

Free cash flow, defined as operating cash flow less capital expenditures and capitalized expenditures for internal use software, is used by the Company to evaluate cash flow performance by the segments. Corporate free cash flow includes the difference between amounts charged to the segments for interest and taxes on an intercompany basis and the amounts actually paid by the Company.

Capita	I Expe	enditur	es

(In millions)	2003	2002	2001
Integrated Defense Systems	\$ 67	\$ 71	\$ 82
Intelligence and Information Systems	25	30	45
Missile Systems	76	44	35
Network Centric Systems	55	76	67
Space and Airborne Systems	106	116	103
Technical Services	12	20	3
Aircraft	57	81	95
Other	1	_	2
Corporate	29	20	29
Total	\$428	\$458	\$461

Depreciation and Amortization (In millions)	2003	2002	2001
Integrated Defense Systems	\$ 53	\$ 47	\$ 60
Intelligence and Information Systems	29	27	65
Missile Systems	48	47	146
Network Centric Systems	62	62	121
Space and Airborne Systems	68	66	119
Technical Services	11	10	36
Aircraft	91	88	82
Other	16	12	26
Corporate	15	5	22
Total	\$393	\$364	\$677

Identifiable Assets					
(In millions)	December 31:		2003		2002
Integrated Defense Systems		\$	1,657	\$	1,612
Intelligence and Information Systems	3		1,910		1,926
Missile Systems			4,339		4,429
Network Centric Systems			3,653		3,914
Space and Airborne Systems			3,910		3,875
Technical Services			1,399		1,372
Aircraft			2,812		3,059
Other			912		899
Corporate			3,017		2,785
Discontinued Operations			59		75
Total		\$:	23,668	\$:	23,946

Operations by Geographic Are	eas		
		Outside	
	Ur	nited States	
		(Principally	
(In millions)	United States	Europe)	Total
Sales			
2003	\$15,718	\$2,391	\$18,109
2002	14,155	2,605	16,760
2001	13,293	2,724	16,017
Long-lived assets at			
December 31, 2003	\$ 5,381	\$ 223	\$ 5,604
December 31, 2002	5,391	195	5,586

The country of destination was used to attribute sales to either United States or Outside United States. Sales to major customers in 2003, 2002, and 2001 were: U.S. government, including foreign military sales, \$13,436 million, \$12,255 million, and \$11,161 million, respectively, and U.S. Department of Defense, \$11,766 million, \$10,406 million, and \$9,512 million, respectively.