

**Noble Corp** NYSE: NE

**Price Performance**

Price on 3/20/07	\$76.47
52-Week High/Low	\$86.16 / 58.51
Volume on 3/20/07	3,198,064
10-Day Avg. Volume	3,596,681
Price 1 Month Ago	\$70.43
1 Month Price Performance	8.6%
Price 3 Months Ago	\$77.10
3 Month Price Performance	-0.8%
Price 6 Months Ago	\$63.43
6 Month Price Performance	20.6%
Price 12 Months Ago	\$74.68
12 Month Price Performance	2.4%
Market Capitalization	\$10.3 Billion
Beta	0.83

**Key Statistics** (Latest 4 Quarters)

EPS Growth	149.1%
EPS Growth 3 Year, annualized	62.2%
EPS Growth 5 Year, annualized	22.0%
Sales Growth	55.0%
Asset Turnover	0.5x
Inventory Turnover	200.7x
Receivables Turnover	4.8x
Effective Tax Rate	20.6%
Total Debt to Equity	26.2%
Interest Coverage	14.5x
Quick Ratio	1.6x
Current Ratio	1.7x
Payout Ratio	3.0%
Debt to Capital	0.2x

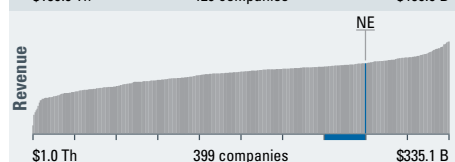
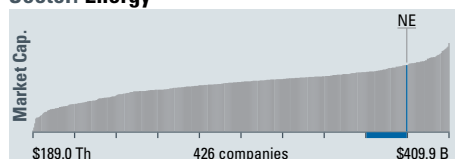
**Business Description**

Operates as a major drilling contractor with offshore operations in the U.S., the North Sea, West Africa, the Middle East, the Mediterranean, Mexico and India. Contract drilling services are performed with a fleet of 62 offshore drilling units located in key markets worldwide.

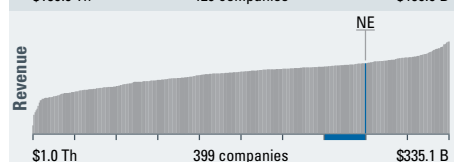
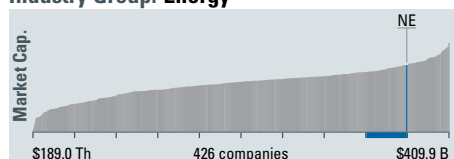
Noble Corp  
13135 Dairy Ashford Rd Ste 800  
Sugar Land, TX 77478-3698  
281-276-6100  
www.noblecorp.com

**Company to Industry Comparisons** (Using S&P GICS Groupings)

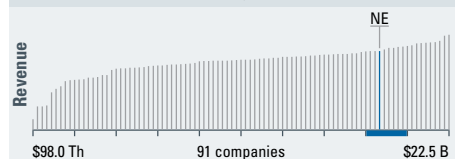
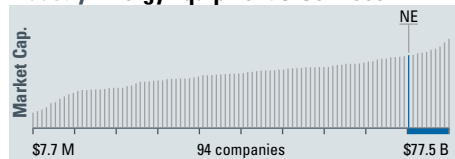
**Sector: Energy**



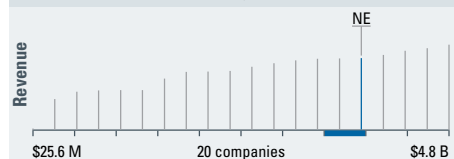
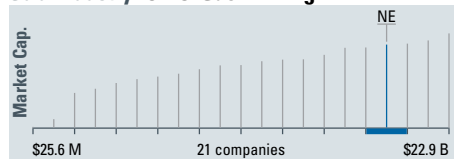
**Industry Group: Energy**



**Industry: Energy Equipment & Services**



**Sub-Industry: Oil & Gas Drilling**



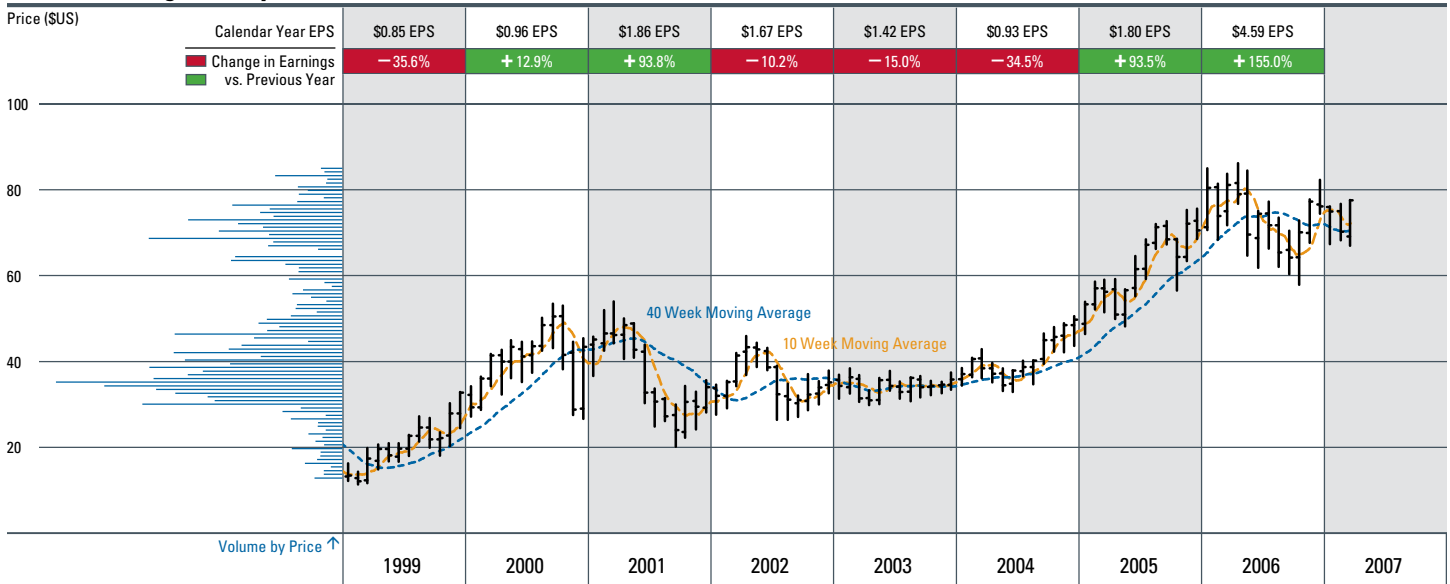
**Benchmark Price Performance**

Duration	Industry Group	Sub-Industry
1 Month	-1.8%	2.6%
3 Month	-4.4%	-1.1%
6 Month	9.0%	13.9%
12 Month	4.9%	0.0%

**Table of Contents**

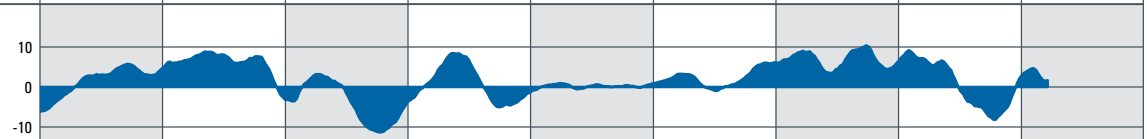
Overview	1
Historical Trend Data	2
Peer Analysis	3
Fundamental Ratios	4
Industry Overview	5
Earnings & Dividends	6
Annual Income Statement	7
Annual Balance Sheet	9
Annual Cash Flow	11
Quarterly Income Statement	12
Quarterly Balance Sheet	13
Quarterly Cash Flow	14
Glossary	15

Price & Earnings History



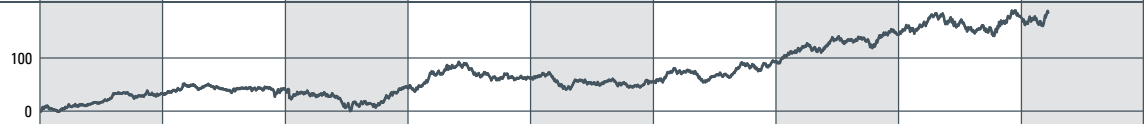
Moving Average Difference

The 10 and 40 Week moving averages indicate that NE may be in a bullish trend. This is because the 10 Week moving average is above the 40 Week moving average.



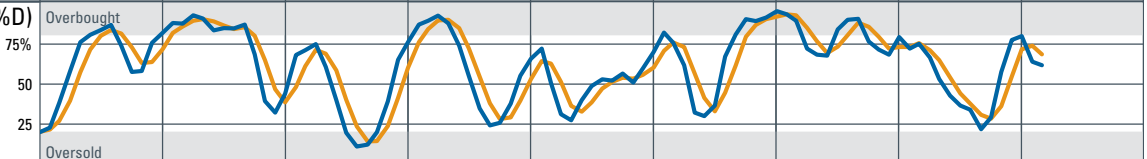
On Balance Volume (Millions)

The On Balance Volume indicator (OBV) presently offers a bullish signal. This is because the slope of the indicator is positive and shows that there is considerable buying interest.

