

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 21, 2004

ASHLAND INC.  
(Exact name of registrant as specified in its charter)

Kentucky  
(State or other jurisdiction of incorporation)

1-2918  
(Commission File Number)

61-0122250  
(I.R.S. Employer  
Identification No.)

50 E. RiverCenter Boulevard, Covington, Kentucky  
(Address of principal executive offices)

41012-0391  
(Zip Code)

P.O. Box 391, Covington, Kentucky  
(Mailing Address)

41012-0391  
(Zip Code)

Registrant's telephone number, including area code (859) 815-3333

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure

On December 21, 2004, Ashland Inc. ("Ashland") will include the information contained in exhibit 99.1 on the "Investor Relations" section of its website located at [www.ashland.com](http://www.ashland.com). Ashland is furnishing the information pursuant to the Securities and Exchange Commission's ("SEC") Regulation FD. The information contained in exhibit 99.1 includes five years (fiscal years 2000 - 2004) of supplemental financial information concerning Ashland and its consolidated subsidiaries. The information is intended to be considered in the context of Ashland's SEC filings and other public announcements that Ashland may make from time to time.

By filing this report on Form 8-K, Ashland makes no admission as to the materiality of any information in this report. Ashland reserves the right to discontinue the availability of the data in the attached exhibit from its website at any time.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 5-Year Supplemental Financial Information posted to Ashland Inc.'s Website

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASHLAND INC.

-----  
(Registrant)

Date: December 21, 2004

/s/ J. Marvin Quin

-----  
Name: J. Marvin Quin  
Title: Senior Vice President  
and Chief Financial Officer

EXHIBIT INDEX

99.1 5-Year Supplemental Financial Information posted to Ashland's website

Ashland Inc. and Consolidated Subsidiaries  
STATEMENTS OF CONSOLIDATED INCOME  
Years Ended September 30

(In millions except per share data)	2004	2003	2002	2001	2000
<b>REVENUES</b>					
Sales and operating revenues	\$ 8,301	\$ 7,566	\$ 7,390	\$ 7,544	\$ 7,785
Equity income	432	301	181	755	395
Other income	48	45	46	53	63
	8,781	7,912	7,617	8,352	8,243
<b>COSTS AND EXPENSES</b>					
Cost of sales and operating expenses	6,948	6,390	6,115	6,358	6,517
Selling, general and administrative expenses	1,171	1,256	1,181	1,163	1,081
	8,119	7,646	7,296	7,521	7,598
<b>OPERATING INCOME</b>					
Net interest and other financial costs	(114)	(128)	(138)	(175)	(194)
<b>INCOME FROM CONTINUING OPERATIONS</b>					
BEFORE INCOME TAXES	548	138	183	656	451
Income taxes	(150)	(44)	(68)	(266)	(179)
<b>INCOME FROM CONTINUING OPERATIONS</b>					
Results from discontinued operations	(20)	(14)	13	32	(202)
<b>INCOME BEFORE CUMULATIVE EFFECT</b>					
OF ACCOUNTING CHANGES	378	80	128	422	70
Cumulative effect of accounting changes	-	(5)	(11)	(5)	-
<b>NET INCOME</b>					
	\$ 378	\$ 75	\$ 117	\$ 417	\$ 70
<b>EARNINGS PER SHARE</b>					
<b>Basic</b>					
Income from continuing operations	\$ 5.69	\$ 1.37	\$ 1.67	\$ 5.60	\$ 3.84
Results from discontinued operations	(.28)	(.19)	.19	.46	(2.85)
Cumulative effect of accounting changes	-	(.08)	(.17)	(.07)	-
Net income	\$ 5.41	\$ 1.10	\$ 1.69	\$ 5.99	\$ .99
<b>Diluted</b>					
Income from continuing operations	\$ 5.59	\$ 1.37	\$ 1.64	\$ 5.54	\$ 3.83
Results from discontinued operations	(.28)	(.19)	.19	.45	(2.85)
Cumulative effect of accounting changes	-	(.08)	(.16)	(.06)	-
Net income	\$ 5.31	\$ 1.10	\$ 1.67	\$ 5.93	\$ .98

