



## Adjusted Operating Profit (Unaudited) <sup>(1)</sup>

### Reconciliation schedule of adjusted operating profit to earnings from continuing operations before income taxes

Dollars in millions

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>12/31/06</u>	<u>12/31/05</u>	<u>12/31/06</u>	<u>12/31/05</u>
Net sales	\$1,101	\$1,064	\$2,262	\$2,168
Gross profit	\$ 462	\$ 436	\$ 960	\$ 902
Gross margin <sup>(2)</sup>	42.0 %	41.0 %	42.4 %	41.6 %
Adjusted operating expenses <sup>(3)</sup>	\$ 298	\$ 285	\$ 594	\$ 565
Adjusted operating profit <sup>(4)</sup>	\$ 164	\$ 151	\$ 366	\$ 337
Adjusted operating profit margin <sup>(2) (4)</sup>	14.9 %	14.2 %	16.2 %	15.5 %
Restructuring costs	\$ 4	\$ -	\$ 4	\$ 1
Interest expense	\$ 29	\$ 32	\$ 58	\$ 62
Other income, net	(\$ 5)	(\$ 1)	(\$ 7)	\$ -
Earnings from continuing operations before income taxes	\$ 136	\$ 120	\$ 311	\$ 274

(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 adjusted operating profit and margin provides additional useful information to investors about current trends in the business. Adjusted operating profit is a component for the calculation of management incentive compensation and employee profit sharing plans.

(2) Percentages based on rounded numbers.

(3) Adjusted operating expenses = selling and administrative expenses, advertising costs and research and development costs.

(4) Adjusted operating profit (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding restructuring costs, interest expense and other income, net, as reported in the Condensed Consolidated Statements of Earnings (Unaudited). Adjusted operating profit margin is a measure of adjusted operating profit as a percentage of net sales.