

**Condensed Consolidated Statements of Earnings (Unaudited)**

Dollars in millions, except per share amounts

	Three Months Ended	
	9/30/2006	9/30/2005
Net sales	\$ 1,161	\$ 1,104
Cost of products sold	<u>663</u>	<u>638</u>
Gross profit	498	466
Selling and administrative expenses	153	144
Advertising costs	117	113
Research and development costs	26	23
Restructuring and asset impairment costs	-	1
Interest expense	29	30
Other (income) expense, net	<u>(2)</u>	<u>1</u>
Earnings from continuing operations before income taxes	175	154
Income taxes on continuing operations	<u>63</u>	<u>46</u>
Earnings from continuing operations	112	108
Earnings from discontinued operations	<u>-</u>	<u>1</u>
Net earnings	<u>\$ 112</u>	<u>\$ 109</u>
Earnings per common share:		
Basic		
Continuing operations	\$ 0.74	\$ 0.71
Discontinued operations	<u>-</u>	<u>0.01</u>
Basic net earnings per common share	<u>\$ 0.74</u>	<u>\$ 0.72</u>
Diluted		
Continuing operations	\$ 0.73	\$ 0.70
Discontinued operations	<u>-</u>	<u>0.01</u>
Diluted net earnings per common share	<u>\$ 0.73</u>	<u>\$ 0.71</u>
Weighted average common shares outstanding (in thousands)		
Basic	151,143	150,835
Diluted	153,568	152,882

**Segment Information****(Unaudited)**

Dollars in millions

**First Quarter**

	Net Sales			Earnings/(Losses) from Continuing Operations Before Income Taxes		
	Three Months Ended		%	Three Months Ended		%
	9/30/2006	9/30/2005	Change <sup>(1)</sup>	9/30/2006	9/30/2005	Change <sup>(1)</sup>
Household Group - North America	\$549	\$524	5%	\$178	\$170	5%
Specialty Group	451	425	6%	109	89	22%
International	161	155	4%	34	35	-3%
Corporate	-	-	-	(146)	(140)	-4%
Total Company	<u>\$1,161</u>	<u>\$1,104</u>	<u>5%</u>	<u>\$175</u>	<u>\$154</u>	<u>14%</u>

<sup>(1)</sup> Percentages based on rounded numbers.

**Condensed Consolidated Balance Sheets (Unaudited)**

Dollars in millions

	<u>9/30/2006</u>	<u>6/30/2006</u>	<u>9/30/2005</u>
<b>Assets</b>			
Current assets			
Cash and equivalents	\$ 174	\$ 192	\$ 273
Receivables, net	374	435	362
Inventories	325	292	344
Other current assets	67	88	64
Total current assets	940	1,007	1,043
Property, plant and equipment, net	990	1,004	993
Goodwill	748	744	748
Trademarks and other intangible assets, net	604	604	597
Other assets	257	257	189
Total assets	<u>\$ 3,539</u>	<u>\$ 3,616</u>	<u>\$ 3,570</u>
<b>Liabilities and Stockholders' Deficit</b>			
Current liabilities			
Notes and loans payable	\$ 68	\$ 156	\$ 556
Current maturities of long-term debt	152	152	3
Accounts payable	299	329	309
Accrued liabilities	415	474	404
Income taxes payable	26	19	-
Total current liabilities	960	1,130	1,272
Long-term debt	1,965	1,966	2,120
Other liabilities	549	547	624
Deferred income taxes	120	129	86
Total liabilities	<u>3,594</u>	<u>3,772</u>	<u>4,102</u>
Contingencies			
Stockholders' deficit			
Common stock	250	250	250
Additional paid-in capital	414	397	330
Retained earnings	4,005	3,939	3,742
Treasury shares	(4,514)	(4,527)	(4,534)
Accumulated other comprehensive net losses	(210)	(215)	(320)
Stockholders' deficit	<u>(55)</u>	<u>(156)</u>	<u>(532)</u>
Total liabilities and stockholders' deficit	<u>\$ 3,539</u>	<u>\$ 3,616</u>	<u>\$ 3,570</u>