CONSOLIDATED BALANCE SHEETS

(dollars in millions, except per share amounts)

	September 30, 1997	September 30, 1996
ASSETS		
Cash and cash equivalents	$ 1,350	$ 2,241
Accounts receivable less allowances of $352 in 1997 and $273 in 1996	5,373	4,914
Inventories	2,926	3,288
Contracts in process (net of progress billings of $2,003 in 1997 and $708 in 1996)	1,046	505
Deferred income taxes–net	1,333	1,617
Other current assets	473	216
Total current assets	12,501	12,781
Property, plant and equipment, net	5,147	4,687
Prepaid pension costs	3,172	2,828
Deferred income taxes–net	1,262	979
Capitalized software development costs	293	362
Other assets	1,436	989
Total assets	$23,811	$22,626
LIABILITIES		
Accounts payable	$ 1,931	$ 1,900
Payroll and benefit-related liabilities	2,178	2,492
Postretirement and postemployment benefit liabilities	239	220
Debt maturing within one year	2,538	2,363
Other current liabilities	3,852	3,738
Total current liabilities	10,738	10,713
Postretirement and postemployment benefit liabilities	6,073	5,642
Long-term debt	1,665	1,634
Other liabilities	1,948	1,951
Total liabilities	$20,424	$19,940
Commitments and contingencies		
SHAREOWNERS' EQUITY		
Preferred stock–par value $1 per share Authorized 250,000,000 shares Issued and outstanding shares: none	$ –	$ –
Common stock–par value $.01 per share Authorized shares: 3,000,000,000 Issued and outstanding shares: 642,062,656 at September 30,1997; 636,662,634 at September 30, 1996	6	6
Additional paid-in capital	3,047	2,595
Guaranteed ESOP obligation	(77)	(106)
Foreign currency translation	(191)	(16)
Retained earnings	602	207
Total shareowners' equity	$ 3,387	$ 2,686
Total liabilities and shareowners' equity	$23,811	$22,626

See Notes to Consolidated Financial Statements.