RAYTHEON COMPANY

CONSOLIDATED BALANCE SHEETS

(In millions, except per share amount) December 31:	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$ 3,608	\$ 3,103
Short-term investments	_	297
Receivables, net	1,648	1,324
Contract assets	5,594	5,247
Inventories	758	594
Prepaid expenses and other current assets	528	761
Total current assets	12,136	11,326
Property, plant and equipment, net	2,840	2,439
Goodwill	14,864	14,871
Other assets, net	2,024	2,224
Total assets	\$31,864	\$30,860
Liabilities, Redeemable Noncontrolling Interest and Equity		
Current liabilities		
Commercial paper	\$ 300	\$ 300
Contract liabilities	3,309	2,927
Accounts payable	1,964	1,519
Accrued employee compensation	1,509	1,342
Other current liabilities	1,206	1,260
Total current liabilities	8,288	7,348
Accrued retiree benefits and other long-term liabilities	6,938	8,287
Long-term debt	4,755	4,750
Commitments and contingencies (Note 10)		
Redeemable noncontrolling interest (Note 11)	411	512
Equity		
Raytheon Company stockholders' equity		
Common stock, par value, \$0.01 per share, 1,450 shares authorized, 282 and 288 shares outstanding at December 31, 2018 and 2017, respectively	3	3
Additional paid-in capital	_	_
Accumulated other comprehensive loss	(8,618)	(7,935)
Retained earnings	20,087	17,895
Total Raytheon Company stockholders' equity	11,472	9,963
Noncontrolling interests in subsidiaries	_	_
Total equity	11,472	9,963
Total liabilities, redeemable noncontrolling interest and equity	\$31,864	\$30,860

The accompanying notes are an integral part of the consolidated financial statements.

RAYTHEON COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS

Other (income) expense, net 8 21 (6) Total non-operating (income) expense, net 1,391 1,118 811 Income from continuing operations before taxes 3,147 3,113 3,085 Federal and foreign income taxes 264 1,114 873 Income from continuing operations 2,883 1,999 2,212 Income (loss) from discontinued operations, net of tax (1) 2 1 Net income 2,882 2,001 2,213	(In millions, except per share amounts) Years Ended December 31:	2018	2017	2016
Services 4,425 3,932 3,815 Total net sales 27,058 25,348 24,124 Operating expenses	Net sales			'
Total net sales	Products	\$22,633	\$21,416	\$20,309
Cost of sales—products	Services	4,425	3,932	3,815
Cost of sales—products 16,108 15,252 14,462 Cost of sales—services 3,465 3,088 3,045 General and administrative expenses 2,947 2,777 2,721 Total operating expenses 22,520 21,117 20,228 Operating income 3,458 4,231 3,896 Non-operating (income) expense, net 1,230 913 601 Interest expense 1,84 205 232 Interest income (31) (21) (16) Other (income) expense, net 8 21 (6) Total non-operating (income) expense, net 1,391 1,118 811 Income from continuing operations before taxes 31,47 3,113 3,085 Federal and foreign income taxes 264 1,114 873 Income from continuing operations, net of tax (1) 2 1 Net income 1,88 2,901 2,212 Income from continuing operations 1,01 2 3,244 Net income 8 2,02	Total net sales	27,058	25,348	24,124
Cost of sales—services 3,465 3,088 3,045 General and administrative expenses 2,947 2,777 2,721 Total operating expenses 22,520 21,117 20,228 Operating income 4,538 4,231 3,896 Non-operating (income) expense, net 1,230 913 601 Interest expense 1,84 205 232 Interest income (31) (21) (16) Other (income) expense, net 8 21 (6) Total non-operating (income) expense, net 1,391 1,118 811 Income from continuing operations before taxes 3,147 3,113 3,085 Federal and foreign income taxes 2,883 1,999 2,212 Income from continuing operations 2,882 2,001 2,213 Income from continuing operations, net of tax (1) 2 1 Net income 2,882 2,001 2,213 Income from continuing operations 10,16 6,05 7,55 Income from continuing operations </td <td>Operating expenses</td> <td></td> <td></td> <td>'</td>	Operating expenses			'
