

**EXHIBIT 1**  
**IMPACT OF NEW GOODWILL ACCOUNTING RULES AT TRANSITION**

	Quarter 1, 2002	Quarter 2, 2002	First Half, 2002	2002 (per <i>Fortune</i> )
Net income as reported	\$ 7,030	\$30,316	\$37,346	\$ 69,600
Goodwill impairment, net of tax (1)	121,092	8,230	129,322	235,000
Subtotal	\$128,122	\$38,546	\$166,668	\$304,600
Estimated goodwill amortization, net of tax (2)	(6,000)	(6,000)	(12,000)	(45,000)
Pro forma net income without SFAS 142	\$122,122	\$32,542	\$154,668	\$259,600
Reduction in net income from SFAS 142 (3)	94%	7%	76%	73%

All figures in millions of dollars.

**Notes:**

1. For the 100-company sample, after-tax goodwill impairment was calculated at 96% of pretax impairment, based on the average of those companies reporting both amounts. As our reported amounts of impairment are pretax, the net-of-tax amounts given in this table represent 96% of the pretax amounts.
2. The \$6 billion net-of-tax estimate was based on the prior-year amounts of \$5.1 billion and \$5.7 billion net of tax for the first two quarters of 2001.
3. To illustrate the percentage reduction calculation:  $.942 = (\$122,122 - \$7,030)/\$122,122$ .