

# Fourth Quarter Earnings

January 29, 2009

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# Forward-Looking Statements

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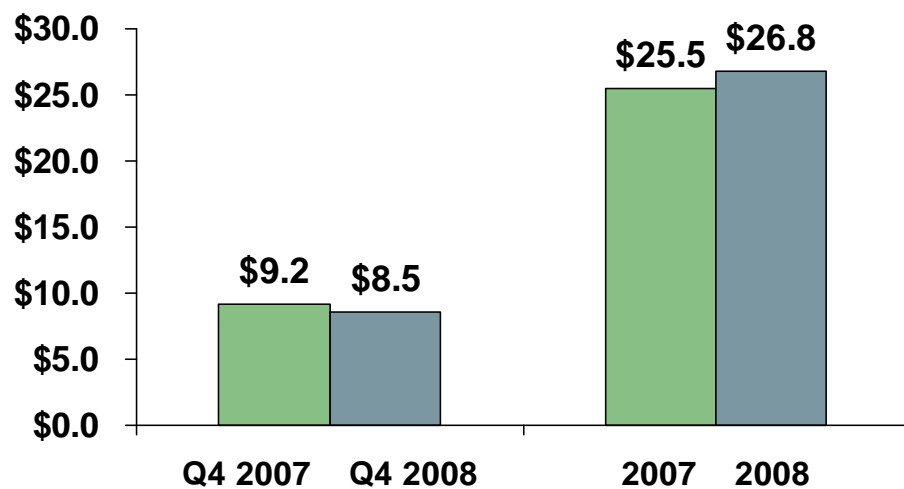
# Fourth Quarter and Full-Year 2008 Highlights

- Year-end backlog increased to a record \$38.9 billion
- Delivered strong full-year sales growth of 9%
- Fourth quarter adjusted EPS from continuing operations of \$1.13 grew by 18%; reported EPS from continuing operations was \$1.02<sup>(1)</sup>
- Full-year adjusted EPS from continuing operations of \$4.06 grew by 23%; reported EPS from continuing operations was \$3.95<sup>(1)</sup>
- Excellent operating cash flow of \$2.0 billion in 2008. The Company made \$660 million in discretionary cash contributions to its pension plans.
- Reaffirming guidance for 2009
  - Expect to deliver continued growth in sales, earnings and return on invested capital

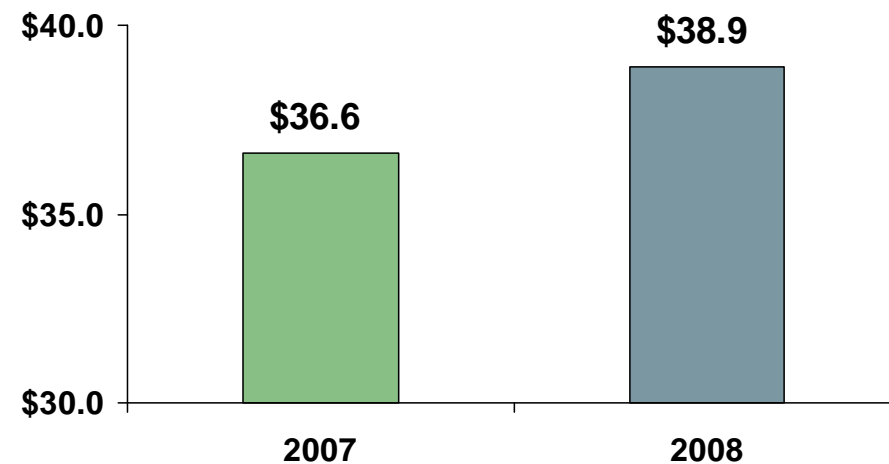
<sup>(1)</sup> Adjusted EPS from continuing operations is a non-GAAP financial measure. 2008 adjusted EPS from continuing operations excludes the \$45 million (\$69 million pretax) or \$0.11 per diluted share unfavorable adjustment due to the impact of pension investment returns on existing contracts. Fourth quarter and full-year 2007 adjusted EPS from continuing operations exclude a \$0.49 per diluted share (\$214 million) and \$0.49 per diluted share (\$219 million) favorable adjustment, respectively, due to certain tax-related benefits. Please see page 18 for a reconciliation of these measures to EPS from continuing operations under GAAP and a discussion of why the Company is presenting this information.

