

Adjusted Operating Profit and Earnings Before Interest and Taxes (Unaudited) ⁽¹⁾

Reconciliation schedule of adjusted operating profit and earnings before interest and taxes (EBIT) to earnings from continuing operations before income taxes

Dollars in millions and percentages based on rounded numbers

Fiscal Year 2007

	Three months ended				Twelve months ended
	<u>9/30/06</u>	<u>12/31/06</u>	<u>3/31/07</u>	<u>6/30/07</u>	<u>6/30/07</u>
Net sales	\$1,161	\$1,101	\$1,241	\$1,344	\$4,847
Gross profit	\$498	\$462	\$537	\$594	\$2,091
Gross margin	42.9%	42.0%	43.3%	44.2%	43.1%
Adjusted operating expenses ⁽²⁾	\$296	\$298	\$309	\$321	\$1,224
Adjusted operating profit ⁽³⁾	\$202	\$164	\$228	\$273	\$867
Adjusted operating profit margin ⁽³⁾	17.4%	14.9%	18.4%	20.3%	17.9%
Restructuring and asset impairment costs	\$0	\$4	\$9	\$0	\$13
Other expense (income), net ⁽⁴⁾	\$0	(\$2)	(\$2)	\$9	\$5
EBIT ⁽⁵⁾	\$202	\$162	\$221	\$264	\$849
EBIT margin ⁽⁵⁾	17.4%	14.7%	17.8%	19.6%	17.5%
Interest expense	\$29	\$29	\$28	\$27	\$113
Interest income	(\$2)	(\$3)	\$0	(\$2)	(\$7)
Earnings from continuing operations before income taxes	\$175	\$136	\$193	\$239	\$743

Fiscal Year 2006

	Three months ended				Twelve months ended
	<u>9/30/05</u>	<u>12/31/05</u>	<u>3/31/06</u>	<u>6/30/06</u>	<u>6/30/06</u>
Net sales	\$1,104	\$1,064	\$1,157	\$1,319	\$4,644
Gross profit	\$466	\$436	\$480	\$577	\$1,959
Gross margin	42.2%	41.0%	41.5%	43.7%	42.2%
Adjusted operating expenses ⁽²⁾	\$280	\$285	\$277	\$338	\$1,180
Adjusted operating profit ⁽³⁾	\$186	\$151	\$203	\$239	\$779
Adjusted operating profit margin ⁽³⁾	16.8%	14.2%	17.5%	18.1%	16.8%
Restructuring and asset impairment costs	\$1	\$0	\$0	\$0	\$1
Other expense (income), net ⁽⁴⁾	\$3	\$1	\$5	(\$1)	\$8
EBIT ⁽⁵⁾	\$182	\$150	\$198	\$240	\$770
EBIT margin ⁽⁵⁾	16.5%	14.1%	17.1%	18.2%	16.6%
Interest expense	\$30	\$32	\$33	\$32	\$127
Interest income	(\$2)	(\$2)	(\$3)	(\$3)	(\$10)
Earnings from continuing operations before income taxes	\$154	\$120	\$168	\$211	\$653

(1) In accordance with SEC's Regulation G, this schedule provides the definition of a non-GAAP measure and the reconciliation to the most closely related GAAP measure. Management believes the presentation of adjusted operating profit and margin, and EBIT and EBIT margin provides additional useful information to investors about current trends in the business. Adjusted operating profit is taken into account in determining management's incentive compensation and the Company's contribution to employee profit sharing plans.

(2) Adjusted operating expenses (a non-GAAP measure) represents selling and administrative expenses, advertising costs and research and development costs and excludes the following expenses: restructuring and asset impairment costs, other expense (income), net, and interest income and expense.

(3) Adjusted operating profit (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding restructuring and asset impairment costs, other expense (income), net, and interest income and expense, as reported above. Adjusted operating profit margin is a measure of adjusted operating profit as a percentage of net sales.

(4) Other expense (income), net on the Consolidated Statements of Earnings (Unaudited) includes interest income whereas interest income is shown separately on this schedule.

(5) EBIT (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding interest income and expense, as reported above. EBIT margin is a measure of EBIT as a percentage of net sales.