

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

	Three Months Ended December 31	
	<u>2002</u>	<u>2001</u>
Revenue	\$1,207.3	\$1,139.9
Cost of revenue	<u>823.5</u>	<u>861.2</u>
Gross profit	<u>383.8</u>	<u>278.7</u>
Research and development	65.3	61.8
Selling, general and administrative	164.6	158.2
Restructuring and related (reversal) charges	<u>(5.9)</u>	<u>58.4</u>
Operating expense	<u>224.0</u>	<u>278.4</u>
Operating income	159.8	0.3
Interest expense	1.1	4.7
Other	<u>1.5</u>	<u>-</u>
Earnings (loss) before income taxes	157.2	(4.4)
Provision (benefit) for income taxes	<u>40.9</u>	<u>(41.2)</u>
Net earnings	<u>\$ 116.3</u>	<u>\$ 36.8</u>
Net earnings per share:		
Basic	<u>\$ 0.92</u>	<u>\$ 0.28</u>
Diluted	<u>\$ 0.90</u>	<u>\$ 0.27</u>
Shares used in per share calculation:		
Basic	<u>126.6</u>	<u>130.9</u>
Diluted	<u>129.8</u>	<u>134.2</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>.

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CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(In Millions, Except Per Share Amounts)
(Unaudited)

	Year Ended December 31	
	<u>2002</u>	<u>2001</u>
Revenue	\$4,356.4	\$4,104.3
Cost of revenue	<u>2,985.8</u>	<u>2,865.3</u>
Gross profit	<u>1,370.6</u>	<u>1,239.0</u>
Research and development	247.9	246.2
Selling, general and administrative	617.8	593.4
Restructuring and related (reversal) charges	<u>(5.9)</u>	<u>58.4</u>
Operating expense	<u>859.8</u>	<u>898.0</u>
Operating income	510.8	341.0
Interest expense	9.0	14.8
Other	<u>6.2</u>	<u>8.4</u>
Earnings before income taxes	495.6	317.8
Provision for income taxes	<u>128.9</u>	<u>44.2</u>
Net earnings	<u>\$ 366.7</u>	<u>\$ 273.6</u>
Net earnings per share:		
Basic	<u>\$ 2.85</u>	<u>\$ 2.11</u>
Diluted	<u>\$ 2.79</u>	<u>\$ 2.05</u>
Shares used in per share calculation:		
Basic	<u>128.5</u>	<u>129.6</u>
Diluted	<u>131.6</u>	<u>133.8</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>December 31 2002</u>	<u>December 31 2001</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 497.7	\$ 90.7
Trade receivables, net	600.3	702.8
Inventories	410.3	455.1
Prepaid expenses and other current assets	<u>290.5</u>	<u>244.5</u>
Total current assets	1,798.8	1,493.1
Property, plant and equipment, net	747.6	800.4
Other assets	<u>261.7</u>	<u>156.4</u>
Total assets	<u>\$ 2,808.1</u>	<u>\$2,449.9</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 12.3	\$ 11.0
Accounts payable	378.5	384.7
Accrued liabilities	<u>708.2</u>	<u>535.4</u>
Total current liabilities	1,099.0	931.1
Long-term debt	149.2	149.1
Other liabilities	<u>478.3</u>	<u>293.8</u>
Total liabilities	<u>1,726.5</u>	<u>1,374.0</u>
Stockholders' equity:		
Preferred stock	-	-
Common stock and capital in excess of par	865.1	807.8
Retained earnings	1,655.8	1,289.1
Treasury stock	(1,209.6)	(879.8)
Accumulated other comprehensive loss	<u>(229.7)</u>	<u>(141.2)</u>
Total stockholders' equity	<u>1,081.6</u>	<u>1,075.9</u>
Total liabilities and stockholders' equity	<u>\$ 2,808.1</u>	<u>\$2,449.9</u>