# Total Company Bookings and Backlog

## Bookings (\$B)

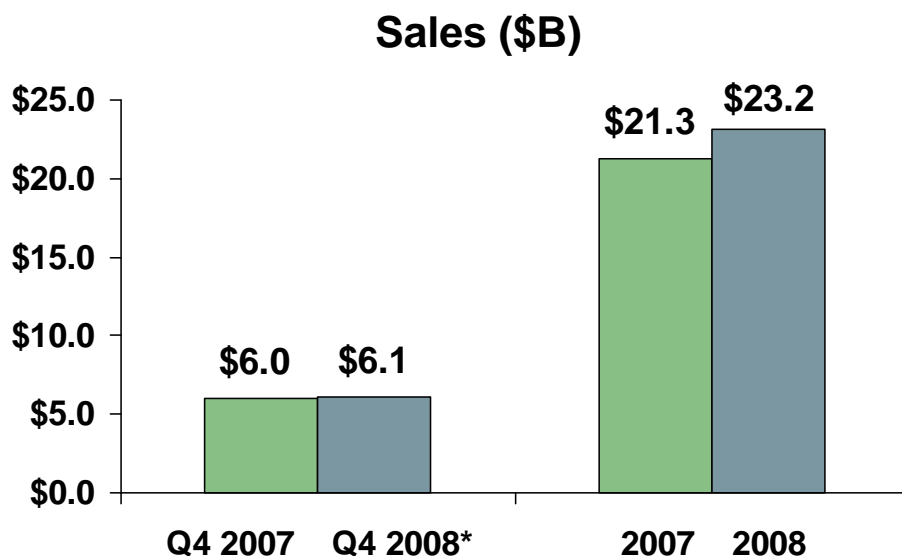


## Backlog (\$B)



**Strong bookings in the fourth quarter and full-year 2008;  
ended the year with a record \$38.9B backlog**

# Total Company Sales



\* Fourth quarter 2008 had 3 fewer work days than the fourth quarter 2007.

(1) CAS Pension Adjustment is the \$45 million (\$69 million pretax) or \$0.11 per diluted share unfavorable adjustment due to the impact of pension investment returns on existing contracts. Adjusted total sales excludes the CAS Pension Adjustment. Adjusted sales is a non-GAAP financial measure. Please see page 18 for a reconciliation of this measure to net sales under GAAP and a discussion of why the Company is presenting this information.

## Fourth Quarter Sales (\$M)

|                                     | Q4 2007      | Q4 2008*     | % Change   |
|-------------------------------------|--------------|--------------|------------|
| IDS                                 | 1,290        | 1,423        | 10%        |
| IIS                                 | 808          | 810          | 0%         |
| MS                                  | 1,362        | 1,360        | 0%         |
| NCS                                 | 1,147        | 1,125        | -2%        |
| SAS                                 | 1,243        | 1,189        | -4%        |
| TS                                  | 643          | 744          | 16%        |
| Corp./Elims.                        | (493)        | (565)        | NM         |
| <b>Total</b>                        | <b>6,000</b> | <b>6,086</b> | <b>1%*</b> |
| CAS Pension Adj. <sup>(1)</sup>     | -            | 69           | NM         |
| <b>Adjusted Total<sup>(1)</sup></b> | <b>6,000</b> | <b>6,155</b> | <b>3%*</b> |

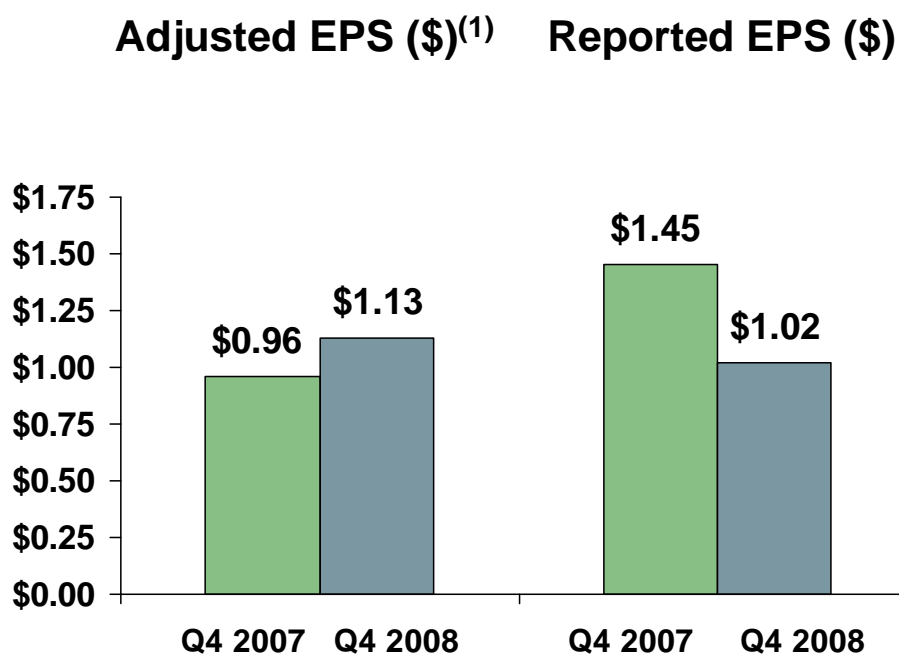
\* Fourth quarter 2008 had 3 fewer work days than the fourth quarter 2007.