General and administrative expenses 2,947 2,777 2,721 Total operating expenses 22,520 21,117 20,228 Operating income 4,538 4,231 3,896 Non-operating (income) expense, net 8 4,231 3,896 Retirement benefits non-service expense 1,230 913 601 Interest expense 184 205 232 Interest income (31) (21) (16) Other (income) expense, net 1,391 1,118 811 Income from continuing operations before taxes 3,147 3,113 3,085 Federal and foreign income taxes 264 1,114 873 Income from continuing operations, net of tax (1) 2 1 Net income 2,883 1,999 2,212 Income (loss) from discontinued operations, net of tax (1) 2 2,01 Net income attributable to Raytheon Company common stockholders: 2,790 2,024 2,244 Basic earnings per share attributable to Raytheon Company common stockholders: 10,16 <td< td=""><td>Cost of sales—products</td><td>16,108</td><td>15,252</td><td>14,462</td></td<>	Cost of sales—products	16,108	15,252	14,462
Total operating expenses 22,520 21,117 20,228 Operating income 4,538 4,231 3,896 Non-operating (income) expense, net Retirement benefits non-service expense 1,230 913 601 Interest expense 184 205 232 Interest income (31) (21) (16) Other (income) expense, net 8 21 (6) Total non-operating (income) expense, net 1,391 1,118 811 Income from continuing operations before taxes 3,147 3,113 3,085 Federal and foreign income taxes 264 1,14 873 Income (loss) from discontinued operations, net of tax (1) 2 1 Net income 2,883 1,999 2,212 Income (loss) from discontinued operations, net of tax (1) 2 1 Net income attributable to Raytheon Company \$ 2,909 \$ 2,024 \$ 2,244 Basic earnings per share attributable to Raytheon Company common stockholders: 10.16 6.95 7.55 Income (loss) from di	Cost of sales—services	3,465	3,088	3,045
Operating income 4,538 4,231 3,896 Non-operating (income) expense, net 1,230 913 601 Interest expense 184 205 232 Interest income (31) (21) (16) Other (income) expense, net 8 21 (6) Total non-operating (income) expense, net 1,391 1,118 811 Income from continuing operations before taxes 3,147 3,113 3,085 Federal and foreign income taxes 264 1,114 873 Income from continuing operations 2,883 1,999 2,212 Income (loss) from discontinued operations, net of tax (1) 2 1 Net income 2,882 2,001 2,213 Less: Net income (loss) attributable to noncontrolling interests in subsidiaries (27) (23) (31) Net income attributable to Raytheon Company \$ 2,909 \$ 2,024 \$ 2,244 Basic earnings per share attributable to Raytheon Company common stockholders: 10.16 6.95 7.55 Income from continuing operations <td< td=""><td>General and administrative expenses</td><td>2,947</td><td>2,777</td><td>2,721</td></td<>	General and administrative expenses	2,947	2,777	2,721
Non-operating (income) expense, net Retirement benefits non-service expense 1,230 913 601 Interest expense 184 205 232 Interest income (31) (21) (16) Other (income) expense, net 8 21 (6) Total non-operating (income) expense, net 1,391 1,118 811 Income from continuing operations before taxes 3,147 3,113 3,085 Federal and foreign income taxes 264 1,114 873 Income from continuing operations 2,883 1,999 2,212 Income from continuing operations 2,882 2,001 2,213 Net income 2,882 2,001 2,213 Less: Net income (loss) attributable to noncontrolling interests in subsidiaries (27) (23) (31) Net income attributable to Raytheon Company common stockholders: Income from continuing operations \$ 10.16 \$ 6.95 \$ 7.55 Income (loss) from discontinued operations, net of tax — 0.01 — Net income 10.16 6.96 7.56 Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations \$ 10.15 \$ 6.94 \$ 7.55 Income (loss) from discontinued operations, net of tax — 0.01 — 0.01 — 0.01 Net income 10.15 \$ 6.95 \$ 7.55 Income (loss) from discontinued operations, net of tax — 0.01 — 0.01 — 0.01 Net income 10.15 \$ 6.95 \$ 7.55 Income from continuing operations \$ 2,910 \$ 2,022 \$ 2,244 Income from continuing operations \$ 2,910 \$ 2,022 \$ 2,243 Income from continuing operations \$ 2,910 \$ 2,022 \$ 2,243 Income (loss) from discontinued operations, net of tax — 0.01 — 0.01 — 0.01 Income from continuing operations \$ 2,910 \$ 2,022 \$ 2,243 Income from continuing operations \$ 2,910 \$ 2,022 \$ 2,243 Income (loss) from discontinued operations, net of tax 1,100 2 1	Total operating expenses	22,520	21,117	20,228
Retirement benefits non-service expense 1,230 913 601 Interest expense 184 205 232 Interest income (31) (21) (16) Other (income) expense, net 8 21 (6) Total non-operating (income) expense, net 1,391 1,118 811 Income from continuing operations before taxes 3,147 3,113 3,085 Federal and foreign income taxes 264 1,114 873 Income from continuing operations 2,883 1,999 2,212 Income (loss) from discontinued operations, net of tax (1) 2 1 Net income 2,882 2,001 2,213 Less: Net income (loss) attributable to noncontrolling interests in subsidiaries (27) (23) (31) Net income attributable to Raytheon Company \$ 2,909 \$ 2,024 \$ 2,244 Basic earnings per share attributable to Raytheon Company common stockholders: 10.16 6.95 7.55 Income (loss) from discontinued operations, net of tax — 0.01 — Net income	Operating income	4,538	4,231	3,896
