Supplemental Balance Sheet Information

Preliminary* (Unaudited)

For the three months ended December 31, 2005

Working Capital Update

	Q2					
	FY 2006 ($ millions)	*FY 2005 ($ millions)*	*Change ($ millions)*	*Days FY 2006*	*Days FY 2005*	*Change*
Receivables, net	$377	$354	+$23	31	33	-2 days
Inventories	359	342	+$17	50	51	-1 days
Accounts payable	274	293	-$19	41	43	-2 days
Accrued liabilities	450	629	-$179			
Total WC(1)	$46	-$175	+$221			
Total WC % net sales (2,4)	1.1%	-4.4%				
Avg WC(1,4)	$52	-$171	+$223			
Avg WC % net sales(3,4)	1.2%	-4.3%				

- Receivables were higher driven by sales growth, however Days Sales Outstanding declined due to improved collections and shorter payment terms.
- Inventory was higher due to commodities cost increases, as well as the build-up for new product launches.
- Accounts payable declined due to the timing of payments, while Accrued liabilities decreased primarily as a result of tax payments related to the IRS settlement.

Supplemental Cash Flow Information

Preliminary* (Unaudited)

For the three months ended December 31, 2005

Capital expenditures were $46 million (YTD = $83 million)

Depreciation and amortization was $47 million (YTD = $92 million) [5]

Cash provided by operations

- Net cash provided by operations in the second quarter was $142 million, compared with $189 million in the year-ago quarter. The year-over-year decline was primarily due to lost profits from businesses transferred to Henkel, higher interest expense from debt issued to fund the Henkel share exchange and higher short-term interest rates, and higher working capital resulting from increased receivables. These factors were partially offset by lower tax payments versus the year-ago quarter.

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

(1) Working capital is defined 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. (Note: Q1'05 working capital does not include $120 million in current assets attributable to assets held for exchange as part of the Henkel transaction.)

(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) Q1'05 working capital as a percentage of net sales and days in receivables, net, inventories and accounts payable are calculated based on balances as reported in our Form 10-Q filed for the quarter ended September 30, 2004, and do not reflect reclassification of operating results of businesses transferred to Henkel as discontinued operations.

(5) Depreciation and amortization excludes non-cash impact of share-based compensation. In Q1, the company reported depreciation and amortization expense of $54 million including $10 million of share-based compensation. The YTD number does not include any share-based compensation expenses, which is now reported as a separate line item on the Cash Flow Statement.