Ashland Inc. and Consolidated Subsidiaries  
CONSOLIDATED BALANCE SHEETS  
September 30

(In millions)	2004	2003	2002	2001	2000
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 243	\$ 223	\$ 90	\$ 236	\$ 67
Accounts receivable	1,290	1,135	1,056	1,165	1,211
Inventories	458	441	456	468	461
Deferred income taxes	103	142	119	131	136
Current assets of discontinued operations held for sale	-	-	211	64	99
Other current assets	208	144	139	169	199
	2,302	2,085	2,071	2,233	2,173
<b>INVESTMENTS AND OTHER ASSETS</b>					
Investment in Marathon Ashland Petroleum LLC (MAP)	2,713	2,448	2,350	2,387	2,295
Goodwill	513	523	510	517	525
Asbestos insurance receivable (noncurrent portion)	399	399	171	162	46
Noncurrent assets of discontinued operations held for sale	-	-	-	145	142
Other noncurrent assets	319	279	261	299	288
	3,944	3,649	3,292	3,510	3,296
<b>PROPERTY, PLANT AND EQUIPMENT</b>					
<b>Cost</b>					
APAC	1,302	1,337	1,372	1,304	1,234
Ashland Distribution	356	357	383	382	356
Ashland Specialty Chemical	780	723	710	701	662
Valvoline	466	452	406	395	354
Corporate	200	178	135	143	159
	3,104	3,047	3,006	2,925	2,765
Accumulated depreciation, depletion and amortization	(1,848)	(1,775)	(1,647)	(1,540)	(1,410)
	1,256	1,272	1,359	1,385	1,355

	\$ 7,502	\$ 7,006	\$ 6,722	\$ 7,128	\$ 6,824
	=====	=====	=====	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Debt due within one year					
Short-term debt	\$ 40	\$ -	\$ 10	\$ -	\$ 245
Current portion of long-term debt	399	102	191	85	82
Trade and other payables	1,362	1,371	1,256	1,399	1,309
Current liabilities of discontinued operations held for sale	-	-	39	26	35
Income taxes	14	11	24	20	40
	-----	-----	-----	-----	-----
	1,815	1,484	1,520	1,530	1,711
<b>NONCURRENT LIABILITIES</b>					
Long-term debt (less current portion)	1,109	1,512	1,606	1,786	1,899
Employee benefit obligations	428	385	509	412	383
Deferred income taxes	367	291	246	439	283
Reserves of captive insurance companies	179	168	166	173	179
Asbestos litigation reserve (noncurrent portion)	568	560	152	162	44
Noncurrent liabilities of discontinued operations held for sale	-	-	-	13	11
Other long-term liabilities and deferred credits	330	353	350	387	349
	-----	-----	-----	-----	-----
	2,981	3,269	3,029	3,372	3,148
<b>STOCKHOLDERS' EQUITY</b>					
Common stock	72	68	68	69	70
Paid-in capital	478	350	338	363	388
Retained earnings	2,262	1,961	1,961	1,920	1,579
Accumulated other comprehensive loss	(106)	(126)	(194)	(126)	(72)
	-----	-----	-----	-----	-----
	2,706	2,253	2,173	2,226	1,965
	-----	-----	-----	-----	-----
	\$ 7,502	\$ 7,006	\$ 6,722	\$ 7,128	\$ 6,824
	=====	=====	=====	=====	=====

Ashland Inc. and Consolidated Subsidiaries  
 STATEMENTS OF CONSOLIDATED CASH FLOWS  
 Years Ended September 30