Interest expense	Non-operating (income) expense, net			
Interest income Cother (income) expense, net Restrict (income) expense Rest	Retirement benefits non-service expense	1,230	913	601
Other (income) expense, net 8 21 (6) Total non-operating (income) expense, net 1,391 1,118 811 Income from continuing operations before taxes 3,147 3,113 3,085 Federal and foreign income taxes 264 1,114 873 Income from continuing operations 2,883 1,999 2,212 Income (loss) from discontinued operations, net of tax (1) 2 1 Net income 2,882 2,001 2,213 Less: Net income (loss) attributable to noncontrolling interests in subsidiaries (27) (23) (31) Net income attributable to Raytheon Company \$ 2,909 \$ 2,024 \$ 2,244 Basic earnings per share attributable to Raytheon Company common stockholders: \$ 10.16 \$ 6.95 \$ 7.55 Income (loss) from discontinued operations, net of tax — 0.01 — Net income 10.16 6.96 7.55 Income (loss) from discontinued operations, net of tax — 0.01 — Net income 10.15 6.95 7.55 Amounts	Interest expense	184	205	232
Total non-operating (income) expense, net 1,391 1,118 811	Interest income	(31)	(21)	(16)
Income from continuing operations before taxes 3,147 3,113 3,085	Other (income) expense, net	8	21	(6)
Federal and foreign income taxes 264 1,114 873 Income from continuing operations 2,883 1,999 2,212 Income (loss) from discontinued operations, net of tax (1) 2 1 Net income 2,882 2,001 2,213 Less: Net income (loss) attributable to noncontrolling interests in subsidiaries (27) (23) (31) Net income attributable to Raytheon Company \$ 2,909 \$ 2,024 \$ 2,244 Basic earnings per share attributable to Raytheon Company common stockholders: \$ 10.16 \$ 6.95 \$ 7.55 Income (loss) from discontinued operations, net of tax — 0.01 — Net income 10.16 6.96 7.56 Diluted earnings per share attributable to Raytheon Company common stockholders: \$ 10.15 \$ 6.94 \$ 7.55 Income from continuing operations \$ 10.15 \$ 6.94 \$ 7.55 Amounts attributable to Raytheon Company common stockholders: Income from continuing operations \$ 2,910 \$ 2,022 \$ 2,243 Income from continuing operations \$ 2,910 \$ 2,022 \$ 2,243	Total non-operating (income) expense, net	1,391	1,118	811
Income from continuing operations Income (loss) from discontinued operations, net of tax Income (loss) from discontinued operations, net of tax Income (loss) from discontinued operations, net of tax Income (loss) attributable to noncontrolling interests in subsidiaries Income attributable to Raytheon Company Income from continuing operations Income from continuing operations Income (loss) from discontinued operations, net of tax Income (loss) from discontinued operations, net of tax Income from continuing operations Income (loss) from discontinued operations, net of tax Income (loss) from discontinued operations Income from continuing operation	Income from continuing operations before taxes	3,147	3,113	3,085
Income (loss) from discontinued operations, net of tax (1) 2 1 Net income Less: Net income (loss) attributable to noncontrolling interests in subsidiaries (27) (23) (31) Net income attributable to Raytheon Company S 2,909 \$ 2,024 \$ 2,244 Basic earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax Net income 10.16 6.96 7.56 Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax Net income 10.15 6.94 \$ 7.55 Income (loss) from discontinued operations, net of tax Net income 10.15 6.95 7.55 Amounts attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax (1) 2 1	Federal and foreign income taxes	264	1,114	873
