

Further information about stock options outstanding at Dec. 30, 2001, follows:

<i>Range of exercise prices</i>	<i>Number outstanding at 12/30/01</i>	<i>Weighted average remaining contractual life (yrs)</i>	<i>Weighted average exercise price</i>	<i>Number exercisable at 12/30/01</i>	<i>Weighted average exercise price</i>
\$23-28	663,690	1.0	\$23.68	663,690	\$23.68
32-38	2,453,376	3.8	\$35.22	2,453,376	\$35.22
41-49	27,760	5.0	\$45.93	27,760	\$45.93
50-60	6,576,595	8.3	\$55.84	2,611,279	\$57.29
61-70	8,119,378	9.1	\$68.05	1,869,170	\$65.36
71-75	2,685,265	9.9	\$74.28	1,393,305	\$74.27
	20,526,064	8.1	\$59.57	9,018,580	\$53.08

Stock Incentive Rights

The company has not granted stock incentive rights since July 2000. Stock incentive rights awarded earlier in 2000 and in 1999 were as follows:

	<i>2000</i>	<i>1999</i>
Awards granted	10,700	169,290

Awards for 1999 and 2000 are for the four-year incentive period 2000-2003.

In 2001, 86,544 shares of common stock were issued in settlement of previously granted stock incentive rights for the incentive period ended December 2001.

Remaining shares available under the 1978 Plan, which totaled approximately 11,700,000 shares, were moved into the Plan and are thereby included in the 12,000,000 shares originally authorized under the Plan. Shares available for future grants under the Plan totaled 6,392,105 at Dec. 30, 2001.

SFAS No. 123, "Accounting for Stock-Based Compensation," establishes a fair value-based method of accounting for employee stock-based compensation plans and encourages companies to adopt that method. However, it also allows companies to continue to apply the intrinsic value-based method currently prescribed under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25). The company has chosen to continue to report stock-based compensation in accordance with APB 25, and provides the following pro forma disclosure of the effects of applying the fair value method to all applicable awards granted. Under APB 25 and related interpretations, no compensation cost has been recognized for the company's stock options. The compensation cost has been charged against income for stock incentive rights. Those charges were based on the grant price of the stock incentive rights recognized over the four-year earnout periods. Had compensation cost for the company's stock options been determined based on the fair value at the grant date for those awards as permitted (but not required) under the alternative method of SFAS No. 123, the company's

results of operations and related per share amounts would have been reduced to the pro forma amounts indicated below:

In thousands, except per share amounts

	<i>2001</i>	<i>2000</i>	<i>1999</i>
<i>Net income</i>			
As reported	\$831,197	\$1,719,077	\$957,928
Pro forma	\$796,402	\$1,693,339	\$942,733
<i>Income from continuing operations</i>			
As reported	\$831,197	\$971,940	\$919,387
Pro forma	\$796,402	\$946,202	\$904,192
<i>Net income per share – basic</i>			
As reported	\$3.14	\$6.45	\$3.43
Pro forma	\$3.01	\$6.36	\$3.38
<i>Net income per share – diluted</i>			
As reported	\$3.12	\$6.41	\$3.40
Pro forma	\$2.98	\$6.32	\$3.35
<i>Income from continuing operations per share – basic</i>			
As reported	\$3.14	\$3.65	\$3.29
Pro forma	\$3.01	\$3.55	\$3.24
<i>Income from continuing operations per share – diluted</i>			
As reported	\$3.12	\$3.63	\$3.26
Pro forma	\$2.98	\$3.53	\$3.21

The fair value of each option is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 2001, 2000 and 1999, respectively: dividend yield of 1.33%, 1.26% and 1.38%; expected volatility of 26.37%, 27.04% and 22.31%; risk-free interest rates of 4.60%, 5.63%, and 6.34%; and expected lives of seven years each.

SFAS No. 123 applies to stock compensation awards granted in fiscal years that began after Dec. 15, 1994. Options are granted by the company primarily in December and begin vesting over a four-year period. Options granted in December 1995 and thereafter are subject to the pronouncement. To calculate the pro forma amounts shown above, compensation cost was recognized over the four-year period of service during which the options will be earned. As a result, options granted in December of each year (beginning with December 1995) impact pro forma amounts for following years but not the year in which they were granted.

401(k) Savings Plan

In 1990, the company established a 401(k) Savings Plan (the Plan). Substantially all employees of the company (other than those covered by a collective bargaining agreement) who are scheduled to work at least 1,000 hours during each year of employment are eligible to participate in the Plan. Employees could elect to save up to 15% of compensation on a pre-tax basis subject to certain limits. This limit was increased to 20% in 2002. The company matches with company common stock 50% of the first 6% of employee contributions. In 2002, Plan participants are able to fully diversify their company matched stock at