

Condensed Consolidated Statements of Earnings (Unaudited)

Dollars in millions, except per-share amounts

	Three Months Ended		Nine Months Ended	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Net sales	\$ 1,304	\$ 1,287	\$ 3,749	\$ 3,805
Cost of products sold	729	713	2,121	2,119
Gross profit	575	574	1,628	1,686
Selling and administrative expenses	182	178	543	535
Advertising costs	125	122	360	367
Research and development costs	29	30	86	85
Goodwill impairment	-	-	258	-
Interest expense	29	34	94	107
Other (income) expense, net	(9)	1	(22)	29
Earnings from continuing operations before income taxes	219	209	309	563
Income taxes on continuing operations	78	66	191	187
Earnings from continuing operations	141	143	118	376
Discontinued operations:				
Earnings from Auto businesses, net of tax	-	22	23	56
Gain on sale of Auto businesses, net of tax	10	-	247	-
Earnings from discontinued operations	10	22	270	56
Net earnings	<u>\$ 151</u>	<u>\$ 165</u>	<u>\$ 388</u>	<u>\$ 432</u>
Earnings per share				
Basic				
Continuing operations	\$ 1.03	\$ 1.01	\$ 0.85	\$ 2.66
Discontinued operations	0.07	0.16	1.95	0.40
Basic net earnings per share	<u>\$ 1.10</u>	<u>\$ 1.17</u>	<u>\$ 2.80</u>	<u>\$ 3.06</u>
Diluted				
Continuing operations	\$ 1.02	\$ 1.00	\$ 0.84	\$ 2.64
Discontinued operations	0.07	0.16	1.93	0.40
Diluted net earnings per share	<u>\$ 1.09</u>	<u>\$ 1.16</u>	<u>\$ 2.77</u>	<u>\$ 3.04</u>
Weighted average shares outstanding (in thousands)				
Basic	136,364	140,764	138,172	140,270
Diluted	137,689	142,014	139,527	141,509

Reportable Segment Information
(Unaudited)

Dollars in millions

Third Quarter	Net Sales			Earnings/(Losses) from Continuing Operations Before Income Taxes		
	Three Months Ended			Three Months Ended		
	3/31/2011	3/31/2010 ⁽²⁾	% Change ⁽¹⁾	3/31/2011	3/31/2010 ⁽²⁾	% Change ⁽¹⁾
Cleaning Segment	\$ 407	\$ 397	3%	\$ 89	\$ 94	-5%
Household Segment	394	408	-3%	73	72	1%
Lifestyle Segment	227	226	0%	68	82	-17%
International Segment	276	256	8%	39	38	3%
Corporate ⁽⁴⁾	-	-	0%	(50)	(77)	-35%
Total Company	\$ 1,304	\$ 1,287	1%	\$ 219	\$ 209	5%

Year-to-Date	Net Sales			Earnings/(Losses) from Continuing Operations Before Income Taxes		
	Nine Months Ended			Nine Months Ended		
	3/31/2011	3/31/2010 ⁽²⁾	% Change ⁽¹⁾	3/31/2011	3/31/2010 ⁽²⁾	% Change ⁽¹⁾
Cleaning Segment	\$ 1,210	\$ 1,229	-2%	\$ 274	\$ 283	-3%
Household Segment	1,068	1,123	-5%	151	154	-2%
Lifestyle Segment ⁽³⁾	646	638	1%	(66)	226	-129%
International Segment	825	815	1%	120	113	6%
Corporate ⁽⁴⁾	-	-	0%	(170)	(213)	-20%
Total Company	\$ 3,749	\$ 3,805	-1%	\$ 309	\$ 563	-45%

⁽¹⁾ Percentages based on rounded numbers.

⁽²⁾ As a result of the Auto Businesses' results being included in discontinued operations in the three and nine months ended March 31, 2011, the prior comparative period has been reclassified to conform with the current period presentation.

⁽³⁾ The earnings/(losses) from continuing operations before income taxes for the nine months ended March 31, 2011 for the Lifestyle segment includes a \$258 noncash goodwill impairment charge recognized in the fiscal 2011 second quarter for the Burt's Bees business.

⁽⁴⁾ The decrease in corporate losses for the three and nine months ended March 31, 2011, as compared to the three and nine months ended March 31, 2010, is primarily due to lower employee compensation costs, gains on low-income housing properties and lower interest expense, primarily due to a decline in average debt balances. These factors were partially offset by the incremental investments for information technology projects.

Condensed Consolidated Balance Sheets (Unaudited)

Dollars in millions

	3/31/2011	6/30/2010	3/31/2010
ASSETS			
Current assets			
Cash and cash equivalents	\$ 153	\$ 87	\$ 241
Receivables, net	499	540	550
Inventories, net	435	332	390
Assets held for sale, net	-	405	403
Other current assets	117	125	117
Total current assets	1,204	1,489	1,701
Property, plant and equipment, net	1,006	966	923
Goodwill	1,066	1,303	1,311
Trademarks, net	550	550	553
Other intangible assets, net	86	96	99
Other assets	139	144	147
Total assets	<u>\$ 4,051</u>	<u>\$ 4,548</u>	<u>\$ 4,734</u>
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY			
Current liabilities			
Notes and loans payable	\$ 343	\$ 371	\$ 586
Current maturities of long-term debt	-	300	300
Accounts payable	360	409	341
Accrued liabilities	452	491	475
Income taxes payable	77	74	66
Total current liabilities	1,232	1,645	1,768
Long-term debt	2,125	2,124	2,132
Other liabilities	715	677	610
Deferred income taxes	61	19	44
Total liabilities	<u>4,133</u>	<u>4,465</u>	<u>4,554</u>
Contingencies			
Stockholders' (deficit) equity			
Common stock	159	159	159
Additional paid-in capital	623	617	599
Retained earnings	1,059	920	838
Treasury shares	(1,616)	(1,242)	(1,109)
Accumulated other comprehensive net losses	(307)	(371)	(307)
Stockholders' (deficit) equity	<u>(82)</u>	<u>83</u>	<u>180</u>
Total liabilities and stockholders' (deficit) equity	<u>\$ 4,051</u>	<u>\$ 4,548</u>	<u>\$ 4,734</u>