

Earnings (loss) from Continuing Operations Before Interest and Taxes (EBIT), Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (1)

## Reconciliation schedule of earnings (loss) from continuing operations before income taxes to EBIT and EBITDA

Dollars in millions and percentages based on rounded numbers

	FY 2010										FY 2011				
		Q1		Q2		Q3		Q4		FY		Q1		Q2	
	9/	9/30/09		12/31/09		3/31/10		6/30/10		6/30/10		9/30/10		12/31/10	
Earnings (loss) from continuing operations before income taxes	\$	217	\$	137	\$	209	\$	242	\$	805	\$	202	\$	(112)	
Goodwill impairment (2)		-		-		-		-		-		-		258	
Interest income		(1)		(1)		-		(1)		(3)		(1)		(1)	
Interest expense		36		37		34		32		139		32		33	
EBIT (3)		252		173		243		273		941		233		178	
EBIT margin <sup>(3)</sup>		19.3%		14.2%		18.9%		19.1%		18.0%		18.4%		15.1%	
Depreciation and amortization		48		47		44		46		185		45		43	
EBITDA <sup>(4)</sup>	\$	300	\$	220	\$	287	\$	319	\$	1,126	\$	278	\$	221	
EBITDA margin <sup>(4)</sup>		23.0%		18.1%	2	22.3%	2	22.3%		21.5%		22.0%		18.7%	
Net sales	\$	1,303	\$	1,215	\$	1,287	\$	1,429	\$	5,234	\$	1,266	\$	1,179	

<sup>(1)</sup> In accordance with SEC's Regulation G, this schedule provides the definition of certain non-GAAP measures and the reconciliation to the most closely related GAAP measure. Management believes the presentation of EBIT, EBIT margin, EBITDA and EBITDA margin provides additional useful information to investors about current trends in the business.

Note: The Company calculates EBITDA for compliance with its debt covenants using earnings from continuing operations before income taxes and earnings from discontinued operations before income taxes.

<sup>(2)</sup> The goodwill impairment represents a \$258 million noncash charge recognized in Q2 fiscal 2011 to adjust the carrying value of the goodwill related to the acquisition of Burt's Bees to estimated fair value.

<sup>(3)</sup> EBIT (a non-GAAP measure) represents earnings before income taxes (a GAAP measure), excluding goodwill impairment, interest income and interest expense, as reported above. EBIT margin is a measure of EBIT as a percentage of net sales.

<sup>(4)</sup> EBITDA (a non-GAAP measure) represents earnings before income taxes (a GAAP measure), excluding goodwill impairment, interest income, interest expense, depreciation and amortization, as reported above. EBITDA margin is a measure of EBITDA as a percentage of net sales.