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basis point decrease in the discount rate would increase pension expense by \$4 while a 25 basis point increase in the rate would decrease pension expense by \$4.

Besides evaluating the discount rate used to determine our pension obligation, we also evaluated our assumption in 2002 relating to the expected return on U.S. plan assets. This rate, which was used in the determination of pension expense for the year ended December 31, 2003, was lowered to 8.75% from 9.50%. We revised our expected rate of return on plan assets, in part, because the rate of return on pension assets had declined significantly in 2002. The decreased rate of return assumption used for determining 2003 pension expense was based on (1) the fact that higher returns achieved by our fixed-income security portfolios in 2002 did not offset negative returns on our equity security portfolios, and (2) our view of the intermediate future expected investment returns on U.S. plan assets. The rate of return assumption for U.S. plans as of December 31, 2003, which will be used for determining pension expense for 2004, is unchanged based on an evaluation performed during the fourth quarter of 2003. The weighted average expected rate of return assumption used for determining pension expense of our non-U.S. plans in 2003 and 2002 was 7.06% and 7.16%, respectively. The weighted average expected rate of return assumption to be used to determine pension expense for non-U.S. plans in 2004 will be 6.80%. Lastly, in 2003, we revised the assumed interest crediting rate applied to participants' balances in our cash balance pension plans from 7% to 5%. The impact of this change was to reduce 2003 pension expense by \$10.

We expect that the 2004 pension expense of U.S. plans, after considering all relevant assumptions, will increase by approximately \$20 when compared to the amount recognized in 2003.

Notwithstanding the decline in the discount rates used to determine both our U.S. and non-U.S. pension obligations at December 31, 2003 from those used at December 31, 2002, the minimum pension liability decreased by \$109 during 2003. This decrease is largely attributable to the increases in pension plan assets, principally in the U.S. and United Kingdom, resulting from favorable investment returns. This reversed a trend of increases in the minimum pension liability in each of the three years preceding 2003, including increases of \$398 and \$131 in 2002 and 2001, respectively. These increases were the result of actual returns on pension plan assets being significantly lower than assumed earnings and the lowering of discount rates used to determine the amount of our obligations under the plans in each year.

We made contributions of \$72 to our pension plans in 2003, including \$38 to U.S. plans, compared to \$33 in 2002, including \$18 to U.S. plans.

Assumptions are also a key determinant in the amount of the obligation and expense recorded for postretirement benefits other than pension (OPEB). Nearly 95% of the total obligation for postretirement benefits relates to U.S. plans. The discount rate used to determine the obligation for these benefits decreased to 6.24% at December 31, 2003 from 6.75% at December 31, 2002. If there were a 25 basis point decrease in the discount rate, our OPEB expense would increase by \$2 and our obligation would increase by \$42. If there were a 25 basis point increase in the discount rate, our OPEB expense would decrease by \$1 and our obligation would decrease by \$40. The healthcare costs trend rate is also an important assumption in determining the amount of the OPEB obligation. We increased the initial weighted healthcare cost trend rate from 8.1% at December 31, 2001 to 12.3% at December 31, 2002 to reflect higher rates of inflation in medical costs, particularly inflation in prescription drug costs. In 2003, we lowered the initial trend rate slightly to 11.81%. These assumption changes had a direct influence on the OPEB obligation increasing from \$1,415 at December 31, 2001 to \$1,699 at December 31, 2002 and to \$1,759 at December 31, 2003. The increase in the OPEB obligation between 2001 and 2002 was 20%