



Earnings Before Interest and Taxes (Unaudited) ⁽¹⁾

Reconciliation schedule of earnings before income taxes to earnings before interest and taxes (EBIT)

Dollars in millions and percentages based on rounded numbers

| | <u>Three months ended</u> | |
|-------------------------------------|---------------------------|-------------------|
| | <u>9/30/07</u> | <u>9/30/06</u> |
| Earnings before income taxes | \$174 | \$175 |
| Interest income | (3) | (2) |
| Interest expense | <u>33</u> | <u>29</u> |
| EBIT ⁽²⁾ | <u>204</u> | <u>202</u> |
| <i>EBIT Margin ⁽²⁾</i> | <i>16.5%</i> | <i>17.4%</i> |
| | | |
| Net sales | <u>\$1,239</u> | <u>\$1,161</u> |

(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 EBIT and EBIT 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.