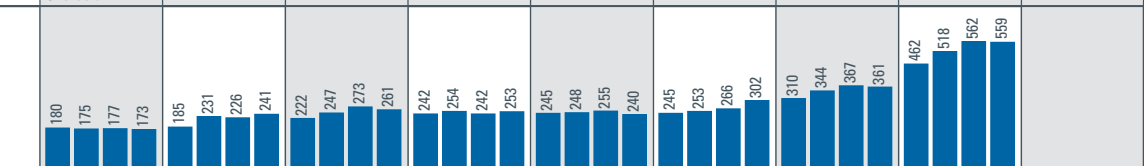


Stochastic Oscillator (~%K ~%D)

The Stochastic Oscillator is registering a strong bearish signal as the %K line has crossed under the %D and the oscillator recently crossed below the critical value of 80, moving from its overbought condition.



Revenue History (Millions of \$)



Fundamentals

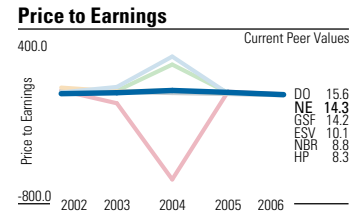
	1999	2000	2001	2002	2003	2004	2005	2006	2007
Price/Earnings	45.5x	35.6x	17.3x	22.4x	28.6x	45.6x	32.7x	14.3x	--
Price/Sales	6.1x	6.6x	4.5x	4.7x	4.8x	6.3x	7.0x	4.9x	--
Price/Book Value	3.1x	3.7x	2.5x	2.3x	2.2x	2.8x	3.5x	3.2x	--
Price/Cash Flow	23.6x	21.1x	11.8x	13.9x	15.1x	21.3x	19.8x	11.1x	--
Gross Margin	39.6%	45.7%	52.6%	43.3%	39.7%	37.3%	41.6%	55.1%	--
Profit Margin	13.5%	18.8%	26.3%	21.2%	16.9%	13.7%	21.5%	34.8%	--
Sales/Employee	\$233.1 Th	\$299.9 Th	\$265.6 Th	\$263.2 Th	\$293.5 Th	\$201.2 Th	\$246.8 Th	\$350.0 Th	--
Income/Employee	\$31.5 Th	\$56.3 Th	\$69.9 Th	\$55.9 Th	\$49.5 Th	\$27.6 Th	\$53.0 Th	\$122.0 Th	--
Return on Equity	6.8%	10.5%	14.8%	10.5%	7.6%	6.1%	10.9%	22.7%	--
Return on Assets	3.9%	6.4%	9.6%	6.8%	5.2%	4.4%	6.8%	16.0%	--
PEG (Historical Growth)	--	-2.4x	1.0x	0.8x	35.2x	-2.5x	2.9x	0.2x	--
Beta	1.6	1.6	1.5	1.3	1.1	0.9	0.8	0.8	--
Annual Dividend	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.10	\$0.16	--
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	--

All values in the Fundamentals table are calculated using fiscal year data unless otherwise noted

Peer Comparison Ratios

All values are for the last fiscal year unless otherwise noted.

Company Name (Ticker Symbol)	P/E (3/20/07)	High P/E	Low P/E	PEG Ratio
<b>Noble Corp (NE)</b>	<b>14.3</b>	<b>16.2</b>	<b>11.0</b>	<b>0.2</b>
Diamond Offshore Drilling Inc. (DO)	15.4	19.1	12.2	0.1
Nabors Industries Ltd (NBR)	8.6	11.9	8.0	0.1
GlobalSantaFe Corp. (GSF)	14.5	15.7	10.6	0.1
ENSCO International Inc. (ESV)	10.7	11.8	7.5	0.1
Helmerich & Payne Inc. (HP)	8.7	12.0	6.3	0.1



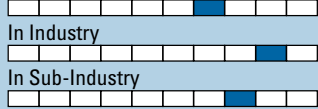
High and Low P/E are for trailing twelve months. PEG ratio is historical.

Valuation

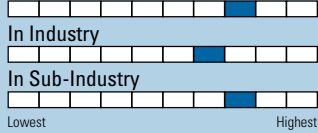
Line charts below give a 5 year history for NE and up to 5 peers.

The deciles below show the current fiscal year distribution for NE in several GICS groupings.

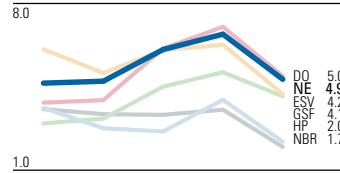
Price to Sales in Sector



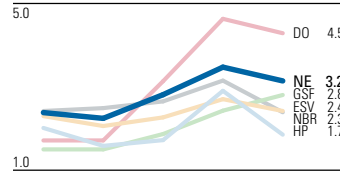
Price to Cash Flow in Sector



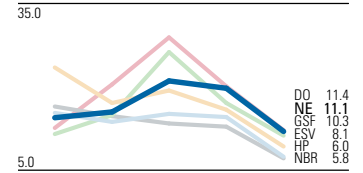
Price to Sales



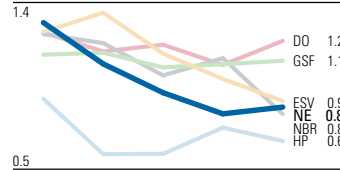
Price to Book



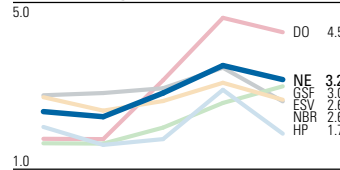
Price to Cash Flow



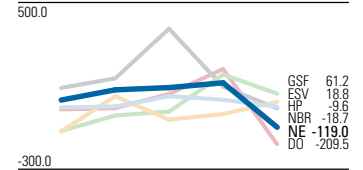
Beta



Price to Tangible Book

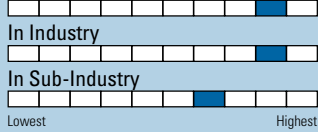


Price to Free Cash Flow

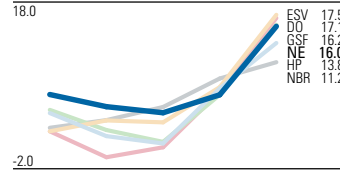


Management Effectiveness

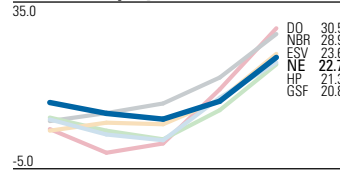
Return on Assets in Sector



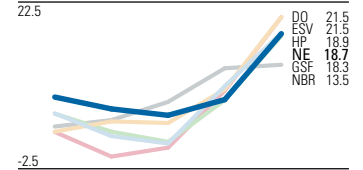
Return on Assets (%)



Return on Equity (%)

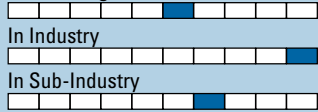


Return on Investments (%)

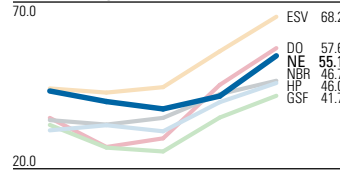


Profitability

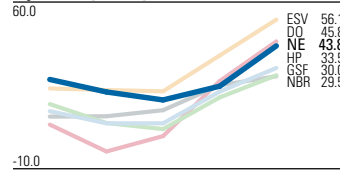
Gross Margin in Sector



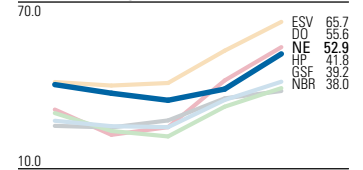
Gross Margin (%)



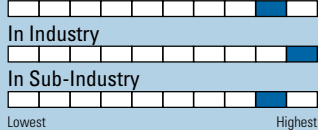
Operating Margin (%)



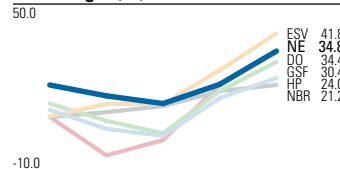
EBITDA Margin (%)



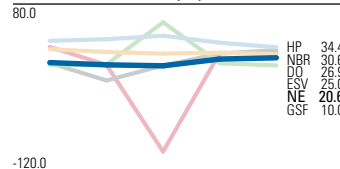
Net Margin in Sector



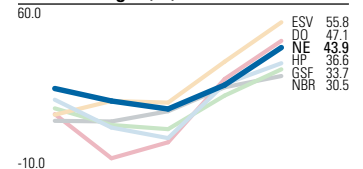
Net Margin (%)



Effective Tax Rate (%)

