

In addition, we maintain other non-qualified, unfunded plans that allow participants who are otherwise limited by qualified plan statutes or regulations to defer compensation and earn returns either tied to the results of our 401(k) plan investment choices or market levels of interest rates. We manage the risk of offering these retirement savings plans to this group of employees through a variety of means, including investing in vehicles that offset a substantial portion of our exposure to these returns. We recognized benefits expense for these non-qualified plans of \$86 million and \$11 million in 2003 and 2001, respectively, and income of \$20 million in 2002. Including the impact of these related investments, net benefits expense resulting from these plans was \$28 million, \$16 million and \$15 million in 2003, 2002 and 2001, respectively. We adjusted our position in some of these investment vehicles resulting in the repurchase of 1.5 million, 0.5 million and 0.5 million shares of our common stock in 2003, 2002 and 2001, respectively.

Additionally, during 2002, certain non-qualified pension and survivor benefits owed to current executives were exchanged for deferrals in a non-qualified plan and certain retired executives accepted our offer to exchange our obligation to them in a frozen non-qualified plan for deferrals in the plan. These exchanges resulted in pre-tax net expense of \$33 million (\$.02 per share). In 2003, additional retired executives accepted our offer to exchange our obligation to them in the frozen non-qualified plan for deferrals in the plan, which resulted in a pre-tax net expense of \$17 million (\$.01 per share). We expect lower future expenses as a result of these transactions because they were designed to be economically neutral or slightly favorable to us.

Participants in our non-qualified plans deferred compensation of \$42 million, \$35 million and \$33 million in 2003, 2002 and 2001, respectively.

### Pension and Postretirement Health Care Benefits

We have qualified defined benefit pension plans that cover all employees who meet certain age, length of service and hours worked per year requirements. We also have unfunded non-qualified pension plans for employees who have qualified plan compensation restrictions. Benefits are provided based upon years of service and the employee's compensation. Retired employees also become eligible for certain health care benefits if they meet minimum age and service requirements and agree to contribute a portion of the cost.

The Medicare Prescription Drug, Improvements and Modernization Act of 2003 (the Act) was signed into law in December 2003. The Act introduces a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a prescription drug benefit. The accumulated benefit obligation and net periodic postretirement benefit cost reflected in our financial statements do not incorporate the effects of the Act. The accounting guidance has not been finalized and we expect the Act to have a minimal impact on our retirement plans.

### Obligations and Funded Status at October 31, 2003

	Pension Benefits				Postretirement Health Care Benefits	
	Qualified Plans		Non-qualified Plans			
(millions)	2003	2002	2003	2002	2003	2002
<b>Change in Benefit Obligation</b>						
Benefit obligation at beginning of measurement period	<b>\$1,078</b>	\$1,014	<b>\$ 23</b>	\$ 53	<b>\$ 116</b>	\$ 114
Service cost	<b>73</b>	57	<b>1</b>	1	<b>2</b>	2
Interest cost	<b>74</b>	72	<b>2</b>	3	<b>8</b>	8
Actuarial loss	<b>164</b>	59	<b>6</b>	-	<b>7</b>	2
Benefits paid	<b>(56)</b>	(50)	<b>(3)</b>	(5)	<b>(10)</b>	(10)
Plan amendments	-	(74)	-	-	-	-
Settlement	-	-	-	(29)	-	-
Benefit obligation at end of measurement period	<b>\$1,333</b>	\$1,078	<b>\$ 29</b>	\$ 23	<b>\$ 123</b>	\$ 116
<b>Change in Plan Assets</b>						
Fair value of plan assets at beginning of measurement period	<b>\$1,058</b>	\$1,033	<b>\$ -</b>	\$ -	<b>\$ -</b>	\$ -
Actual return on plan assets	<b>203</b>	(79)	<b>-</b>	-	<b>-</b>	-
Employer contribution	<b>200</b>	154	<b>3</b>	5	<b>10</b>	10
Benefits paid	<b>(56)</b>	(50)	<b>(3)</b>	(5)	<b>(10)</b>	(10)
Fair value of plan assets at end of measurement period	<b>\$1,405</b>	\$1,058	<b>\$ -</b>	\$ -	<b>\$ -</b>	\$ -
Funded status	<b>\$ 72</b>	\$ (20)	<b>\$(29)</b>	\$(23)	<b>\$(123)</b>	\$(116)
Unrecognized actuarial loss	<b>587</b>	530	<b>12</b>	6	<b>12</b>	7
Unrecognized prior service cost	<b>(65)</b>	(73)	<b>3</b>	3	<b>1</b>	1
Net amount recognized	<b>\$ 594</b>	\$ 437	<b>\$(14)</b>	\$(14)	<b>\$(110)</b>	\$(108)

Amounts recognized in the statements of financial position consist of:

	Pension Benefits				Postretirement Health Care Benefits	
	Qualified Plans		Non-qualified Plans			
(millions)	2003	2002	2003	2002	2003	2002
Prepaid benefit cost	<b>\$600</b>	\$441	<b>\$ -</b>	\$ -	<b>\$ -</b>	\$ -
Accrued benefit cost	<b>(6)</b>	(4)	<b>(20)</b>	(20)	<b>(110)</b>	(108)
Intangible assets	-	-	<b>3</b>	4	<b>n/a</b>	n/a
Accumulated OCI	-	-	<b>3</b>	2	<b>n/a</b>	n/a
Net amount recognized	<b>\$594</b>	\$437	<b>\$(14)</b>	\$(14)	<b>\$(110)</b>	\$(108)

The accumulated benefit obligation for all defined benefit pension plans was \$1,237 million and \$939 million at October 31, 2003 and 2002, respectively. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with an accumulated benefit obligation in excess of plan assets were \$34 million, \$30 million and \$1 million, respectively, as of October 31, 2003 and \$31 million, \$25 million and \$2 million, respectively, as of October 31, 2002.