenue	<u>785.7</u>	<u>702.7</u>
Gross profit	<u>371.4</u>	<u>338.3</u>
Research and development	66.5	57.9
Selling, general and administrative	<u>164.4</u>	<u>156.7</u>
Operating expense	<u>230.9</u>	<u>214.6</u>
Operating income	140.5	123.7
Interest (income)/expense, net	(0.3)	2.5
Other	<u>-</u>	<u>(0.2)</u>
Earnings before income taxes	140.8	121.4
Provision for income taxes	<u>36.7</u>	<u>31.6</u>
Net earnings	<u>\$ 104.1</u>	<u>\$ 89.8</u>
Net earnings per share:		
Basic	<u>\$ 0.81</u>	<u>\$ 0.71</u>
Diluted	<u>\$ 0.79</u>	<u>\$ 0.70</u>
Shares used in per share calculation:		
Basic	<u>128.5</u>	<u>126.8</u>
Diluted	<u>131.5</u>	<u>129.2</u>

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

	<b>Nine Months Ended September 30</b>	
	<b><u>2003</u></b>	<b><u>2002</u></b>
Revenue	\$3,385.2	\$3,149.1
Cost of revenue	<u>2,276.8</u>	<u>2,162.3</u>
Gross profit	<u>1,108.4</u>	<u>986.8</u>
Research and development	195.3	182.6
Selling, general and administrative	<u>507.0</u>	<u>453.2</u>
Operating expense	<u>702.3</u>	<u>635.8</u>
Operating income	406.1	351.0
Interest expense	0.3	7.9
Other	<u>(0.2)</u>	<u>4.7</u>
Earnings before income taxes	406.0	338.4
Provision for income taxes	<u>105.6</u>	<u>88.0</u>
Net earnings	<u>\$ 300.4</u>	<u>\$ 250.4</u>
Net earnings per share:		
Basic	<u>\$ 2.35</u>	<u>\$ 1.94</u>
Diluted	<u>\$ 2.29</u>	<u>\$ 1.89</u>
Shares used in per share calculation:		
Basic	<u>127.8</u>	<u>129.1</u>
Diluted	<u>131.1</u>	<u>132.2</u>

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

	<b>September 30 2003</b>	<b>December 31 2002</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 569.9	\$ 497.7
Marketable securities	389.8	-
Trade receivables, net	586.1	600.3
Inventories	427.3	410.3
Prepaid expenses and other current assets	<u>243.1</u>	<u>290.5</u>
Total current assets	2,216.2	1,798.8
Property, plant and equipment, net	692.9	747.6
Other assets	<u>366.5</u>	<u>261.7</u>
Total assets	<u>\$3,275.6</u>	<u>\$2,808.1</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 0.1	\$ 12.3
Accounts payable	422.9	378.5
Accrued liabilities	<u>740.0</u>	<u>708.2</u>
Total current liabilities	1,163.0	1,099.0
Long-term debt	149.3	149.2
Other liabilities	<u>488.0</u>	<u>478.3</u>
Total liabilities	<u>1,800.3</u>	<u>1,726.5</u>
Stockholders' equity:		
Preferred stock	-	-
Common stock and capital in excess of par	940.9	865.1
Retained earnings	1,956.2	1,655.8
Treasury stock	(1,208.6)	(1,209.6)
Accumulated other comprehensive loss	<u>(213.2)</u>	<u>(229.7)</u>
Total stockholders' equity	<u>1,475.3</u>	<u>1,081.6</u>
Total liabilities and stockholders' equity	<u>\$3,275.6</u>	<u>\$2,808.1</u>