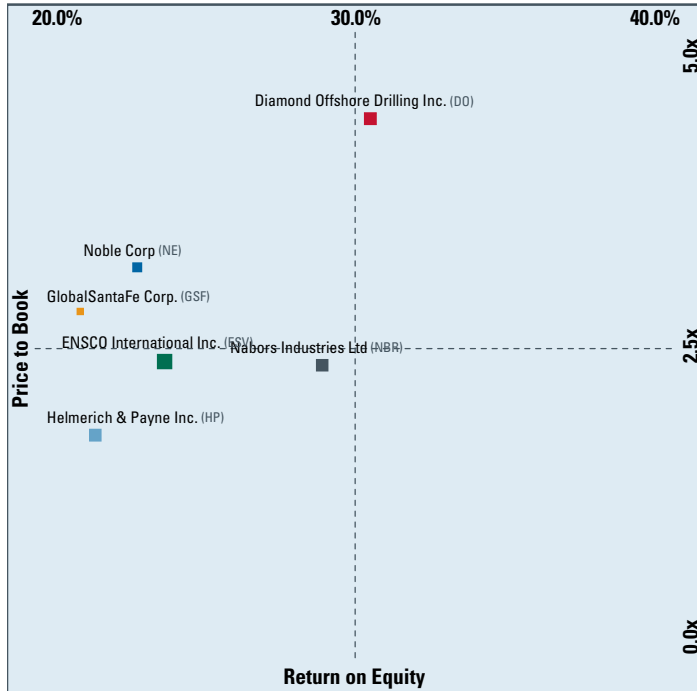


Pretax Margin (%)



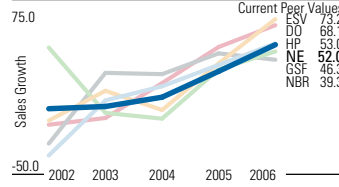
**Peer Comparison**

This peer comparison scatter shows a relative comparison of valuation, management effectiveness and risk for NE and several peers. Marker size = lower risk ■ ■ ■ ■ ■ Higher risk

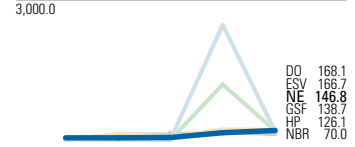


**Growth Rates**

**Annual Sales Growth (%)**

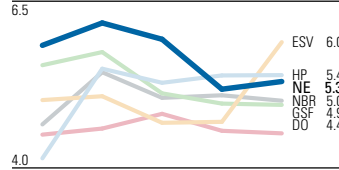


**Annual EPS Growth (%)**

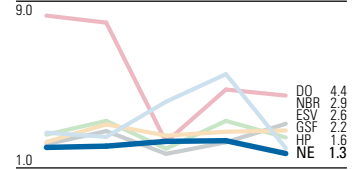


**Financial Strength**

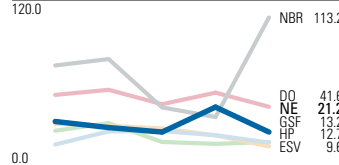
**Receivable Turnover**



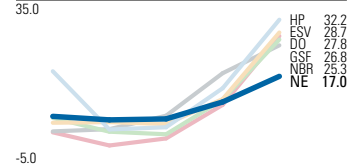
**Current Ratio**



**Total Debt to Equity (%)**



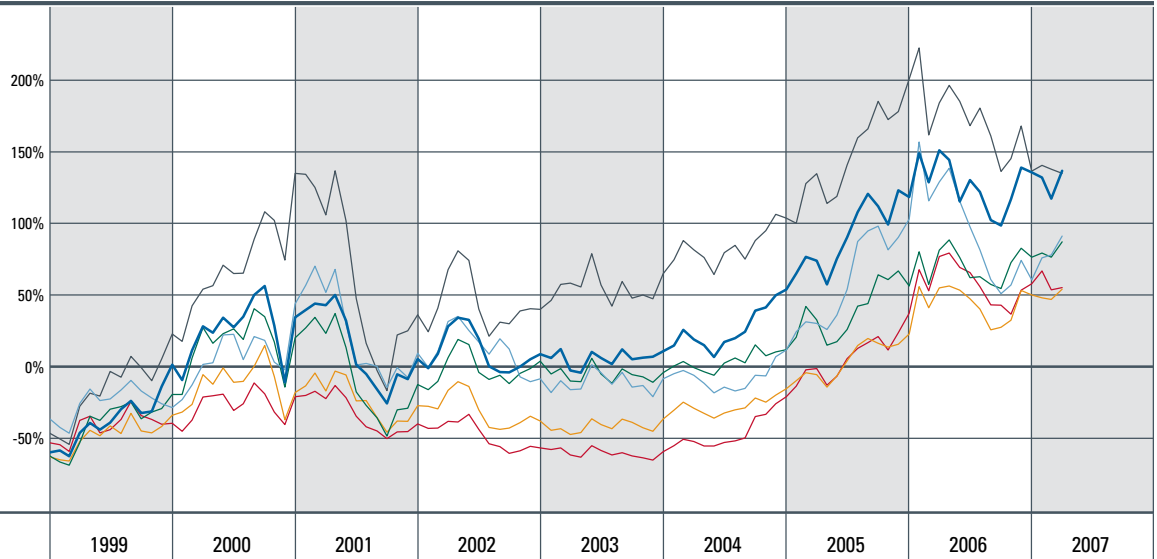
**Interest Coverage**



**Peer Group Relative Strength**

Relative Price Performance for the following companies:

- Noble Corp —
- Diamond Offshore Drilling Inc. —
- Nabors Industries Ltd —
- GlobalSantaFe Corp. —
- ENSCO International Inc. —
- Helmerich & Payne Inc. —



## Industry Comparison

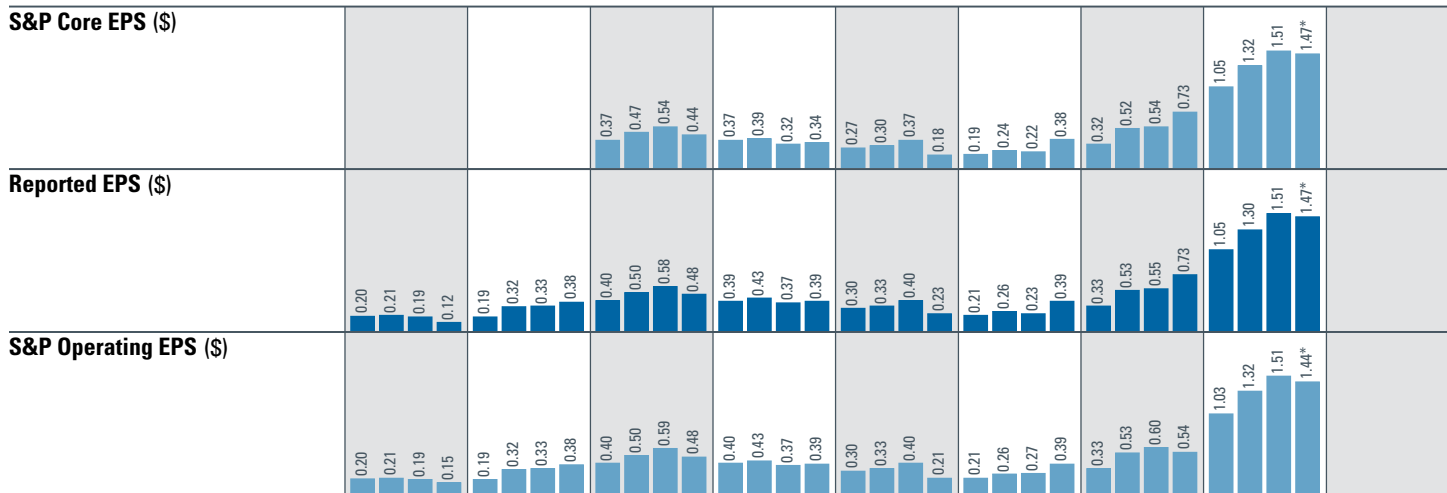
All values are for the last fiscal year unless otherwise noted.

This peer comparison table shows a list of the companies in the "Energy Equipment &amp; Services" industry sorted by market capitalization.

