



Earnings Before Interest and Taxes (EBIT) and Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) ⁽¹⁾

Reconciliation schedule of earnings before income taxes to EBIT, EBITDA, and debt to EBITDA

Dollars in millions and percentages based on rounded numbers

	Three Months Ended	
	<u>9/30/09</u>	<u>9/30/08</u>
Earnings before income taxes	\$ 244	\$ 186
Interest income	(1)	(2)
Interest expense	<u>36</u>	<u>42</u>
EBIT ⁽²⁾	<u>279</u>	<u>226</u>
<i>EBIT margin ⁽²⁾</i>	20.3%	16.3%
Depreciation and amortization	<u>48</u>	<u>47</u>
EBITDA ⁽³⁾	<u>\$ 327</u>	<u>\$ 273</u>
<i>EBITDA margin ⁽³⁾</i>	23.8%	19.7%
Net sales	<u><u>\$ 1,372</u></u>	<u><u>\$ 1,384</u></u>

(1) In accordance with SEC's Regulation G, this schedule provides the definition of certain non-GAAP measures and the reconciliation to the most closely related GAAP measure.

Management believes the presentation of EBIT, EBIT margin, EBITDA and EBITDA margin provides additional useful information to investors about current trends in the business.

(2) EBIT (a non-GAAP measure) represents earnings 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.

(3) EBITDA (a non-GAAP measure) represents earnings before income taxes (a GAAP measure), excluding interest income, interest expense, depreciation and amortization, as reported above. EBITDA margin is a measure of EBITDA as a percentage of net sales.