## Full-Year Sales (\$M)

|                                     | 2007          | 2008          | % Change  |
|-------------------------------------|---------------|---------------|-----------|
| IDS                                 | 4,695         | 5,148         | 10%       |
| IIS                                 | 2,742         | 3,132         | 14%       |
| MS                                  | 4,993         | 5,377         | 8%        |
| NCS                                 | 4,164         | 4,510         | 8%        |
| SAS                                 | 4,288         | 4,372         | 2%        |
| TS                                  | 2,174         | 2,601         | 20%       |
| Corp./Elims.                        | (1,755)       | (1,966)       | NM        |
| <b>Total</b>                        | <b>21,301</b> | <b>23,174</b> | <b>9%</b> |
| CAS Pension Adj. <sup>(1)</sup>     | -             | 69            | NM        |
| <b>Adjusted Total<sup>(1)</sup></b> | <b>21,301</b> | <b>23,243</b> | <b>9%</b> |

**Solid organic sales growth**

# Diluted Earnings Per Share from Continuing Operations: Fourth Quarter



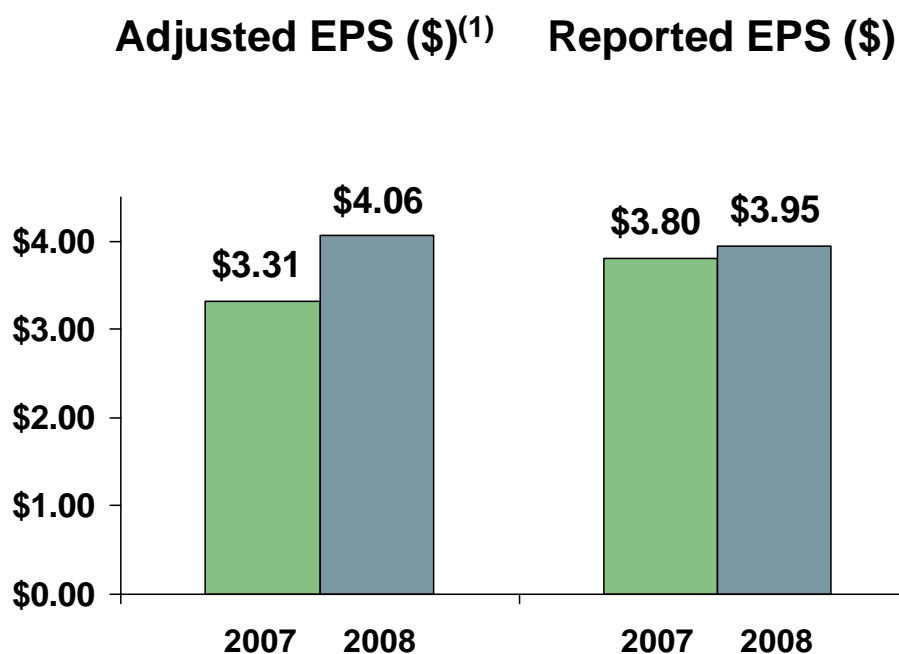
|   |               |
|---|---------------|
| <b>Adjusted Fourth Quarter 2007 EPS<sup>(1)</sup></b> | <b>\$0.96</b> |
| Operational improvements                              | 0.05          |
| Lower FAS/CAS pension expense                         | 0.06          |
| Other items, net                                      | 0.06          |
| <b>Adjusted Fourth Quarter 2008 EPS<sup>(1)</sup></b> | <b>\$1.13</b> |

|  |               |
|--|---------------|
| <b>Reported Fourth Quarter 2007 EPS</b>        | <b>\$1.45</b> |
| Operational improvements                       | 0.05          |
| Lower FAS/CAS pension expense                  | 0.06          |
| Other items, net                               | 0.06          |
| <i>CAS Pension Adjustment<sup>(1)</sup></i>    | <i>(0.11)</i> |
| <i>2007 tax-related benefits<sup>(1)</sup></i> | <i>(0.49)</i> |
| <b>Reported Fourth Quarter 2008 EPS</b>        | <b>\$1.02</b> |

<sup>(1)</sup> CAS Pension Adjustment is the \$45 million (\$69 million pretax) or \$0.11 per diluted share unfavorable adjustment due to the impact of pension investment returns on existing contracts. Adjusted fourth quarter 2008 EPS from continuing operations excludes the CAS Pension Adjustment. Adjusted fourth quarter 2007 EPS from continuing operations excludes a \$214 million or \$0.49 per diluted share favorable adjustment due to certain tax-related benefits. Adjusted EPS from continuing operations is a non-GAAP financial measure. Please see page 18 for a reconciliation of these measures to EPS from continuing operations under GAAP and a discussion of why the Company is presenting this information.