(In millions)	2004	2003	2002	2001	2000
<b>CASH FLOWS FROM OPERATIONS</b>					
Income from continuing operations	\$ 398	\$ 94	\$ 115	\$ 390	\$ 272
Expense (income) not affecting cash					
Depreciation, depletion and amortization	193	204	208	240	227
Deferred income taxes	125	49	(121)	151	107
Equity income from affiliates	(432)	(301)	(181)	(755)	(395)
Distributions from equity affiliates	169	203	201	664	282
Other items	2	1	-	5	(19)
Change in operating assets and liabilities (1)	(246)	(8)	(54)	119	(6)
	209	242	168	814	468
<b>CASH FLOWS FROM FINANCING</b>					
Proceeds from issuance of long-term debt	-	-	55	52	988
Proceeds from issuance of common stock	108	2	11	15	5
Repayment of long-term debt	(100)	(216)	(140)	(169)	(675)
Repurchase of common stock	-	-	(42)	(49)	(89)
Increase (decrease) in short-term debt	40	(10)	10	(245)	63
Dividends paid	(77)	(75)	(76)	(76)	(78)
	(29)	(299)	(182)	(472)	214
<b>CASH FLOWS FROM INVESTMENT</b>					
Additions to property, plant and equipment	(210)	(112)	(178)	(214)	(240)
Purchase of operations - net of cash acquired	(5)	(5)	(15)	(91)	(590)
Proceeds from sale of operations	48	7	-	9	50
Other - net	26	13	26	37	85
	(141)	(97)	(167)	(259)	(695)
<b>CASH PROVIDED (USED) BY CONTINUING OPERATIONS</b>					
Cash provided (used) by discontinued operations	39	(154)	(181)	83	(13)
	(19)	287	35	86	(30)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
Cash and cash equivalents - beginning of year	20	133	(146)	169	(43)
	223	90	236	67	110
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 243</b>	<b>\$ 223</b>	<b>\$ 90</b>	<b>\$ 236</b>	<b>\$ 67</b>
<b>DECREASE (INCREASE) IN OPERATING ASSETS (1)</b>					
Accounts receivable	\$ (157)	\$ (79)	\$ 110	\$ 70	\$ 69
Inventories	(14)	15	12	5	1
Deferred income taxes	2	22	17	-	(28)
Other current assets	(64)	(5)	30	31	(29)
Investments and other assets	(15)	7	41	(168)	(69)
<b>INCREASE (DECREASE) IN OPERATING LIABILITIES (1)</b>					
Trade and other payables	(15)	115	(132)	71	108
Income taxes	(19)	(50)	(18)	4	(15)
Noncurrent liabilities	36	(33)	(114)	106	(43)
<b>CHANGE IN OPERATING ASSETS AND LIABILITIES</b>	<b>\$ (246)</b>	<b>\$ (8)</b>	<b>\$ (54)</b>	<b>\$ 119</b>	<b>\$ (6)</b>

(1) Excludes changes resulting from operations acquired or sold.

Ashland Inc. and Consolidated Subsidiaries  
INFORMATION BY INDUSTRY SEGMENT  
Years Ended September 30

(In millions)	2004	2003	2002	2001	2000
<b>REVENUES</b>					
Sales and operating revenues					
APAC	\$ 2,525	\$ 2,400	\$ 2,652	\$ 2,624	\$ 2,504
Ashland Distribution	3,199	2,811	2,541	2,858	3,221
Ashland Specialty Chemical	1,386	1,212	1,130	1,091	1,127
Valvoline	1,297	1,235	1,152	1,064	1,049
Intersegment sales (1)					
Ashland Distribution	(19)	(21)	(20)	(27)	(39)
Ashland Specialty Chemical	(86)	(69)	(63)	(64)	(76)
Valvoline	(1)	(2)	(2)	(2)	(1)
	8,301	7,566	7,390	7,544	7,785
Equity income					
APAC	19	9	-	-	-
Ashland Specialty Chemical	8	7	4	5	4
Valvoline	-	-	1	1	2
Refining and Marketing	405	285	176	749	389
	432	301	181	755	395
Other income					
APAC	22	-	12	13	21
Ashland Distribution	9	18	17	15	9
Ashland Specialty Chemical	16	10	4	6	12
Valvoline	4	5	6	6	7
Refining and Marketing	(6)	2	2	7	6
Corporate	3	10	5	6	8
	48	45	46	53	63
	\$ 8,781	\$ 7,912	\$ 7,617	\$ 8,352	\$ 8,243
<b>OPERATING INCOME</b>					
APAC	\$ 111	\$ (42)	\$ 122	\$ 55	\$ 140
Ashland Distribution	78	32	1	35	70
Ashland Specialty Chemical	87	31	70	38	69
Valvoline	105	87	77	81	78
Refining and Marketing (2)	383	263	143	707	361
Corporate	(102)	(105)	(92)	(85)	(73)
	\$ 662	\$ 266	\$ 321	\$ 831	\$ 645
<b>DEPRECIATION, DEPLETION AND AMORTIZATION</b>					
APAC	\$ 95	\$ 108	\$ 114	\$ 133	\$ 129
Ashland Distribution	18	19	21	27	23
Ashland Specialty Chemical	41	40	38	46	40
Valvoline	27	26	24	23	22
Corporate	12	11	11	11	13
	\$ 193	\$ 204	\$ 208	\$ 240	\$ 227