Net income Less: Net income (loss) attributable to noncontrolling interests in subsidiaries (27) (23) (31) Net income attributable to Raytheon Company Section 2,909 \$2,024 \$2,244 Basic earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax Net income Income from continuing operations Income (loss) from discontinued operations, net of tax Net income Income (loss) from discontinued operations, net of tax Net income Income (loss) from discontinued operations, net of tax Net income Income (loss) from discontinued operations, net of tax Net income Income from continuing operations Income (loss) from discontinued operations, net of tax Income from continuing operations Income (loss) from discontinued operations, net of tax Income from continuing operations Income from cont	Income from continuing operations	2,883	1,999	2,212
Less: Net income (loss) attributable to noncontrolling interests in subsidiaries Net income attributable to Raytheon Company Basic earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax Net income 10.16 6.95 7.55 Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income from continuing operations Income (loss) from discontinued operations, net of tax Net income 10.15 6.94 7.55 Amounts attributable to Raytheon Company common stockholders: Income from continuing operations Sample of tax Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations operations Sample of tax Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax	Income (loss) from discontinued operations, net of tax	(1)	2	1
Net income attributable to Raytheon Company\$ 2,909\$ 2,024\$ 2,244Basic earnings per share attributable to Raytheon Company common stockholders:Income from continuing operations\$ 10.16\$ 6.95\$ 7.55Income (loss) from discontinued operations, net of tax— 0.01—Net income10.166.967.56Diluted earnings per share attributable to Raytheon Company common stockholders:\$ 10.15\$ 6.94\$ 7.55Income from continuing operations\$ 10.15\$ 6.957.55Amounts attributable to Raytheon Company common stockholders:10.156.957.55Income from continuing operations\$ 2,910\$ 2,022\$ 2,243Income (loss) from discontinued operations, net of tax(1)21	Net income	2,882	2,001	2,213
Basic earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax — 0.01 — Net income Net income Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax — 0.01 — Net income Net income 10.15 6.95 7.55 Amounts attributable to Raytheon Company common stockholders: Income from continuing operations S 2,910 \$ 2,022 \$ 2,243 Income (loss) from discontinued operations, net of tax (1) 2 1	Less: Net income (loss) attributable to noncontrolling interests in subsidiaries	(27)	(23)	(31)
Income from continuing operations Income (loss) from discontinued operations, net of tax Net income Net income Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax Net income Net income Income from continuing operations Income from continuing operations Income (loss) from discontinued operations, net of tax Income from continuing operations Income from continuing operations Income from continuing operations Income from continuing operations Income (loss) from discontinued operations, net of tax Income (loss) from discontinued operations	Net income attributable to Raytheon Company	\$ 2,909	\$ 2,024	\$ 2,244
Income from continuing operations Income (loss) from discontinued operations, net of tax Net income Net income Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax Net income Net income Income from continuing operations Income from continuing operations Income (loss) from discontinued operations, net of tax Income from continuing operations Income from continuing operations Income from continuing operations Income from continuing operations Income (loss) from discontinued operations, net of tax Income (loss) from discontinued operations				1
Income (loss) from discontinued operations, net of tax Net income 10.16 6.96 7.56 Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax Net income Net income 10.15 6.94 7.55 Amounts attributable to Raytheon Company common stockholders: Income from continuing operations Income from continuing operations Income (loss) from discontinued operations, net of tax 10.15 2.243 11 11 11 11 11 11 11 11 11 11 11 11 11	Basic earnings per share attributable to Raytheon Company common stockholders:			
Net income Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax Net income Net income Income from continuing operations Income from continuing operations Income from continuing operations Income from continuing operations Income (loss) from discontinued operations, net of tax 10.15 6.94 7.55 6.94 7.55 7.55 Amounts attributable to Raytheon Company common stockholders: Income from continuing operations \$ 2,910 \$ 2,022 \$ 2,243 Income (loss) from discontinued operations, net of tax (1) 2 1	Income from continuing operations	\$ 10.16	\$ 6.95	\$ 7.55