**Adjusted fourth quarter 2008 EPS was up 18%**

# Diluted Earnings Per Share from Continuing Operations: Full-Year



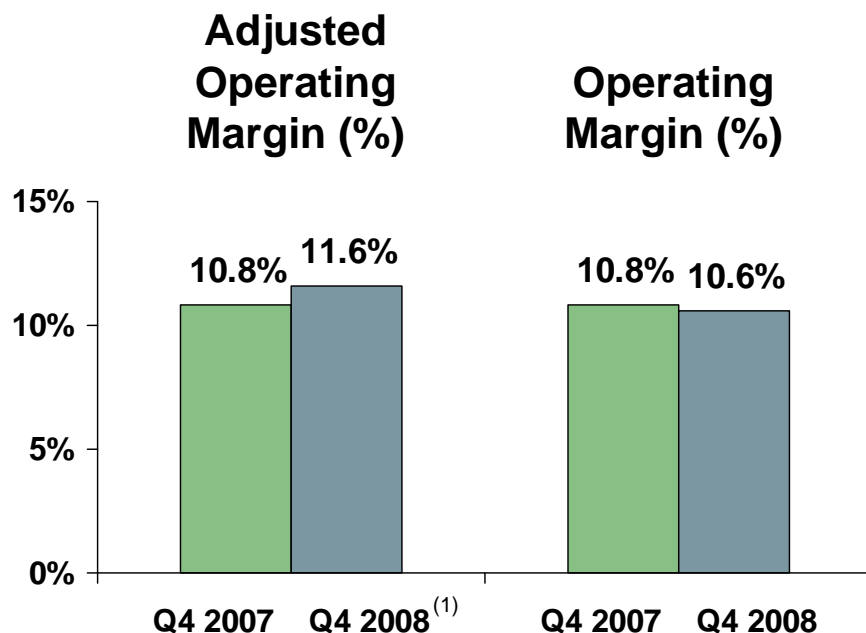
|  |               |
|--|---------------|
| <b>Adjusted Full-year 2007 EPS<sup>(1)</sup></b> | <b>\$3.31</b> |
| Operational improvements                         | 0.30          |
| Lower FAS/CAS pension expense                    | 0.20          |
| Other items, net                                 | 0.25          |
| <b>Adjusted Full-year 2008 EPS<sup>(1)</sup></b> | <b>\$4.06</b> |

|  |               |
|--|---------------|
| <b>Reported Full-year 2007 EPS</b>             | <b>\$3.80</b> |
| Operational improvements                       | 0.30          |
| Lower FAS/CAS pension expense                  | 0.20          |
| Other items, net                               | 0.25          |
| <i>CAS Pension Adjustment<sup>(1)</sup></i>    | <i>(0.11)</i> |
| <i>2007 tax-related benefits<sup>(1)</sup></i> | <i>(0.49)</i> |
| <b>Reported Full-year 2008 EPS</b>             | <b>\$3.95</b> |

<sup>(1)</sup> CAS Pension Adjustment is the \$45 million (\$69 million pretax) or \$0.11 per diluted share unfavorable adjustment due to the impact of pension investment returns on existing contracts. Adjusted full-year 2008 EPS from continuing operations excludes the CAS Pension Adjustment. Adjusted full-year 2007 EPS from continuing operations excludes a \$219 million or \$0.49 per diluted share favorable adjustment due to certain tax-related benefits. Adjusted EPS from continuing operations is a non-GAAP financial measure. Please see page 18 for a reconciliation of these measures to EPS from continuing operations under GAAP and a discussion of why the Company is presenting this information.