Company Name (Ticker Symbol)	Current Market Cap. (Millions)	Revenue (Millions)	1 Year Revenue Growth	1 Year EPS Growth	Total Debt to Capital	Modified Return on Capital	Profit Margin
Schlumberger Ltd (SLB)	\$77,548.2	\$19,230.5	34.4%	66.3%	0.4x	71.9%	19.3%
Tenaris SA, Luxembourg (TS)	\$50,432.5	\$7,740.8	14.9%	48.8%	0.4x	51.3%	24.5%
Halliburton Co (HAL)	\$30,668.0	\$22,504.0	7.1%	-4.8%	0.3x	69.2%	10.1%
Transocean Inc (RIG)	\$22,907.2	\$3,882.0	34.2%	100.9%	0.3x	16.3%	35.7%
Baker Hughes Inc (BHI)	\$20,597.9	\$9,027.4	25.6%	181.6%	0.2x	49.0%	26.6%
Weatherford International Ltd. (WFT)	\$15,000.7	\$6,578.9	51.8%	72.1%	0.3x	28.1%	13.6%
GlobalSantaFe Corp. (GSF)	\$13,900.7	\$3,312.6	46.3%	138.7%	0.1x	20.5%	30.4%
National Oilwell Varco Inc (NOV)	\$13,132.6	\$7,025.8	51.3%	113.8%	0.1x	47.2%	9.7%
Diamond Offshore Drilling Inc. (DO)	\$10,876.8	\$2,052.6	68.1%	168.1%	0.3x	31.9%	34.4%
<b>Noble Corp (NE)</b>	<b>\$10,285.4</b>	<b>\$2,100.2</b>	<b>52.0%</b>	<b>146.8%</b>	<b>0.2x</b>	<b>23.3%</b>	<b>34.8%</b>
Smith International Inc. (SII)	\$8,977.1	\$7,333.6	31.4%	68.2%	0.3x	36.2%	6.8%
Nabors Industries Ltd (NBR)	\$8,237.6	\$4,820.2	39.3%	70.0%	0.5x	24.0%	21.2%
ENSCO International Inc. (ESV)	\$8,012.0	\$1,813.5	73.2%	166.7%	0.1x	32.1%	41.8%
BJ Services Co (BJS)	\$7,805.9	\$4,367.9	34.7%	82.6%	0.2x	59.5%	18.4%
Cameron International Corp (CAM)	\$6,611.8	\$3,742.9	48.7%	78.9%	0.3x	48.0%	8.5%
Technip, Paris (TKP)	\$6,471.8	\$6,405.0	-8.0%	522.7%	0.4x	-21.1%	1.8%
Grant Prideco Inc. (GRP)	\$5,949.9	\$1,350.0	42.8%	184.3%	0.2x	44.6%	14.0%
Pride International Inc. (PDE)	\$4,866.5	\$2,033.3	18.8%	300.0%	0.3x	8.8%	6.3%
FMC Technologies Inc (FTI)	\$4,584.4	\$3,226.7	16.6%	-10.7%	0.3x	23.0%	3.3%
Petroleum Geo-Services ASA (PGS)	\$4,138.2	\$1,196.3	5.4%	--	0.7x	13.0%	9.4%
Aceryg SA (ACGY)	\$3,680.3	\$1,487.5	19.8%	1,700.0%	0.0x	100.2%	7.2%
CGG Veritas (CGV)	\$3,518.1	\$1,058.3	12.8%	--	0.3x	12.5%	-0.9%
Rowan Companies Inc. (RDC)	\$3,463.1	\$1,510.7	41.4%	44.2%	0.2x	18.4%	21.0%
Patterson-UTI Energy Inc (PTEN)	\$3,450.2	\$2,546.6	46.3%	87.0%	0.1x	59.5%	26.4%
Tidewater Inc. (TDW)	\$3,106.5	\$877.6	26.8%	128.7%	0.1x	14.8%	26.9%
Helmerich & Payne Inc. (HP)	\$3,010.2	\$1,224.8	53.0%	126.1%	0.1x	25.8%	24.0%
Superior Energy Services Inc. (SPN)	\$2,750.5	\$1,093.8	48.8%	172.9%	0.5x	33.6%	17.2%
Dresser-Rand Group Inc (DRC)	\$2,354.9	\$1,208.2	32.0%	-25.9%	0.5x	40.5%	3.1%
SEACOR Holdings Inc (CKH)	\$2,351.5	\$972.0	97.6%	541.7%	0.4x	8.2%	17.5%
Hanover Compressor Co (HC)	\$2,292.8	\$1,354.1	15.9%	35.9%	0.6x	5.9%	-2.7%
TODCO (THE)	\$2,282.2	\$912.1	70.7%	213.4%	0.0x	53.7%	20.1%
Oceaneering International Inc. (OII)	\$2,273.8	\$1,280.2	28.2%	93.2%	0.2x	26.6%	9.7%
Unit Corp (UNT)	\$2,265.9	\$880.8	71.7%	133.5%	0.1x	27.2%	24.1%
Hydril Co (HYDL)	\$2,032.2	\$503.0	33.5%	27.2%	0.0x	68.5%	18.1%
Universal Compression Holdings Inc (UCO)	\$2,019.9	\$613.6	--	--	0.5x	8.5%	9.0%
Global Industries Ltd (GLBL)	\$2,016.1	\$689.8	45.5%	400.0%	0.1x	15.9%	5.0%
Core Laboratories NV (CLB)	\$1,889.9	\$575.7	19.1%	171.7%	0.8x	68.4%	14.4%
TETRA Technologies Inc. (TTI)	\$1,715.1	\$531.0	50.4%	109.2%	0.3x	12.8%	7.2%
Atwood Oceanics Inc. (ATW)	\$1,679.0	\$276.6	64.2%	228.1%	0.1x	16.2%	31.1%
Dril-Quip Inc. (DRQ)	\$1,594.0	\$340.8	53.8%	150.0%	0.0x	16.1%	9.6%
Oil States International Inc. (OIS)	\$1,499.7	\$1,923.4	25.6%	61.4%	0.3x	34.9%	10.3%
Lone Star Technologies Inc. (LSS)	\$1,485.6	\$1,377.6	7.2%	-52.7%	0.0x	30.5%	7.9%
RPC Inc. (RES)	\$1,476.1	\$596.6	39.5%	67.8%	0.1x	46.3%	18.6%
Complete Production Services Inc (CPX)	\$1,412.3	\$757.7	136.2%	63.0%	0.6x	22.2%	7.1%
W-H Energy Services Inc (WHQ)	\$1,300.8	\$894.8	41.0%	123.8%	0.2x	37.1%	12.9%
Grey Wolf Inc. (GW)	\$1,228.3	\$945.5	35.7%	81.5%	0.3x	48.4%	23.3%
CARBO Ceramics Inc. (CRR)	\$1,098.9	\$312.1	23.5%	15.0%	0.0x	26.1%	17.4%
Cal Dive International Inc (DVR)	\$1,033.0	\$509.9	127.3%	--	0.5x	59.8%	23.4%
Input/Output Inc. (IO)	\$1,007.0	\$503.6	38.8%	52.4%	0.2x	21.0%	5.7%
Parker Drilling Co (PKD)	\$987.7	\$586.4	10.3%	-25.7%	0.4x	27.4%	13.8%
GulfMark Offshore Inc (GMRK)	\$970.7	\$204.0	46.5%	1,330.8%	0.4x	11.6%	18.8%
Basic Energy Services Inc (BAS)	\$891.2	\$459.8	47.6%	221.4%	0.3x	23.9%	9.7%
Bristow Group Inc (BRS)	\$850.3	\$768.9	14.1%	10.9%	0.3x	9.3%	7.5%
Lufkin Industries Inc (LUFK)	\$814.6	\$492.2	38.1%	192.8%	0.0x	34.4%	9.1%
Hercules Offshore Inc (HERO)	\$814.2	\$161.3	--	--	0.3x	21.0%	17.0%

**Earnings History**

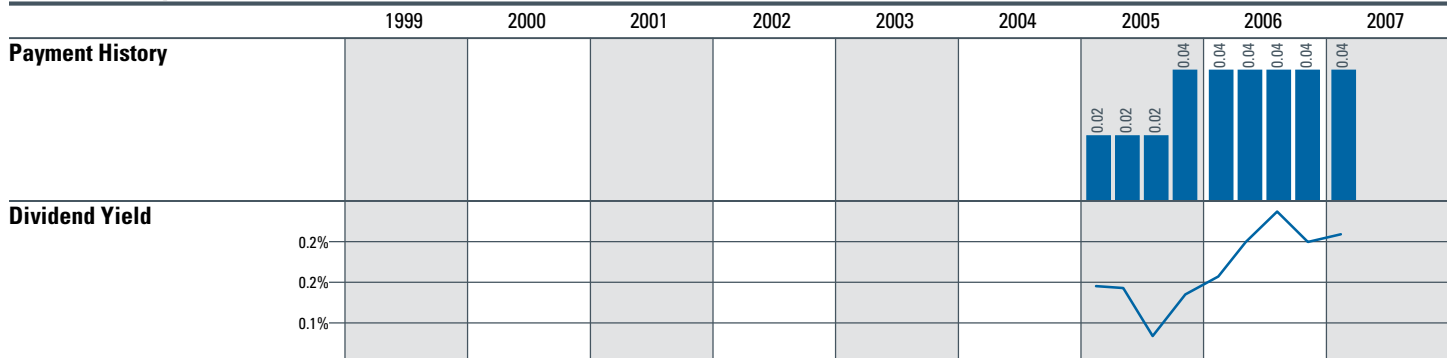
Standard & Poor's Core Earnings is a uniform methodology for calculating operating earnings, and focuses on a company's after-tax earnings generated from its principal businesses.