Diluted earnings per share attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax Net income Net income Income from continuing operations Income from continuing operations Income from continuing operations Income (loss) from discontinued operations, net of tax Income (loss)	Income (loss) from discontinued operations, net of tax	_	0.01	_
Income from continuing operations Income (loss) from discontinued operations, net of tax Net income Net income Income from continuing operations, net of tax Amounts attributable to Raytheon Company common stockholders: Income from continuing operations Solve 10.15 Income (loss) from discontinued operations, net of tax (1) 2 1	Net income	10.16	6.96	7.56
Income (loss) from discontinued operations, net of tax Net income 10.15 Amounts attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax (1) 2 10.01 — 0.01 — 0.01 — 0.05 7.55 7.55 10.15				
Net income 10.15 6.95 7.55 Amounts attributable to Raytheon Company common stockholders: Income from continuing operations \$ 2,910 \$ 2,022 \$ 2,243 Income (loss) from discontinued operations, net of tax (1) 2 1	Income from continuing operations	\$ 10.15	\$ 6.94	\$ 7.55
Amounts attributable to Raytheon Company common stockholders: Income from continuing operations Income (loss) from discontinued operations, net of tax (1) 2 1	Income (loss) from discontinued operations, net of tax	_	0.01	_
Income from continuing operations \$ 2,910 \$ 2,022 \$ 2,243 Income (loss) from discontinued operations, net of tax (1) 2 1	Net income	10.15	6.95	7.55
Income (loss) from discontinued operations, net of tax (1) 2 1	Amounts attributable to Raytheon Company common stockholders:			
	Income from continuing operations	\$ 2,910	\$ 2,022	\$ 2,243
Net income \$ 2,909 \$ 2,024 \$ 2,244	Income (loss) from discontinued operations, net of tax	(1)	2	1
	Net income	\$ 2,909	\$ 2,024	\$ 2,244

The accompanying notes are an integral part of the consolidated financial statements.

RAYTHEON COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Roth income \$2,882 \$2,001 \$2,213 Net income 1 (2) (1) Income from continuing operations 2,883 1,999 2,212 Adjustments to reconcile to net cash provided by (used in) operating activities from continuing operations, net of the effect of acquisitions and divestitures 568 \$550 \$15 Stock-based compensation 165 173 151 Gain on sale of equity method investment — — — Loss on repayment of long-tern debt — 39 153 Changes in assets and liabilities (24) 252 133 Receivables, net (327) (157) 18 Contract assets and contract liabilities 28 88 (645) Inventories (166 14 (10 Prepaid expenses and other current assets 73 204 205 Income taxes receivable/payable 114 (193) (185) Accrude demployee compensation 165 111 77 Other current liabilities (108 106 (41)	(In millions) Years Ended December 31:	2018	2017	2016
(Income) loss from discontinued operations, net of tax 1 (2) (1) Income from continuing operations 2,883 1,999 2,212 Adjustments to reconcile to net cash provided by (used in) operating activities from continuing operations, net of the effect of acquisitions and divestitures 568 550 515 Stock-based compensation 165 173 151 Gain on sale of equity method investment — 39 — Loss on repayment of long-term debt — 39 — Deferred income taxes (327) (157) 18 Receivables, net (327) (157) 18 Contract assets and contract liabilities 28 88 (645) Inventories (166) 14 (10) Prepaid expenses and other current assets 73 204 205 Income taxes receivable/payable 174 (193) (185) Accound retire benefits (108) 106 (41) Accuract employee compensation 165 111 77 Other, net 12 (95)	Cash flows from operating activities			
Adjustments to reconcile to net eash provided by (used in) operating activities from continuing operations, net of the effect of acquisitions and divestitures between the continuing operations, net of the effect of acquisitions and divestitures between the continuing operations, net of the effect of acquisitions and divestitures between the continuing operations, net of the effect of acquisitions and divestitures between the continuing operations and amortization and amortization 15 to 17 to 18 to 17 to 19 to	Net income	\$ 2,882	\$ 2,001	\$ 2,213