**Adjusted full-year 2008 EPS was up 23%**

# Total Company Operating Margin: Fourth Quarter



## Operating Margins (%)

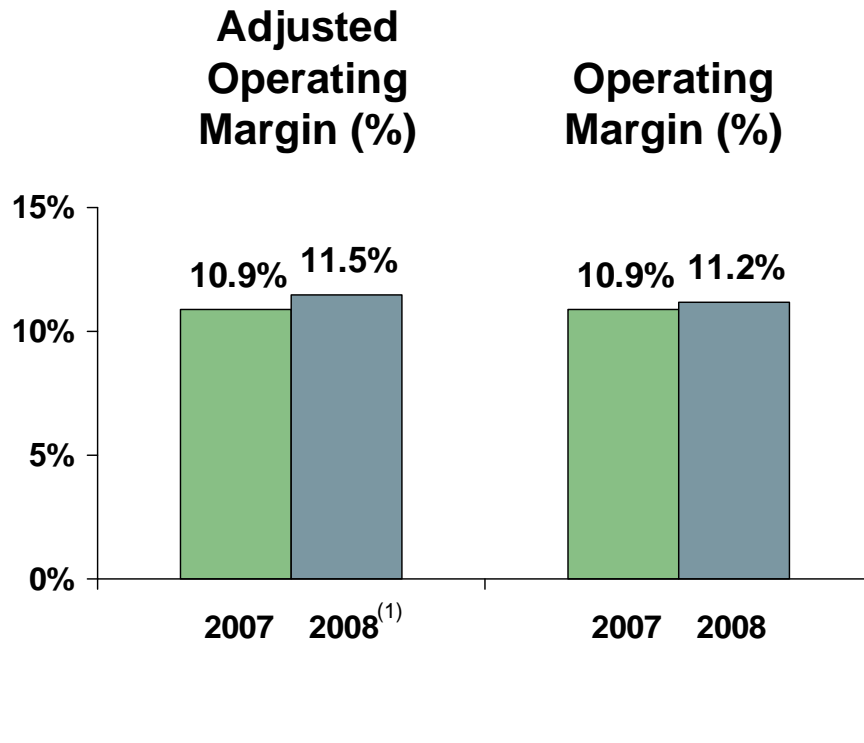
|                                      | Q4 2007      | Q4 2008       | Net Change      |
|--------------------------------------|--------------|---------------|-----------------|
| IDS                                  | 16.4%        | 17.1%         | 70 bps          |
| IIS                                  | 8.2%         | 8.3%          | 10 bps          |
| MS                                   | 10.9%        | 10.5%         | (40) bps        |
| NCS                                  | 11.1%        | 12.5%         | 140 bps         |
| SAS                                  | 14.2%        | 14.1%         | (10) bps        |
| TS                                   | 7.3%         | 6.6%          | (70) bps        |
| Corp. and Elims.                     | (\$63M)      | (\$67M)       | (\$4M)          |
| CAS Pension Adj. <sup>(1)</sup>      | -            | (\$69M)       | (\$69M)         |
| <b>Subtotal</b>                      | <b>11.9%</b> | <b>11.1%*</b> | <b>(80) bps</b> |
| FAS/CAS Income                       | (1.1)%       | (0.5)%        | 60 bps          |
| <b>Op. Margin</b>                    | <b>10.8%</b> | <b>10.6%</b>  | <b>(20) bps</b> |
| CAS Pension Adj. <sup>(1)</sup>      | -            | 1.0%          | 100 bps         |
| <b>Adj. Op. Margin<sup>(1)</sup></b> | <b>10.8%</b> | <b>11.6%</b>  | <b>80 bps</b>   |

\* Margin excluding the \$69 million CAS Pension Adjustment (or 1.0%) is 12.1%

<sup>(1)</sup> CAS Pension Adjustment is the \$45 million (\$69 million pretax) or \$0.11 per diluted share unfavorable adjustment due to the impact of pension investment returns on existing contracts. Fourth quarter 2008 adjusted operating margin excludes the impact of the CAS Pension Adjustment. Adjusted operating margin is a non-GAAP financial measure. Please see page 18 for a reconciliation of this measure to operating margin under GAAP and a discussion of why the Company is presenting this information.

**Delivered strong operating performance**

# Total Company Operating Margin: Full-Year



## Operating Margins (%)

|                                      | 2007         | 2008          | Net Change      |
|--------------------------------------|--------------|---------------|-----------------|
| IDS                                  | 17.6%        | 16.9%         | (70) bps        |
| IIS                                  | 9.0%         | 8.1%          | (90) bps        |
| MS                                   | 10.8%        | 10.8%         | 0 bps           |
| NCS                                  | 12.2%        | 12.2%         | 0 bps           |
| SAS                                  | 13.1%        | 13.3%         | 20 bps          |
| TS                                   | 6.4%         | 6.7%          | 30 bps          |
| Corp. and Elims.                     | (\$235M)     | (\$222M)      | \$13M           |
| CAS Pension Adj. <sup>(1)</sup>      | -            | (\$69M)       | (\$69M)         |
| <b>Subtotal</b>                      | <b>12.1%</b> | <b>11.7%*</b> | <b>(40) bps</b> |
| FAS/CAS Income                       | (1.2)%       | (0.5)%        | 70 bps          |
| <b>Op. Margin</b>                    | <b>10.9%</b> | <b>11.2%</b>  | <b>30 bps</b>   |
| CAS Pension Adj. <sup>(1)</sup>      | -            | 0.3%          | 30 bps          |
| <b>Adj. Op. Margin<sup>(1)</sup></b> | <b>10.9%</b> | <b>11.5%</b>  | <b>60 bps</b>   |

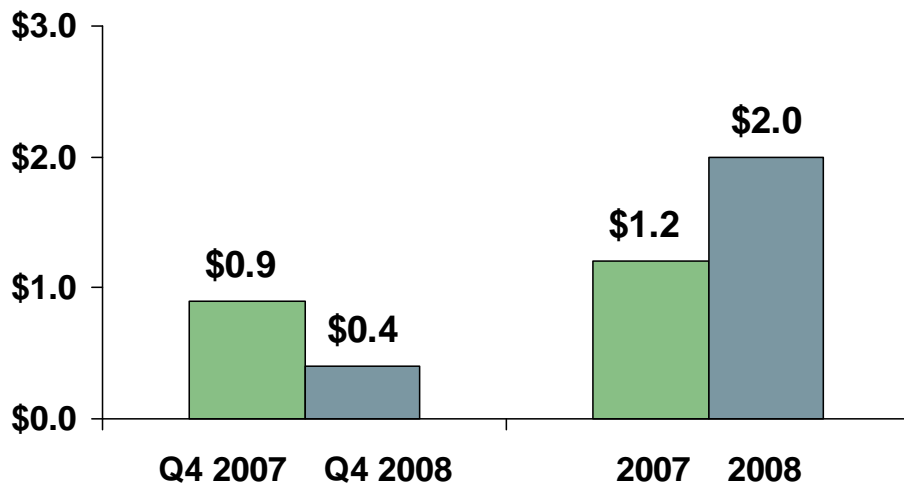
\* Margin excluding the \$69 million CAS Pension Adjustment (or 0.3%) is 12.0%