**Annual Earnings**

	1999	2000	2001	2002	2003	2004	2005	2006	2007
S&P Core EPS (\$)	0.63	1.13	1.83	1.43	1.11	1.02	2.11	5.35	--
Reported EPS (\$)	0.72	1.22	1.97	1.57	1.25	1.09	2.16	5.33	--
S&P Operating EPS (\$)	0.76	1.22	1.97	1.59	1.23	1.13	2.02	5.30	--
Ratio of Core / Reported	0.88	0.93	0.93	0.91	0.89	0.94	0.98	1.00	--

**Dividend Analysis**



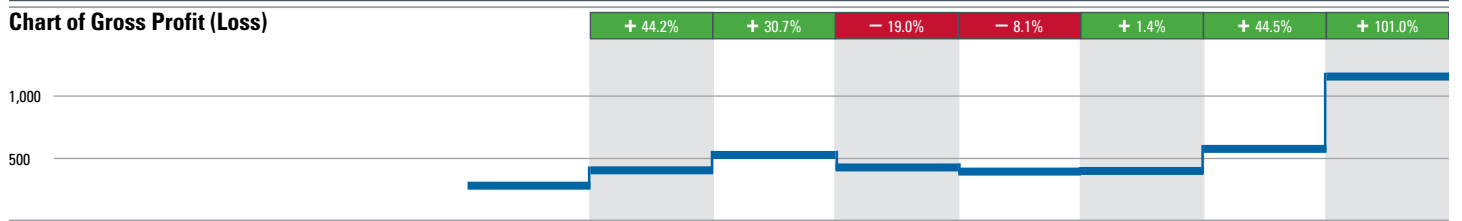
**Dividend Details** (All dividends are "Cash" unless otherwise noted)

Announce Date	Ex-Date	Record Date	Date Payable	Dividend Amount (\$)	Announce Date	Ex-Date	Record Date	Date Payable	Dividend Amount (\$)
02/02/07	02/12/07	02/14/07	03/01/07	0.04	11/01/05	11/07/05	11/09/05	12/01/05	0.04
10/27/06	11/06/06	11/08/06	12/01/06	0.04	07/22/05	08/01/05	08/03/05	09/01/05	0.02
07/28/06	08/07/06	08/09/06	09/01/06	0.04	04/28/05	05/05/05	05/09/05	06/01/05	0.02
04/26/06	05/04/06	05/08/06	06/01/06	0.04	02/04/05	02/14/05	02/16/05	03/01/05	0.02
02/03/06	02/13/06	02/15/06	03/01/06	0.04					

Annual Income Statement

Change vs. Previous Year

Chart of Gross Profit (Loss)



Millions of \$US

	1999	2000	2001	2002	2003	2004	2005	2006
Sales/Turnover (Net)	\$706	\$883	\$1,002 <sup>AS</sup>	\$986 <sup>AA</sup>	\$987	\$1,066	\$1,382 <sup>AA</sup>	\$2,100
Cost of Goods Sold	426	479	475	559	595	668	807	944
Gross Profit (Loss)	280	403	527	427	392	398	575	1,156
Selling, General and Administrative Expenses	36	24	24	27	27	34	40	46
Operating Income Before Depreciation	244	379	503	400	366	364	535	1,110
Amortization of Intangibles	0	--	0	0	0	0	0	0
Depreciation and Amortization - Total	88	109	117	123	147	168	192	190
Operating Income After Depreciation	156	270	386	277	219	197	343	921
Interest and Related Expense	56	58	49	44	41	35	34	54
Interest Income - Total	10	--	--	--	--	--	--	--
Other Non-Operating Income	21	14	13	15	6	9	25	48
Nonoperating Income (Expense) - Total	31	14	13	15	6	9	25	48
Special Items	(7)	0	0	(4)	3	(9)	30	7
Pretax Income	124	226	350	243	187	162	364	921
Income Taxes - Foreign	14	4	14	17	19	19	28	49
Deferred Taxes-Foreign	3	0	0	4	(11)	(7)	(1)	1
Income Taxes - Deferred	21	94	56	17	4	5	36	4
Income Taxes - Total	30	61	86	34	21	16	67	189
Minority Interest - Income Account	(1)	--	--	--	--	--	--	--
Income Before Extraordinary Items	95	166	264	210	166	146	297	732 <sup>AC</sup>
Extraordinary Items	(11)	0	(1)	0	0	0	0	0
Extraordinary Items and Discontinued Operations	(11)	0	(1)	0	0	0	0	0
Net Income (Loss)	84	166	263	210	166	146	297	732

EARNINGS PER SHARE - DETAIL (EPS data in \$US, Shares in Millions)

EPS - Basic Excluding Extraordinary Items	0.72 <sup>BJ</sup>	1.24 <sup>BJ</sup>	1.99 <sup>BJ</sup>	1.58 <sup>BJ</sup>	1.26 <sup>BJ</sup>	1.10 <sup>BJ</sup>	2.18 <sup>BJ</sup>	5.38
EPS - Basic Including Extraordinary Items	0.64 <sup>BJ</sup>	1.24 <sup>BJ</sup>	1.98 <sup>BJ</sup>	1.58 <sup>BJ</sup>	1.26 <sup>BJ</sup>	1.10 <sup>BJ</sup>	2.18 <sup>BJ</sup>	5.38
EPS - Diluted Excluding Extraordinary Items	0.72	1.22	1.97	1.57	1.25	1.09	2.16	5.33
EPS - Diluted Including Extraordinary Items	0.64	1.22	1.96	1.57	1.25	1.09	2.16	5.33
EPS from Operations - Basic	0.76	1.24	1.99	1.61 <sup>NR</sup>	1.24 <sup>NR</sup>	1.14	2.04 <sup>NR</sup>	5.35 <sup>NR</sup>
EPS from Operations - Diluted	0.76	1.22	1.97	1.59 <sup>NR</sup>	1.23 <sup>NR</sup>	1.13	2.02 <sup>NR</sup>	5.30 <sup>NR</sup>
Common Shares Used to Calculate EPS Basic	131	133	133	132	132	133	136	136
Common Shares Used to Calculate EPS Diluted	133	135	134	133	133	134	138	137
Dividends Common/Ordinary	0	0	0	0	0	0	14	22

<sup>AS</sup> This year's data reflects a merger or acquisition and is restated for/reflects an accounting change.

<sup>AA</sup> Restated for/Reflects merger/acquisition

<sup>AC</sup> Restated for/reflects an accounting change

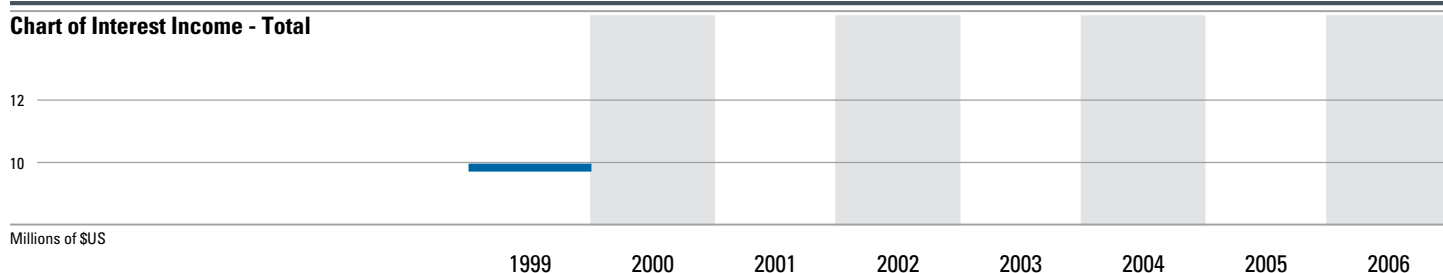
<sup>BJ</sup> Includes equity in unconsolidated subsidiaries

<sup>NR</sup> Statutory rate used in calculation

Annual Income Statement, continued

Change vs. Previous Year

Chart of Interest Income - Total



SUPPLEMENTAL ITEMS

	1999	2000	2001	2002	2003	2004	2005	2006
Interest Income - Total	\$10	--	--	--	--	--	--	--
Interest Capitalized	22	2	0	0	0	0	14	38

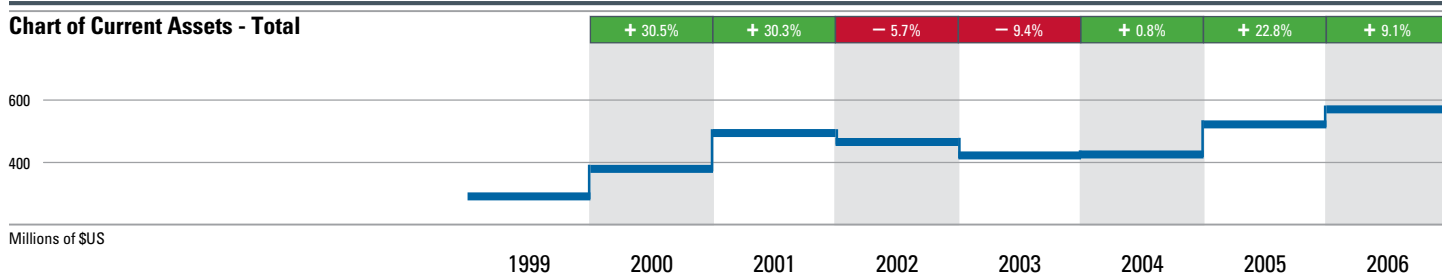
SPECIAL ITEMS - BREAKOUT

	1999	2000	2001	2002	2003	2004	2005	2006
Gain/Loss on Sale of Assets Pretax	--	--	--	6	3	--	--	1
Impairment of Goodwill Pretax	--	--	--	--	--	--	--	(5)
Writedowns Pretax	--	--	--	(10)	--	--	--	--
Extinguishment of Debt Pretax	--	--	--	(0)	--	--	--	--
Special Items - Other Pretax	--	--	--	--	--	(9)	30	11