Adjustments to reconcile to net eash provided by (used in) operating activities from continuing operations, net of the effect of acquisitions and divestitures	(Income) loss from discontinued operations, net of tax	1	(2)	(1)
Proper ciation and amortization 165 173 151 151 152 152 153	Income from continuing operations	2,883	1,999	2,212
Depreciation and amortization 165 568 550 515 515 515 515 515 616 617 173 151 616 617 173 151 616 617 173 151 616 617 173 151 616 617 173 151 616 617 173 151 616 617 173 151 617 173 151 617 173 175 17	Adjustments to reconcile to net cash provided by (used in) operating activities			
Stock-based compensation 165 173 151 Gain on sale of equity method investment — — 39 — Deferred income taxes (24) 252 133 Changes in assets and labilities — 307 (157) 18 Receivables, net (327) (157) 18 Contract assets and contract liabilities 28 88 (645) Inventories (166) 14 (10) Prepaid expenses and other current assets 73 204 205 Income taxes receivable/payable 406 (94) 152 Accounts payable 406 (94) 152 Accrued employee compensation 165 111 77 Other, ent 12 (95) 9 Net cash provided by (used in) operating activities from continuing operations 3,428 2,747 2,852 Net cash provided by (used in) operating activities from discontinued operations 3,428 2,747 2,852 Shows from investing activities (763) (543) (561) <td></td> <td></td> <td></td> <td></td>				
Gain on sale of equity method investment — — 158 Loss on repayment of long-term debt — 39 — Deferred income taxes (24) 252 133 Changes in assets and liabilities 8 88 (645) Receivables, net (327) (157) 18 Contract assets and contract liabilities 28 88 (645) Inventories (166) 14 (10) Prepaid expenses and other current assets 73 204 205 Income taxes receivable/payable 174 (193) 185 Accounts payable 406 (94) 152 Accrued employee compensation 165 111 77 Other current liabilities (108) 106 (41) Accrued erifiere benefits (108) 106 (41) Other, net 12 (95) 49 Net cash provided by (used in) operating activities from continuing operations 3,428 2,747 2,852 Ext eash provided by (used in) operating activities				
Loss on repayment of long-term debt C24 C25 C2		165	173	
Deferred income taxes Changes in assets and liabilities Receivables, net Receivables, net Contract assets and contract liabilities 28 88 (645) Contract assets and contract liabilities 73 204 205 Contract axes receivable/payable 174 (193 (185) (196 114 (193 (185) (196 114 (193 (185) (196 114 (193 (185) (196				(158)
Changes in assets and liabilities (327) (157) 18 Receivables, net 28 88 (645) Inventories (166) 14 (10) Prepaid expenses and other current assets 73 204 205 Income taxes receivable/payable 406 (94) 152 Accoude employee compensation 165 111 77 Other current liabilities (108) 106 (41) Other, net (421) (250) 419 Other, net (421) (250) 419 Other, net (421) (250) 419 Net cash provided by (used in) operating activities from continuing operations 3,428 2,747 2,852 Net cash provided by (used in) operating activities from discontinued operations — (2) — Net cash provided by (used in) operating activities — (2) — Additions to property, plant and equipment (763) (543) (561) Purchases of short-term investments — (696) (472)				
Receivables, net (327) (157) 18 Contract assets and contract liabilities 28 88 (645) Inventories (166) 14 (10) Prepaid expenses and other current assets 73 204 205 Income taxes receivable/payable 406 (94) 152 Accrude employee compensation 165 111 77 Other current liabilities (108) 106 (41) Accruded employee compensation 12 (95) 9 Net cash provided by (used in) operating activities from continuing operations 3,428 2,747 2,852 Net cash provided by (used in) operating activities from discontinued operations 3,428 2,745 2,852 Ext cash provided by (used in) operating activities from discontinued operations - (2) - Net cash provided by (used in) operating activities from discontinued operations - (2) - Rot cash provided by (used in) operating activities - (20 - Rot cash provided by (used in) operating activities - (58) (68)		(24)	252	133