(1) Intersegment sales are accounted for at prices that approximate market value.

(2) Includes Ashland's equity income from MAP, amortization related to Ashland's excess investment in MAP, and other activities associated with refining and marketing.



Ashland Inc. and Consolidated Subsidiaries  
INFORMATION BY INDUSTRY SEGMENT  
Years Ended September 30

(In millions)	2004	2003	2002	2001	2000
<b>ASSETS</b>					
APAC	\$ 1,428	\$ 1,481	\$ 1,498	\$ 1,574	\$ 1,654
Ashland Distribution	922	856	884	961	1,047
Ashland Specialty Chemical	842	749	941	941	887
Valvoline	658	667	611	642	573
Refining and Marketing	2,742	2,484	2,409	2,452	2,352
Corporate (1)	910	769	379	558	311
	<u>\$ 7,502</u>	<u>\$ 7,006</u>	<u>\$ 6,722</u>	<u>\$ 7,128</u>	<u>\$ 6,824</u>
<b>CAPITAL EMPLOYED</b>					
APAC	\$ 959	\$ 1,014	\$ 1,039	\$ 1,047	\$ 1,156
Ashland Distribution	449	418	459	470	574
Ashland Specialty Chemical	490	438	610	612	597
Valvoline	388	399	343	389	333
Refining and Marketing	2,053	1,866	1,818	1,654	1,679
Corporate	(85)	(268)	(289)	(75)	(148)
	<u>\$ 4,254</u>	<u>\$ 3,867</u>	<u>\$ 3,980</u>	<u>\$ 4,097</u>	<u>\$ 4,191</u>
<b>RETURN ON INVESTMENT (2)</b>					
APAC	7.3%	(2.4)%	7.3 %	2.5%	7.5%
Ashland Distribution	10.8%	4.3 %	(0.5)%	2.8%	7.2%
Ashland Specialty Chemical	12.3%	4.8 %	9.8 %	5.4%	10.1%
Valvoline	15.7%	14.1 %	12.5 %	12.5%	12.2%
Refining and Marketing	12.4%	8.7 %	4.9 %	25.3%	13.2%
Ashland Inc. consolidated	11.7%	4.4 %	5.0 %	12.3%	9.6%
<b>ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT</b>					
APAC	\$ 73	\$ 47	\$ 107	\$ 92	\$ 101
Ashland Distribution	10	5	15	25	25
Ashland Specialty Chemical	62	34	27	39	64
Valvoline	26	18	22	37	30
Corporate	39	8	7	21	20
	<u>\$ 210</u>	<u>\$ 112</u>	<u>\$ 178</u>	<u>\$ 214</u>	<u>\$ 240</u>

- (1) Includes cash, cash equivalents and other unallocated assets.  
(2) Calculated as income from continuing operations before interest expense on debt (net of related tax benefits) divided by average quarterly capital employed (excluding capital employed in discontinued operations).