(1) CAS Pension Adjustment is the \$45 million (\$69 million pretax) or \$0.11 per diluted share unfavorable adjustment due to the impact of pension investment returns on existing contracts. Full-year 2008 adjusted operating margin excludes the impact of the CAS Pension Adjustment. Adjusted operating margin is a non-GAAP financial measure. Please see page 18 for a reconciliation of this measure to operating margin under GAAP and a discussion of why the Company is presenting this information.

**Strong performance driven by continued, solid execution**

# Operating Cash Flow from Continuing Operations

**Operating Cash Flow (\$B)**



## Fourth Quarter (\$M)

|   |              |
|---|--------------|
| <b>2007 Operating Cash Flow from Cont. Ops.</b> | <b>\$941</b> |
| Tax refunds received in Q4' 07                  | (381)        |
| Discretionary pension contribution              | (160)        |
| Other   | <u>44</u>    |
| <b>2008 Operating Cash Flow from Cont. Ops.</b> | <b>\$444</b> |

## Full-Year (\$M)

|   |                |
|---|----------------|
| <b>2007 Operating Cash Flow from Cont. Ops.</b> | <b>\$1,249</b> |
| Net cash taxes                                  | 286            |
| Discretionary pension contributions             | 240            |
| Working capital items / other                   | <u>261</u>     |
| <b>2008 Operating Cash Flow from Cont. Ops.</b> | <b>\$2,036</b> |

**Continued excellent cash generation**

# 2009 Financial Outlook

|   | <u>Current</u>  | <u>Prior*</u>       |
|---|-----------------|---------------------|
| Sales (\$B)                               | 24.3 - 24.8     | 24.3 - 24.8         |
| FAS/CAS Pension Inc. (\$M)                | 47**            | 77                  |
| Interest Inc./ (Exp.), net (\$M)          | (105) - (115)   | <i>Not provided</i> |
| Diluted Shares (M)                        | 402 - 405       | <i>Not provided</i> |
| EPS from Continuing Operations            | \$4.45 - \$4.60 | \$4.45 - \$4.60     |
| Operating Cash Flow from Cont. Ops. (\$B) | 2.2 - 2.4       | 2.2 - 2.4           |
| ROIC (%)                                  | 10.9 - 11.4     | <i>Not provided</i> |

\* As of October 23, 2008

\*\* Denotes changes from prior guidance

**Reaffirming outlook for strong sales and earnings growth combined with excellent cash generation**

# 2009 Financial Outlook: By Business

|                         | <u>Sales (\$B)</u>     | <u>Operating<br/>Margins (%)</u> |
|-------------------------|------------------------|----------------------------------|
| <b>IDS</b>              | 5.5 - 5.7              | 15.3 - 15.5%                     |
| <b>IIS</b>              | 3.1 - 3.3              | 8.4 - 8.6%                       |
| <b>MS</b>               | 5.5 - 5.7              | 10.4 - 10.6%                     |
| <b>NCS</b>              | 4.6 - 4.8              | 12.0 - 12.2%                     |
| <b>SAS</b>              | 4.3 - 4.5              | 13.2 - 13.4%                     |
| <b>TS</b>               | 2.6 - 2.8              | 6.5 - 6.7%                       |
| <b>Corp. and Elims.</b> | <u>(1.9)</u>           | <u>(\$250M)-(\$260M)</u>         |
| <b>Subtotal</b>         | \$24.3 - \$24.8        | 11.4 - 11.6%                     |
| <b>FAS/CAS Income</b>   | <u>-</u>               | <u>0.2%</u>                      |
| <b>Total Cont. Ops.</b> | <b>\$24.3 - \$24.8</b> | <b>11.6 - 11.8%</b>              |

**Continue to focus on strong sales growth and  
operational execution**

# Pension Impact

*\$ millions*

|                              | <u>2008</u>           | <u>2009</u>                    | Prior<br>Assumption<br>(10/23/08) |
|------------------------------|-----------------------|--------------------------------|-----------------------------------|
| <u>P&amp;L Impact</u>        | <u>Actual</u>         | <u>Current<br/>Assumption*</u> |                                   |
| FAS                          | (\$524)               | (\$612)                        | (\$457)                           |
| CAS                          | (401)                 | (659)                          | (534)                             |
| FAS/CAS Pension Inc./ (Exp.) | (\$123)               | \$47                           | \$77                              |
| <br><u>Cash Impact</u>       |                       |                                |                                   |
| Funding Required             | \$514                 | \$1,116                        | \$612                             |
| Discretionary Funding        | 660                   | -                              | -                                 |
| <b>Total Cash Funding</b>    | <b><u>\$1,174</u></b> | <b><u>\$1,116</u></b>          | <b><u>\$612</u></b>               |

\* Denotes change from prior guidance. Current assumption for 2009 is based on a discount rate of 6.5%, an actual return on assets of -25% for the year ending December 31, 2008, and an assumed long-term return on assets of 8.75%.