Contract assets and contract liabilities 28 88 (645) Inventoricies (166) 14 (10) Prepaid expenses and other current assets 73 204 205 Income taxes receivable/payable 174 (193) (185) Accorued employee compensation 165 111 77 Other current liabilities (108) 106 (41) Accrued ettiree benefits (121) (250) 49 Other, net 12 (95) 9 Net cash provided by (used in) operating activities from continuing operations 3,428 2,747 2,852 Net cash provided by (used in) operating activities from discontinued operations - (2) - Net cash provided by (used in) operating activities - (2) - Net cash provided by (used in) operating activities - (2) - Additions to property, plant and equipment (763) (543) (561) Proceeds from sales of property, plant and equipment 2 46 34 Additions to capitalized internal use software		(225)	(1.55)	10
Inventories				_
Prepaid expenses and other current assets 73 204 205 Income taxes receivable/payable 174 (193) (185) Accounts payable 406 (94) 152 Accrued employee compensation 165 111 77 Other current liabilities (108) 106 (41) Accrued ertiree benefits (421) (250) 49 Net cash provided by (used in) operating activities from continuing operations 3,428 2,747 2,852 Net cash provided by (used in) operating activities from discontinued operations - (2) - Net cash provided by (used in) operating activities from discontinued operations - (2) - Net cash provided by (used in) operating activities from discontinued operations - (2) - Net cash provided by (used in) operating activities - (2) - Active ash provided by (used in) operating activities - (63) (54) Auditions to property, plant and equipment 2 2 46 34 Additions to property, plant and equipment 2				
Income taxes receivable/payable 174 (193) (185) Accounts payable 406 (94) 152 Accrued employee compensation 165 111 77 Other current liabilities (108) 106 (41) Accrued retiree benefits (108) 106 (41) Other, net 12 (95) 9 Net cash provided by (used in) operating activities from continuing operations 3.428 2,747 2,852 Net cash provided by (used in) operating activities from discontinued operations - (2) - Net cash provided by (used in) operating activities - (2) - Net cash provided by (used in) operating activities - (2) - Additions to property, plant and equipment (763) (543) (561) Proceeds from sales of property, plant and equipment (58) (68) (64) Purchases of short-term investments 309 517 1,184 Purchases of short-term investments 309 517 1,184 Payments for purchases of acquired companies, net				
Accounts payable 406 (94) 152 Accrued employee compensation 165 111 77 Other current liabilities (108) 106 (41) Accrued retiree benefits (421) (250) 419 Other, net 12 (95) 9 Net cash provided by (used in) operating activities from discontinued operations 3,428 2,747 2,852 Net cash provided by (used in) operating activities 3,428 2,745 2,852 Cash flows from investing activities 6 (54) 36 Additions to property, plant and equipment 2 46 34 Additions to property, plant and equipment 2 46 34 Additions to group and set of property, plant and equipment 2 46 472 Purchases of short-term investments 309 517 </td <td></td> <td></td> <td></td> <td></td>				
Accrued employee compensation 165 111 77 Other current liabilities (108) 106 (41) Accrued retiree benefits (421) (250) 419 Other, net 12 (95) 9 Net cash provided by (used in) operating activities from continuing operations 3,428 2,747 2,852 Net cash provided by (used in) operating activities from discontinued operations — (2) — Net cash provided by (used in) operating activities 3428 2,745 2,852 Net cash provided by (used in) operating activities 3428 2,745 2,852 Net cash provided by (used in) operating activities 3428 2,745 2,852 Cash flows from investing activities 3428 2,745 2,852 Additions to capitalized internal use software (58) 668 661 Purchases of short-term investments 309 517 1,184 Payments for purchases of acquired companies, net of cash received — 93 (57) Proceeds from sale of business, net of transaction costs 11 — —				
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Cash, cash equivalents and restricted cash at end of year \$3,624 \$3,115 \$3,303				
	Cash, cash equivalents and restricted cash at end of year	\$ 3,624	\$ 3,115	\$ 3,303

The accompanying notes are an integral part of the consolidated financial statements.