Annual Balance Sheet

Change vs. Previous Year

Chart of Current Assets - Total



CURRENT ASSETS

	1999	2000	2001	2002	2003	2004	2005	2006
Cash	133	173	237	193	139	100	122	62
Short-Term Investments	4	4	51	82	98	91	44	0
Cash and Short-Term Investments	137	177	288	274	238	192	166	62
Receivables - Trade	117	175	169	165	149	205	277	408
Receivables - Current - Other	0	0	0	0	0	0	52	54
Receivables - Total	117	175	169	165	149	205	328	462
Inventories - Total	10	4	4	4	4	4	4	4
Prepaid Expense and Accrued Income	16	13	5	7	12	12	10	20
Current Assets - Other (Sundry)	10	10	28	17	19	12	14	21
Current Assets - Other - Total	26	23	34	23	31	25	24	41
Current Assets - Total	291	379	494	466	422	425	522	570

NON-CURRENT ASSETS

	1999	2000	2001	2002	2003	2004	2005	2006
Property Plant and Equipment - Total (Gross)	2,445	2,598	2,771	3,217	3,519	3,805	4,245	5,287
Depreciation, Depletion, and Amortization (Accumulated)	(396) <sup>TS</sup>	(503) <sup>TS</sup>	(621) <sup>TS</sup>	(746) <sup>TS</sup>	(893) <sup>TS</sup>	(1,061) <sup>TS</sup>	(1,246) <sup>TS</sup>	(1,429) <sup>TS</sup>
Property Plant and Equipment - Total (Net)	2,050	2,095	2,149	2,471	2,626	2,744	2,999	3,858
Investment and Advances - Equity	29	45	25	23	20	19	0	0
Investment and Advances - Other	0	7	1	0	0	--	674	0
Goodwill	--	0	0	0	13	15	15	10
Intangibles - Other	--	--	--	0	0	2	1	0
Intangible Assets - Total	--	0	0	0	13	17	15	10
Assets - Other (Sundry)	63	70	81	106	109	104	136	148
Assets - Other - Total	63	70	81	106	109	104	136	148
Assets - Total	2,432	2,596	2,751	3,066	3,190	3,308	4,346	4,586

CURRENT LIABILITIES

	1999	2000	2001	2002	2003	2004	2005	2006
Long-Term Debt Due In One Year	59	49	55	81	48	8	9	10
Debt in Current Liabilities	59	49	55	81	48	8	9	10
Account Payable/Creditors - Trade	57	67	47	65	87	83	94	196
Income Taxes Payable	47 <sup>BH</sup>	36 <sup>BH</sup>	35 <sup>BH</sup>	42 <sup>BH</sup>	32 <sup>BH</sup>	23 <sup>BH</sup>	45 <sup>BH</sup>	53 <sup>BH</sup>
Accrued Expenses	44	40	50	61	58	70	88	103
Current Liabilities - Other (Sundry)	26	13	20	32	20	30	23	65
Current Liabilities - Other	70	53	70	93	77	100	111	168
Current Liabilities - Total	233	205	208	281	244	214	259	426

LONG-TERM LIABILITIES

	1999	2000	2001	2002	2003	2004	2005	2006
Long-Term Debt - Total	731	650	550	590	542	503	1,129	684
Deferred Taxes - Balance Sheet	71	149	203	206	213	207	228	220
Deferred Taxes and Investment Tax Credit	71	149	203	206	213	207	228	220
Liabilities - Other - Total	2	18	17	6	18	8	6	34
Liabilities - Total	1,037	1,023	977	1,082	1,017	932	1,623	1,364

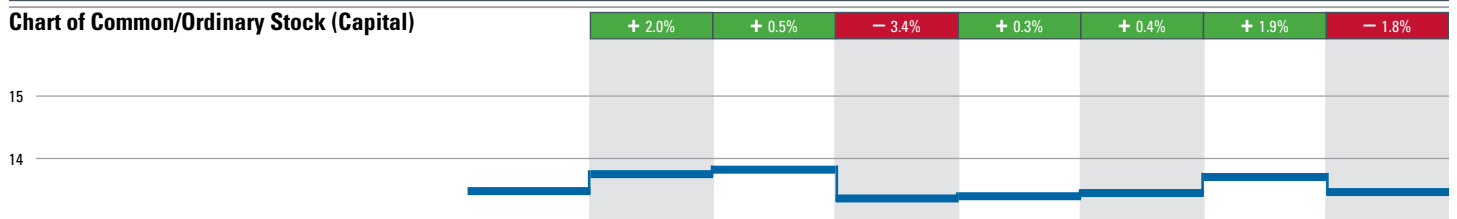
Minority Interest - Balance Sheet	(3)	(4)	(5)	(6)	(6)	(9)	(8)	(7)
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<sup>TS</sup> Computed using straight-line method

<sup>BH</sup> Includes other taxes

Annual Balance Sheet, continued

Change vs. Previous Year



Millions of \$US

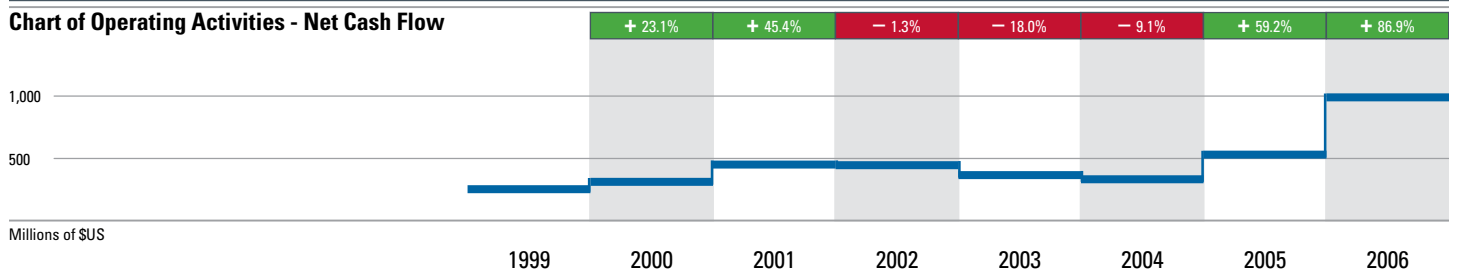
	1999	2000	2001	2002	2003	2004	2005	2006	
<b>SHAREHOLDERS' EQUITY</b>									
Common/Ordinary Stock (Capital)	13	14	14	13	13	13	14	13	
Capital Surplus/Share Premium Reserve	954	1,004	1,023	893	907	915	1,007	789	
Retained Earnings	496	664	919	1,134	1,307	1,456	1,711	2,426	
Treasury Stock - Total	(65)	(105)	(177)	(51)	(49)	0	0	0	
Common/Ordinary Equity - Total	1,398	1,577	1,778	1,989	2,178	2,384	2,732	3,229	
Stockholders' Equity - Total	1,398	1,577	1,778	1,989	2,178	2,384	2,732	3,229	
Liabilities and Stockholders' Equity - Total	2,432	2,596	2,751	3,066	3,190	3,308	4,346	4,586	
Common Shares Outstanding (Millions)	132	134	132	132	132	134	137	135	
<b>DEBT COMPONENTS</b>									
Debt - Notes	734 <sup>IC</sup>	640	542	457	412	403	394	684	
Other Long-Term Debt	57 <sup>IC</sup>	11	8	133	130	100	735	0	
<b>DEBT MATURITY TABLE</b>									
Debt - Maturing 1st Year	59	49	55	81	48	8	9	10	
Debt - Maturing 2nd Year	61	61	81	45	11	9	610	10	
Debt - Maturing 3rd Year	65	81	45	8	137	10	10	173	
Debt - Maturing 4th Year	92	43	8	134	10	10	308	0	
Debt - Maturing 5th Year	45	9	9	10	10	273	0	0	
<b>SUPPLEMENTAL</b>									
Pension Expense	6	4	6	6	7	7	8	9	
Projected Pension Benefit Obligation	62	73	84	91	110	127	157	181	
Pension Plan Assets	60	68	66	64	98	110	135	168	
Accumulated Pension Benefit Obligation	--	--	--	--	93	112	134	148	
Debt - Mortgages and Other Secured	362	247	194	113	65	52	43	33	
Long-term Debt - Tied to Prime	14 <sup>IC</sup>	3	0	125	125	100	735	0	