Ashland Inc. and Consolidated Subsidiaries  
INFORMATION BY INDUSTRY SEGMENT  
Years Ended September 30

	2004	2003	2002	2001	2000
<b>OPERATING INFORMATION</b>					
<b>APAC</b>					
Construction backlog at September 30 (millions) (1)	\$ 1,746	\$ 1,745	\$ 1,691	\$ 1,629	\$ 1,397
Net construction job revenues (millions) (2)	\$ 1,433	\$ 1,361	\$ 1,527	\$ 1,547	\$ 1,536
Hot-mix asphalt production (million tons)	33.4	32.5	36.7	36.7	35.0
Aggregate production (million tons)	29.6	28.7	31.0	28.7	27.8
Ready-mix concrete production (million cubic yards)	1.7	2.0	2.1	2.3	2.6
<b>Ashland Distribution (3)</b>					
Sales per shipping day (millions)	\$ 12.6	\$ 11.2	\$ 10.1	\$ 11.2	\$ 12.8
Gross profit as a percent of sales	9.6%	9.9%	9.7%	8.9%	9.1%
<b>Ashland Specialty Chemical (3)</b>					
Sales per shipping day (millions)	\$ 5.4	\$ 4.8	\$ 4.5	\$ 4.3	\$ 4.5
Gross profit as a percent of sales	27.9%	29.9%	32.9%	29.7%	29.7%
<b>Valvoline</b>					
Lubricant sales (million gallons)	191.6	193.5	199.0	187.4	194.1
Premium lubricants (percent of U.S. branded volumes)	21.5%	18.5%	16.1%	11.7%	10.7%
<b>Refining and Marketing (4)</b>					
Refinery runs (thousand barrels per day)					
Crude oil refined	920	900	930	912	892
Other charge and blend stocks	167	133	151	139	141
Refined product yields (thousand barrels per day)					
Gasoline	600	554	594	560	559
Distillates	291	278	293	279	272
Asphalt	74	71	73	75	73
Other	135	131	127	136	131
<b>Total</b>	<b>1,100</b>	<b>1,034</b>	<b>1,087</b>	<b>1,050</b>	<b>1,035</b>
Refined product sales (thousand barrels per day) (5)	1,385	1,345	1,321	1,302	1,309
Refining and wholesale marketing margin (per barrel) (6)	\$ 3.11	\$ 2.59	\$ 1.82	\$ 5.17	\$ 2.63
<b>Speedway SuperAmerica (SSA)</b>					
Retail outlets at September 30	1,685	1,791	2,063	2,145	2,288
Gasoline and distillate sales (million gallons)	3,165	3,423	3,622	3,587	3,742
Gross margin - gasoline and distillates (per gallon)	\$ .1167	\$ .1191	\$ .1040	\$ .1218	\$ .1284
Merchandise sales (millions)	\$ 2,301	\$ 2,281	\$ 2,381	\$ 2,186	\$ 2,143
Merchandise margin (as a percent of sales)	24.4%	24.5%	24.2%	23.3%	24.5%

- (1) Includes APAC's proportionate share of the backlog of unconsolidated joint ventures.
- (2) Total construction job revenues, less subcontract costs.
- (3) Sales are defined as sales and operating revenues. Gross profit is defined as sales and operating revenues, less cost of sales and operating expenses.
- (4) Amounts represent 100% of MAP's operations, in which Ashland owns a 38% interest.
- (5) Total average daily volume of all refined product sales to MAP's wholesale, branded and retail (SSA) customers.
- (6) Sales revenue less cost of refinery inputs, purchased products and manufacturing expenses, including depreciation.

Ashland Inc. and Consolidated Subsidiaries  
INTERNATIONAL OPERATIONS  
Years Ended September 30

