



Supplemental Balance Sheet Information

Preliminary* (Unaudited)

As of Sept. 30, 2006

Working Capital Update

	Q1		Change (\$ millions)	Days ⁽⁴⁾ FY 2007	Days ⁽⁴⁾ FY 2006	Change
	FY 2007 (\$ millions)	FY 2006 (\$ millions)				
Receivables, net	\$374	\$362	\$12	31	32	-1 day
Inventories	325	344	(19)	42	47	-5 days
Accounts payable	299	309	(10)	41	45	-4 days
Accrued liabilities	415	404	11			
Total WC ⁽¹⁾	\$26	\$57	(31)			
Total WC % net sales ⁽²⁾	+0.6%	+1.3%				
Avg WC ⁽¹⁾	\$10	-\$67	\$77			
Avg WC % net sales ⁽³⁾	+0.2%	-1.5%				

- Receivables increased primarily as a result of higher sales and price increases.
- Inventory decreased mainly due to higher prior-year inventories related to new product launches.
- Accounts payable declined due to timing of payments.
- Accrued liabilities increased primarily due to timing of payments.

Supplemental Cash Flow Information

Preliminary* (Unaudited)

As of Sept. 30, 2006

Capital expenditures were \$31 million

Depreciation and amortization was \$46 million

Cash provided by operations

Net cash provided by operations in the first quarter was \$133 million, compared with \$59 million used in operations in the year-ago quarter. The year-over-year increase was primarily due to a \$151 million payment in the first quarter of fiscal 2006 related to a prior year income tax settlement. Also contributing to the increase was timing of payments on accounts payable and accrued liabilities.

* Preliminary estimates. Final quarterly numbers will be published in our Form 10-Q.

⁽¹⁾ Working capital is defined in this context as current assets minus current liabilities excluding cash and short-term debt. Total working capital is based on working capital at the end of the period. Average working capital is based on a two points average working capital.

⁽²⁾ Based on working capital at the end of the period divided by annualized net sales (*current quarter net sales x 4*).

⁽³⁾ Based on a two points average working capital divided by annualized net sales (*current quarter net sales x 4*).

⁽⁴⁾ Days calculations based on a two points average.