<sup>IC</sup> Components include current portion of long-term debt

Annual Cash Flow

Change vs. Previous Year

Chart of Operating Activities - Net Cash Flow



OPERATING ACTIVITIES

Income Before Extraordinary Items	\$95	\$166	\$264	\$210	\$166	\$146	\$297	\$732
Depreciation and Amortization	89	111	142	154	183	209	242	253
Deferred Taxes	21	94	56	17	4	5	36	4
Equity in Net Loss (Earnings)	1	4	1	(2)	(2)	(1)	(1)	0
Sale of PP&E and Investments - (Gain) Loss	0	(2)	(1)	(7)	(3)	0	1	0
Funds from Operations - Other excluding Option Tax Benefit	--	--	--	--	(11)	14	(20)	20
Funds from Operations - Other	6	3	6	20	(11)	14	(20)	20
Accounts Receivable - Decrease (Increase)	29	(58)	8	4	15	(56)	(68)	(131)
Accounts Payable and Accrued Liabilities - Increase (Decrease)	(30)	(4)	(22)	15	22	(4)	(2)	54
Assets and Liabilities - Other (Net Change)	40	(3)	(3)	35	(10)	19	45	56
<b>Operating Activities - Net Cash Flow</b>	<b>252</b>	<b>310</b>	<b>451</b>	<b>445</b>	<b>365</b>	<b>332</b>	<b>529</b>	<b>989</b>

INVESTING ACTIVITIES

Increase in Investments	5	67	61	69	146	233	716	0
Sale of Investments	0	19	8	43	128	268	113	737
Capital Expenditures	422	125	134	268	307	261	434	1,053
Sale of Property, Plant, & Equipment	1	2	1	2	2	2	1	4
Acquisitions	0	0	6	185	0	0	32	0
Investing Activities - Other	0	0	(34)	(61)	(32)	(73)	(80)	(38)
<b>Investing Activities - Net Cash Flow</b>	<b>(426)</b>	<b>(171)</b>	<b>(226)</b>	<b>(540)</b>	<b>(356)</b>	<b>(297)</b>	<b>(1,147)</b>	<b>(350)</b>

FINANCING ACTIVITIES

Sale of Common and Preferred Stock	4	43	13	15	9	79	76	21
Purchase of Common and Preferred Stock	--	51	76	34	0	40	7	250
Cash Dividends	0	0	0	0	0	0	14	22
Long-Term Debt - Issuance	397	0	0	125	0	0	700	296
Long-Term Debt - Reduction	307	91	95	61	81	78	74	744
Financing Activities - Other	2	0	(4)	4	9	0	0	0
<b>Financing Activities - Net Cash Flow</b>	<b>96</b>	<b>(99)</b>	<b>(162)</b>	<b>50</b>	<b>(62)</b>	<b>(39)</b>	<b>681</b>	<b>(699)</b>

CHANGE IN CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents - Increase (Decrease)	(78)	40	63	(44)	(53)	(4)	63	(60)
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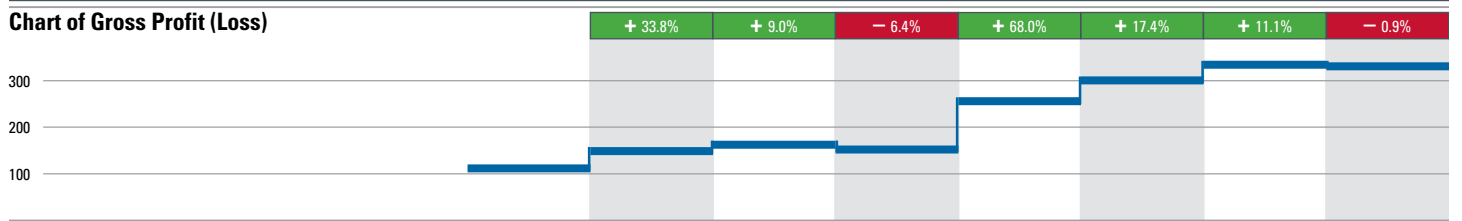
SUPPLEMENTAL ITEMS

Interest Paid - Net	29	53	46	41	39	34	19	16
Income Taxes Paid	10	(24)	30	9	11	27	13	168

Quarterly Income Statement

Change vs. Previous Year

Chart of Gross Profit (Loss)



Millions of \$US

Quarter Ending on	3/31/05	6/30/05	9/30/05	12/31/05	3/31/06	6/30/06	9/30/06	12/31/06
Sales/Turnover (Net)	\$310	\$344	\$367	\$361	\$462	\$518	\$562	\$559
Cost of Goods Sold	199	195	205	208	206	217	228	228
Gross Profit (Loss)	111	149	163	152	256	300	334	331
Selling, General and Administrative Expenses	8	10	9	13	10	11	12	13
Operating Income Before Depreciation	104	139	153	139	245	290	322	317
Depreciation and Amortization - Total	45	47	48	51	59 <sup>ER</sup>	63 <sup>ER</sup>	66 <sup>ER</sup>	66 <sup>ER</sup>
Operating Income After Depreciation	58	92	105	88	186	227	256	251
Interest and Related Expense	8	8	9	9	19	11	12	12
Nonoperating Income (Expense) - Total	6	5	5	8	9	11	13	14
Special Items	0	0	(10)	40	4	(4)	0	6
Pretax Income	56	89	92	128	180	223	257	260
Income Taxes - Deferred	--	--	--	36	--	--	--	4
Income Taxes - Total	10	16	15	26	35	44	50	61
Income Before Extraordinary Items	46	73	77	101	145	180	207	200
Net Income (Loss)	46	73	77	101	145	180	207	200

EARNINGS PER SHARE - DETAIL (EPS data in \$US, Shares in Millions)

EPS - Basic Excluding Extraordinary Items	0.34	0.54	0.56	0.74	1.06	1.31	1.53	1.48
EPS - Basic Including Extraordinary Items	0.34	0.54	0.56	0.74	1.06	1.31	1.53	1.48
EPS - Diluted Excluding Extraordinary Items	0.33	0.53	0.55	0.73	1.05	1.30	1.51	1.47
EPS - Diluted Including Extraordinary Items	0.33	0.53	0.55	0.73	1.05	1.30	1.51	1.47
EPS from Operations - Basic	0.34	0.54	0.61 <sup>NR</sup>	0.55 <sup>NR</sup>	1.04 <sup>NR</sup>	1.33 <sup>NR</sup>	1.53	1.45 <sup>NR</sup>
EPS from Operations - Diluted	0.33	0.53	0.60 <sup>NR</sup>	0.54 <sup>NR</sup>	1.03 <sup>NR</sup>	1.32	1.51	1.44 <sup>NR</sup>
Common Shares Used to Calculate EPS Basic	135 <sup>ZR</sup>	136 <sup>ZR</sup>	137 <sup>ZR</sup>	137 <sup>ZR</sup>	137 <sup>ZR</sup>	137 <sup>ZR</sup>	136 <sup>ZR</sup>	135 <sup>ZR</sup>
Common Shares Used to Calculate EPS Diluted	137 <sup>ZR</sup>	137 <sup>ZR</sup>	138 <sup>ZR</sup>	138 <sup>ZR</sup>	138 <sup>ZR</sup>	138 <sup>ZR</sup>	137 <sup>ZR</sup>	136 <sup>ZR</sup>

12 MONTH MOVING EPS

EPS Basic Excl. Extraordinary Items	1.22	1.50	1.83	2.18	2.90	3.68	4.64	5.38
EPS Diluted Excl. Extraordinary Items	1.21	1.49	1.81	2.16	2.86	3.63	4.59	5.33
EPS from Operations	1.26	1.54	1.87	2.04	2.74	3.53	4.44	5.35
EPS from Operations - Diluted	1.25	1.53	1.86	2.02	2.70	3.49	4.40	5.30

SPECIAL ITEMS - BREAKOUT

Gain/Loss on Sale of Assets Pretax	--	--	--	--	--	1	0	0
Impairment of Goodwill Pretax	--	--	--	--	--	(5)	0	0
Special Items - Other Pretax	--	--	(10)	40	4	0	0	6

<sup>ER</sup> Does not reflect exact amount of depreciation and amortization

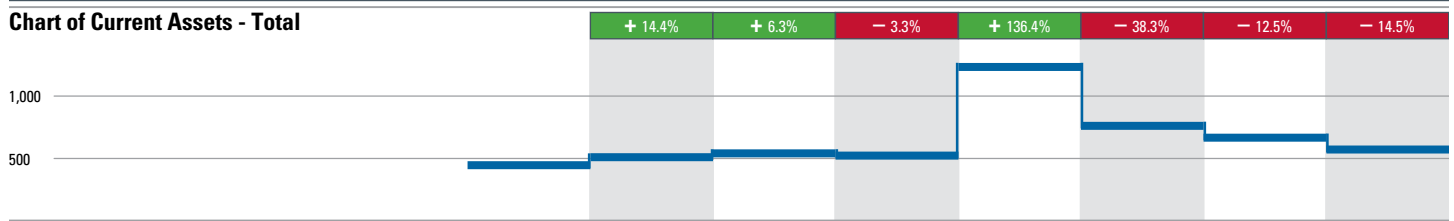
<sup>NR</sup> Statutory rate used in calculation

