

Supplemental Information – Gross Margin Drivers

The table below provides details on the drivers of gross margin change versus the prior year.

Driver	Gross Margin Change vs. Prior Year (basis points)						
	FY10					FY11	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Cost Savings	+170	+160	+170	+220	+180	+200	+180
Price Changes	+170	+80	+60	+60	+90	+80	+100
Market Movement (commodities)	+240	+300	-120	-260	+30	-180	-150
Manufacturing & Logistics ⁽¹⁾	-40	-80	0	-30	-30	0	-80
Customer pick-up allowance	0	0	0	0	0	+20	+20
All other ⁽²⁾	-90	-70	-120	-90	-90	-160	-250
Impact of Auto Care sale adjustment ⁽³⁾	-40	-40	-60	-50	-50	--	--
Change vs prior year	+410	+350	-70	-150	+130	-40	-180

Memo: Gross Margin (%) 44.7% 43.5% 44.6% 44.3% 44.3% 44.3% 41.7%

- (1) "Manufacturing & logistics" includes the change in the cost of diesel fuel.
- (2) "All other" in Q2 FY11 includes business and channel mix (-100 bps), negative foreign currency translation and transaction impacts (-60 bps), higher trade-promotion spending (-40), and increases in other costs.
- (3) Fiscal 2010 gross margin changes reflect the reclassification of the Auto Care businesses to discontinued operations in Q1 Fiscal 2011. Fiscal 2009 gross margins have not been adjusted for the sale of the Auto Care businesses. Fiscal 2010 gross margin drivers have not changed and any differences to gross margin based on this reclassification are reflected here.