# Appendix

# Workdays in Fiscal Reporting Calendar

|                       | Q1        | Q2        | Q3        | Q4        |
|-----------------------|-----------|-----------|-----------|-----------|
| 2009                  | 61        | 64        | 63        | 61        |
| 2008                  | <u>63</u> | <u>64</u> | <u>63</u> | <u>60</u> |
| Increase / (decrease) | (2)       | 0         | 0         | 1         |

|                       | Q1        | Q2        | Q3        | Q4        |
|-----------------------|-----------|-----------|-----------|-----------|
| 2008                  | 63        | 64        | 63        | 60        |
| 2007                  | <u>59</u> | <u>64</u> | <u>63</u> | <u>63</u> |
| Increase / (decrease) | 4         | 0         | 0         | (3)       |

# 2009 Financial Outlook: By Quarter

|  | 2009 Estimates |           |           |               |                   |
|--|----------------|-----------|-----------|---------------|-------------------|
|  | Q1             | Q2        | Q3        | Q4            | Total             |
| <b>Sales</b>   | ~22%           | ~24%      | ~25%      | ~29%          | \$24.3B - \$24.8B |
| <b>EPS</b>   | ~20.5%         | ~23%      | ~25%      | ~31.5%        | \$4.45 - \$4.60   |
| <b>Operating Cash Flow<br/>from Cont. Ops. (\$M)</b> | 200 - 250      | 200 - 250 | 400 - 450 | 1,400 - 1,450 | \$2.2B - \$2.4B   |

# Return on Invested Capital (ROIC) Calculation

\$ millions

|  | Adjusted ROIC<br>2007 <sup>(1)</sup> | Adjusted ROIC<br>2008 <sup>(1)</sup> | Outlook<br>2009E       |
|--|--------------------------------------|--------------------------------------|------------------------|
| Income from cont. ops.                     | \$1,474 <sup>(1)</sup>               | \$1,719 <sup>(1)</sup>               | } Combined             |
| Net interest expense, after-tax*           | \$25                                 | \$44                                 |                        |
| Lease expense, after-tax*                  | \$74                                 | \$68                                 |                        |
| <b>Return</b>                              | <b>\$1,573 <sup>(1)</sup></b>        | <b>\$1,831 <sup>(1)</sup></b>        | <b>\$1,930-1,990</b>   |
| Net debt**                                 | \$559                                | (\$169)                              | } Combined             |
| Equity less investment in disc. ops.       | \$11,084                             | \$10,826                             |                        |
| Lease exp. X 8, plus fin. guarantees       | \$2,656                              | \$2,728                              |                        |
| Minimum pension liability/FAS 158          | \$2,292                              | \$3,550                              |                        |
| <b>Invested capital from cont. ops.***</b> | <b>\$16,591</b>                      | <b>\$16,935</b>                      | <b>\$17,650-17,450</b> |
| <b>ROIC</b>                                | <b>9.5% <sup>(1)</sup></b>           | <b>10.8% <sup>(1)</sup></b>          | <b>10.9-11.4%</b>      |

\* Effective tax rate

23.9%

33.0%

~33%

\*\* Net debt is defined as total debt less cash and cash equivalents and is calculated using a 2-point average

\*\*\* Calculated using a 2 point average

The Company defines Return on Invested Capital (ROIC) as income from continuing operations plus after-tax net interest expense plus one-third of operating lease expense after-tax (estimate of interest portion of operating lease expense) divided by average invested capital after capitalizing operating leases (operating lease expense times a multiplier of 8), adding financial guarantees less net investment in Discontinued Operations, and adding back the cumulative minimum pension liability/impact of FAS 158. ROIC is not a measure of financial performance under generally accepted accounting principles (GAAP) and may not be defined and calculated by other companies in the same manner. ROIC should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. The Company uses ROIC as a measure of the efficiency and effectiveness of its use of capital and as an element of management compensation.

<sup>(1)</sup> 2007 adjusted ROIC is ROIC excluding a favorable adjustment due to tax-related benefits of \$219 million in full-year 2007 from the income from continuing operations amount. 2008 adjusted ROIC is ROIC excluding the \$45 million (\$69 million pretax) or \$0.11 per diluted share unfavorable adjustment due to the impact of pension investment returns on existing contracts. Adjusted ROIC is a non-GAAP financial measure. The Company uses Adjusted ROIC to facilitate management's internal comparisons to the Company's historical ROIC results, and to provide greater transparency to investors of supplemental information used by management in its financial and operational decision making, including to evaluate the Company's operating performance.

