

**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>Nine Months Ended September 30</b>	
	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
Revenue	\$ 1,215.5	\$ 1,266.2	\$ 3,856.2	\$ 3,769.9
Cost of revenue	858.2	819.9	2,607.3	2,472.5
Gross profit	357.3	446.3	1,248.9	1,297.4
Research and development	86.9	78.3	252.5	227.0
Selling, general and administrative (1)	187.7	183.7	576.5	535.1
Operating expense	274.6	262.0	829.0	762.1
Operating income	82.7	184.3	419.9	535.3
Interest (income) expense, net	(7.0)	(4.1)	(20.9)	(8.7)
Other expense (income), net	2.2	0.6	5.4	0.9
Earnings before income taxes	87.5	187.8	435.4	543.1
Provision for income taxes	17.3	31.7	161.4	129.4
Net earnings	\$ 70.2	\$ 156.1	\$ 274.0	\$ 413.7
Net earnings per share:				
Basic	\$ 0.59	\$ 1.20	\$ 2.23	\$ 3.18
Diluted	\$ 0.59	\$ 1.17	\$ 2.20	\$ 3.10
Shares used in per share calculation:				
Basic	118.6	129.8	123.1	129.9
Diluted	119.8	133.0	124.7	133.4

(1) Amounts include the impact of the workforce reduction program in the third quarter of 2005 of \$8.9 million (\$6.6 million, net of tax), which resulted in a \$0.05 reduction in diluted net earnings per share for the three and nine months ended September 30, 2005.

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

	<u>September 30</u> <u>2005</u>	<u>December 31</u> <u>2004</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 352.0	\$ 626.2
Marketable securities	580.1	940.5
Trade receivables, net	655.8	744.4
Inventories	467.3	464.9
Prepaid expenses and other current assets	235.1	224.9
Total current assets	<u>2,290.3</u>	<u>3,000.9</u>
Property, plant and equipment, net	823.9	792.2
Other assets	319.5	331.2
Total assets	<u><u>\$ 3,433.7</u></u>	<u><u>\$ 4,124.3</u></u>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$ -	\$ 1.5
Accounts payable	534.3	670.6
Accrued liabilities	753.1	795.6
Total current liabilities	<u>1,287.4</u>	<u>1,467.7</u>
Long-term debt	149.6	149.5
Other liabilities	442.5	424.2
Total liabilities	<u>1,879.5</u>	<u>2,041.4</u>
Stockholders' equity:		
Preferred stock	-	-
Common stock and capital in excess of par	1,127.2	1,077.7
Retained earnings	2,937.7	2,663.7
Treasury stock, net	(2,362.8)	(1,493.2)
Accumulated other comprehensive loss	(147.9)	(165.3)
Total stockholders' equity	<u>1,554.2</u>	<u>2,082.9</u>
Total liabilities and stockholders' equity	<u><u>\$ 3,433.7</u></u>	<u><u>\$ 4,124.3</u></u>