<sup>ZR</sup> Weighted Average Shares are Reported

Quarterly Balance Sheet

Change vs. Previous Year

Chart of Current Assets - Total



Millions of \$US

Quarter Ending on 3/31/05 6/30/05 9/30/05 12/31/05 3/31/06 6/30/06 9/30/06 12/31/06

CURRENT ASSETS

Cash and Short-Term Investments	\$196	\$224	\$212	\$166	\$799	\$261	\$170	\$62
Receivables - Total	203	248	270	328	399	443	441	462
Inventories - Total	4	4	4	4	4	4	5	4
Current Assets - Other - Total	41	33	55	24	33	54	52	41
Current Assets - Total	444	508	540	522	1,235	762	667	570

NON-CURRENT ASSETS

Property Plant and Equipment - Total (Gross)	3,855	3,912	4,116	4,245	4,434	4,685	4,985	5,287
Depreciation, Depletion, and Amortization (Accumulated)	(1,106)	(1,153)	(1,197)	(1,246)	(1,292)	(1,340)	(1,389)	(1,429)
Property Plant and Equipment - Total (Net)	2,749	2,759	2,919	2,999	3,142	3,345	3,596	3,858
Goodwill	--	--	--	15	--	--	--	10
Intangibles - Other	--	--	--	1	--	--	--	0
Assets - Other - Total	140	144	133	825	169	152	150	158
Assets - Total	3,333	3,411	3,592	4,346	4,546	4,259	4,413	4,586

CURRENT LIABILITIES

Debt in Current Liabilities	9	9	9	9	609	9	9	10
Account Payable/Creditors - Trade	69	75	162	94	90	118	133	196
Income Taxes Payable	19 <sup>BH</sup>	23 <sup>BH</sup>	31 <sup>BH</sup>	45 <sup>BH</sup>	70 <sup>BH</sup>	45 <sup>BH</sup>	54 <sup>BH</sup>	53 <sup>BH</sup>
Current Liabilities - Other	92	95	85	111	116	133	140	168
Current Liabilities - Total	188	202	286	259	885	305	337	426

LONG-TERM LIABILITIES

Long-Term Debt - Total	461	434	432	1,129	525	689	687	684
Deferred Taxes and Investment Tax Credit	209	215	218	228	228	240	237	220
Liabilities - Other - Total	8	8	8	6	6	6	6	34
Liabilities - Total	866	859	944	1,623	1,644	1,240	1,267	1,364

Minority Interest - Balance Sheet

Minority Interest - Balance Sheet	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(7)
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SHAREHOLDERS' EQUITY

Common/Ordinary Stock (Capital)	14	14	14	14	14	14	14	13
Capital Surplus/Share Premium Reserve	965	983	1,004	1,007	1,022	960	886	789
Retained Earnings	1,497	1,563	1,638	1,711	1,875	2,053	2,254	2,426
Common/Ordinary Equity - Total	2,475	2,560	2,656	2,732	2,910	3,027	3,154	3,229
Stockholders' Equity - Total	2,475	2,560	2,656	2,732	2,910	3,027	3,154	3,229

Liabilities and Stockholders' Equity - Total

Liabilities and Stockholders' Equity - Total	3,333	3,411	3,592	4,346	4,546	4,259	4,413	4,586
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Common Shares Outstanding (Millions)

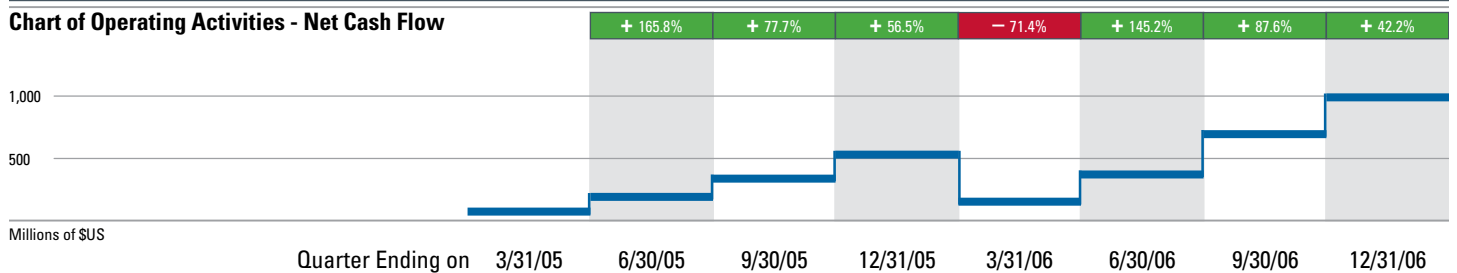
Common Shares Outstanding (Millions)	136	136	137	137	138	137	136	135
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<sup>BH</sup> Includes other taxes

Quarterly Cash Flow

Change vs. Previous Year

Chart of Operating Activities - Net Cash Flow



OPERATING ACTIVITIES

Income Before Extraordinary Items	\$46	\$119	\$195	\$297	\$145	\$325	\$532	\$732
Depreciation and Amortization	56	116	177	242	59	122	187	253
Deferred Taxes	3	10	24	36	0	12	10	4
Equity in Net Loss (Earnings)	0	(0)	(1)	(1)	0	0	0	0
Sale of PP&E and Investments - (Gain) Loss	0	0	0	1	0	--	(0)	0
Funds from Operations - Other excluding Option Tax Benefit	1	4	19	(20)	(1)	22	30	20
Funds from Operations - Other	1	4	19	(20)	(1)	22	30	20
Accounts Receivable - Decrease (Increase)	2	(43)	(61)	(68)	(55)	(107)	(114)	(131)
Accounts Payable and Accrued Liabilities - Increase (Decrease)	(14)	(8)	1	(2)	(3)	6	33	54
Assets and Liabilities - Other (Net Change)	(23)	(8)	(16)	45	7	(9)	17	56
Operating Activities - Net Cash Flow	72	190	338	529	151	371	695	989

INVESTING ACTIVITIES

Increase in Investments	0	0	0	716	0	0	0	0
Sale of Investments	0	0	0	113	7	698	707	737
Short-Term Investments - Change	44	54	88	--	--	--	--	--
Capital Expenditures	51	109	229	434	191	442	741	1,053
Sale of Property, Plant, & Equipment	1	1	1	1	0	0	0	4
Acquisitions	0	0	28	32	0	0	0	0
Investing Activities - Other	(12)	(29)	(50)	(80)	(24)	(27)	(45)	(38)
Investing Activities - Net Cash Flow	(19)	(83)	(219)	(1,147)	(209)	229	(78)	(350)

FINANCING ACTIVITIES

Sale of Common and Preferred Stock	41	54	69	76	7	8	11	21
Purchase of Common and Preferred Stock	0	0	0	7	0	51	147	250
Cash Dividends	3	5	8	14	5	11	16	22
Long-Term Debt - Issuance	0	0	0	700	0	296	296	296
Long-Term Debt - Reduction	42	69	71	74	4	739	742	744
Financing Activities - Net Cash Flow	(4)	(21)	(11)	681	(3)	(497)	(599)	(699)

CHANGE IN CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents - Increase (Decrease)	49	87	108	63	(61)	102	18	(60)
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SUPPLEMENTAL ITEMS

Interest Paid - Net	--	--	--	19	--	--	--	16
Income Taxes Paid	--	--	--	13	--	--	--	168

## Glossary

**Global Industry Classification Standard (GICS)** - An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). A company is assigned to a single GICS sub-industry according to the definition of its principal business activity as determined by Standard & Poor's and MSCI. Revenues are a significant factor in defining principal business activity; however, earnings analysis and market perception are also important criteria.

**S&P Core Earnings** - Standard & Poor's Core Earnings is a uniform methodology for calculating operating earnings, and focuses on a company's after-tax earnings generated from its principal businesses. Included in the definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, writedowns of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

**Preliminary Data** - Preliminary update indicates that the company has been updated from a source with limited financial data, but the data is expected to become available or has been available historically. Final update (not indicated) means that the company has been updated from a complete source (usually the Form 10-K or 10-Q), and no further data will be available.

**Dividends** - Values for dividends in this report are not split adjusted.

**Modified Return on Capital** - This value from page 5 is calculated using a formula that equally weights return on capital, defined as the trailing twelve months' earnings before interest and taxes, and earnings yield, defined as earnings before interest and taxes divided by market value plus net debt.

**S&P Operating EPS** - Earnings from Operations represents earnings per share that excludes the effect of all nonrecurring events. EPS is adjusted to remove the effect of all special or one-time items from the calculation.

**Value Scales** - Abbreviations for scale are as follows: Th = Thousand, M = Million, B = Billion, and T = Trillion.

**Company to Industry Comparison** - The Market Capitalization and Revenue charts on page 1 are displayed using a logarithmic scale to accommodate the large range of values that are shown.

**Balance Sheet Debt Components** - The sum of the Debt Components below the Balance Sheet may not equal "Long-Term Debt - Total" due to the fact that, for some companies, the debt component can include "Long-Term Debt Due in One Year," which is a short-term liability.

**PEG Ratio** - The computation of PEG (on pages 2 and 3) includes 3 years of compounded earnings growth.