(In millions)	2004	2003	2002	2001	2000
<b>INTERNATIONAL ASSETS</b>					
Ashland Distribution	\$ 184	\$ 152	\$ 125	\$ 126	\$ 156
Ashland Specialty Chemical	416	352	319	295	226
Valvoline	132	121	101	92	94
	-----	-----	-----	-----	-----
	732	625	545	513	476
<b>INTERNATIONAL LIABILITIES</b>					
Ashland Distribution	88	59	49	50	52
Ashland Specialty Chemical	128	104	99	99	69
Valvoline	54	45	37	36	31
	-----	-----	-----	-----	-----
	270	208	185	185	152
<b>NET INTERNATIONAL INVESTMENT</b>					
Ashland Distribution	96	93	76	76	104
Ashland Specialty Chemical	288	248	220	196	157
Valvoline	78	76	64	56	63
	-----	-----	-----	-----	-----
	\$ 462	\$ 417	\$ 360	\$ 328	\$ 324
	=====	=====	=====	=====	=====
<b>INTERNATIONAL INCOME BEFORE INCOME TAXES (1)</b>					
Ashland Distribution	\$ 14	\$ 8	\$ 6	\$ 12	\$ 13
Ashland Specialty Chemical	73	54	54	48	34
Valvoline	20	16	9	2	8
	-----	-----	-----	-----	-----
	\$ 107	\$ 78	\$ 69	\$ 62	\$ 55
	=====	=====	=====	=====	=====
<b>INTERNATIONAL REVENUES</b>					
Ashland Distribution	\$ 537	\$ 432	\$ 360	\$ 417	\$ 496
Ashland Specialty Chemical	589	485	418	371	373
Valvoline	249	208	177	168	180
	-----	-----	-----	-----	-----
	\$ 1,375	\$ 1,125	\$ 955	\$ 956	\$ 1,049
	=====	=====	=====	=====	=====

(1) Amounts represent income recorded by international subsidiaries, equity and dividend income from international affiliates, and international source royalty and other income recorded by U.S. subsidiaries. Amounts do not reflect any allocation of expenses incurred in the U.S. (e.g., research and development, advertising or administrative expenses) for the benefit of both U.S. and international operations.

Ashland Inc. and Consolidated Subsidiaries  
INTERNATIONAL OPERATIONS  
Years Ended September 30

(In millions)	2004	2003	2002	2001	2000
<b>INTERNATIONAL ASSETS</b>					
Europe	\$ 432	\$ 368	\$ 325	\$ 295	\$ 237
Canada	164	141	124	126	143
Asia	58	47	40	38	32
Australia and New Zealand	48	43	34	27	31
Other	30	26	22	27	33
	-----	-----	-----	-----	-----
	732	625	545	513	476
<b>INTERNATIONAL LIABILITIES</b>					
Europe	180	137	129	119	89
Canada	52	40	32	42	38
Asia	11	11	8	8	5
Australia and New Zealand	17	11	10	9	13
Other	10	9	6	7	7
	-----	-----	-----	-----	-----
	270	208	185	185	152
<b>NET INTERNATIONAL INVESTMENT</b>					
Europe	252	231	196	176	148
Canada	112	101	92	84	105
Asia	47	36	32	30	27
Australia and New Zealand	31	32	24	18	18
Other	20	17	16	20	26
	-----	-----	-----	-----	-----
	\$ 462	\$ 417	\$ 360	\$ 328	\$ 324
	=====	=====	=====	=====	=====
<b>INTERNATIONAL INCOME BEFORE INCOME TAXES (1)</b>					
Europe	\$ 41	\$ 23	\$ 30	\$ 25	\$ 19
Canada	32	25	25	26	24
Asia	14	14	11	10	9
Australia and New Zealand	11	8	3	1	1
Other	9	8	-	-	2
	-----	-----	-----	-----	-----
	\$ 107	\$ 78	\$ 69	\$ 62	\$ 55
	=====	=====	=====	=====	=====
<b>INTERNATIONAL REVENUES</b>					
Europe	\$ 757	\$ 618	\$ 510	\$ 475	\$ 527
Canada	344	292	265	288	321
Asia	87	76	63	55	50
Australia and New Zealand	95	75	61	61	68
Other	92	64	56	77	83
	-----	-----	-----	-----	-----
	\$ 1,375	\$ 1,125	\$ 955	\$ 956	\$ 1,049
	=====	=====	=====	=====	=====

(1) Amounts represent income recorded by international subsidiaries, equity and dividend income from international affiliates, and international source royalty and other income recorded by U.S. subsidiaries. Amounts do not reflect any allocation of expenses incurred in the U.S. (e.g., research and development, advertising or administrative expenses) for the benefit of both U.S. and international operations.