# Reconciliation of Non-GAAP Measures in Statement of Operations Information

(In millions, except per share amounts)

|  | Three Months Ended |              |            |           |           |            |
|--|--------------------|--------------|------------|-----------|-----------|------------|
|  | GAAP               | CAS Pension  | Adjusted * | GAAP      | Tax       | Adjusted * |
|  | 31-Dec-08          | Adjustment * | 31-Dec-08  | 31-Dec-07 | Benefit * | 31-Dec-07  |
| Net sales                                      | \$ 6,086           | \$ 69        | \$ 6,155   | \$ 6,000  | \$ -      | \$ 6,000   |
| Operating income                               | 646                | 69           | 715        | 646       | -         | 646        |
| Income from continuing operations before taxes | 610                | 69           | 679        | 639       | -         | 639        |
| Income from continuing operations              | 421                | 45           | 466        | 634       | (214)     | 420        |
| Earnings per share from continuing operations  |                    |              |            |           |           |            |
| Diluted  | \$ 1.02            | \$ 0.11      | \$ 1.13    | \$ 1.45   | \$ (0.49) | \$ 0.96    |

|  | Twelve Months Ended |              |            |           |           |            |
|--|---------------------|--------------|------------|-----------|-----------|------------|
|  | GAAP                | CAS Pension  | Adjusted * | GAAP      | Tax       | Adjusted * |
|  | 31-Dec-08           | Adjustment * | 31-Dec-08  | 31-Dec-07 | Benefit * | 31-Dec-07  |
| Net sales                                      | \$ 23,174           | \$ 69        | \$ 23,243  | \$ 21,301 | \$ -      | \$ 21,301  |
| Operating income                               | 2,596               | 69           | 2,665      | 2,328     | -         | 2,328      |
| Income from continuing operations before taxes | 2,498               | 69           | 2,567      | 2,225     | -         | 2,225      |
| Income from continuing operations              | 1,674               | 45           | 1,719      | 1,693     | (219)     | 1,474      |
| Earnings per share from continuing operations  |                     |              |            |           |           |            |
| Diluted  | \$ 3.95             | \$ 0.11      | \$ 4.06    | \$ 3.80   | \$ (0.49) | \$ 3.31    |

## Reconciliation of Adjusted Operating Margin to Operating Margin

|                         | Three Months Ended |                  |                  | Twelve Months Ended |                  |                  |
|-------------------------|--------------------|------------------|------------------|---------------------|------------------|------------------|
|                         | Sales              | Operating Profit | Operating Margin | Sales               | Operating Profit | Operating Margin |
|                         | 31-Dec-08          | 31-Dec-08        | 31-Dec-08        | 31-Dec-08           | 31-Dec-08        | 31-Dec-08        |
| Adjusted*               | 6,155              | 715              | 11.6%            | 23,243              | 2,665            | 11.5%            |
| GAAP                    | 6,086              | 646              | 10.6%            | 23,174              | 2,596            | 11.2%            |
| CAS Pension Adjustment* |                    |                  | 1.0%             |                     |                  | 0.3%             |

\* This Reconciliation of Non-GAAP Measures in Statement of Operations Information includes certain non-GAAP financial measures under the "Adjusted" headings and sets forth a reconciliation of such measures to the comparable GAAP measure under the "GAAP" headings. The non-GAAP financial measures should be considered supplemental to and not a substitute for financial performance in accordance with GAAP. We use the adjusted measures to facilitate management's internal comparisons to the Company's historical operating results, to competitors' operating results, and to provide greater transparency to investors of supplemental information used by management in its financial and operational decision-making, including management's evaluation of the Company's operating performance. The 2008 adjusted measures exclude an unfavorable adjustment to reflect the impact of the increase in estimated future pension costs on existing contracts recorded in the fourth quarter of 2008 (the "CAS Pension Adjustment"). Pension costs as calculated under the U.S. Government Cost Accounting Standards (CAS) are a component of our estimated costs to complete each of our contracts. On an annual basis, we update our estimate of future CAS pension costs based upon actual asset returns and other actuarial factors. When these estimated future costs increase, which occurred at December 31, 2008 driven mainly by the significant decline in the value of our pension assets, the estimated costs to complete each existing contract increases. The amounts of revenue and profit which are recognizable based upon our estimated percent complete and expected margins on our contracts, principally on our fixed price contracts, were reduced. In the fourth quarter, we recorded a cumulative catch-up adjustment for this reduction in revenue and profit of \$69 million pretax, \$45 million after-tax or \$0.11 per diluted share as part of Corporate and Eliminations consistent with our internal management reporting and performance evaluation. The components of the CAS Pension Adjustment by business are as follows: IDS - \$20 million, IIS - \$7 million, MS - \$14 million, NCS - \$12 million, SAS - \$12 million and TS - \$4 million. Fourth quarter and full-year 2007 adjusted income and EPS from continuing operations exclude a favorable adjustment of \$214 million or \$0.49 per diluted share and \$219 million or \$0.49 per diluted share, respectively, due to certain tax-related benefits.