



## Supplemental Information – Balance Sheet

(Unaudited)

As of March 31, 2008

### Working Capital Update

	Q3		Change (\$ millions)	Days <sup>(5)</sup> FY 2008	Days <sup>(5)</sup> FY 2007	Change
	FY 2008 (\$ millions)	FY 2007 (\$ millions)				
Receivables, net	\$456	\$426	\$30	28	30	-2 days
Inventories	\$423	\$346	\$77	47	44	+3 days
Accounts payable <sup>(1)</sup>	\$340	\$292	\$48	36	36	0 days
Accrued liabilities	\$406	\$460	-\$54			
Total WC <sup>(2)</sup>	\$171	\$71	\$100			
Total WC % net sales <sup>(3)</sup>	3.2%	1.4%				
Average WC <sup>(2)</sup>	\$158	\$65	\$93			
Average WC % net sales <sup>(4)</sup>	2.9%	1.3%				

- Receivables increased primarily as a result of the acquisition of Burt's Bees and higher sales.
- Inventories increased primarily as a result of the acquisition of Burt's Bees, higher commodity costs, and inventory build for supply chain restructuring.
- Accounts payable increased mainly due to the acquisition of Burt's Bees, increased commodity costs and timing of payments.
- Accrued liabilities decreased primarily due to the adoption of FASB Financial Interpretation No. 48 which resulted in income tax contingency accruals being reclassified from accrued liabilities to income taxes payable and long-term liabilities. This was partially offset by higher accruals related to the acquisition of Burt's Bees, increased trade and marketing spending levels, and the May 2007 increase in the quarterly dividend rate.

## Supplemental Information – Cash Flow

(Unaudited)

As of March 31, 2008

**Capital expenditures were \$32 million**

**Depreciation and amortization was \$56 million**

**Cash provided by operations**

Net cash provided by operations was \$165 million, compared with \$172 million provided by operations in the year-ago quarter. The year-over-year decrease was mainly due to lower earnings.

(1) Days of accounts payable is calculated as follows: average accounts payable / [(cost of products sold + change in inventory) / 90].

(2) Working capital (WC) is defined in this context as current assets minus current liabilities excluding cash and short-term debt, based on end of period balances. Average working capital represents a two-point average of working capital.

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

(4) Represents a two-point average of working capital divided by annualized net sales (*current quarter net sales x 4*).

(5) Days calculations based on a two-point average.