

Earnings Before Interest and Taxes (Unaudited) (1)

Reconciliation schedule of earnings from continuing operations before income taxes to earnings before interest and taxes (EBIT)

Dollars in millions and percentages based on rounded numbers

	Three months ended		Six months ended	
	12/31/07	12/31/06	12/31/07	12/31/06
Earnings from continuing operations before income taxes	\$128	\$136	\$302	\$311
Interest income	(4)	(3)	(7)	(5)
Interest expense	46	29	79_	58
EBIT (2)	170	162	374	364
EBIT margin ⁽²⁾	14.3%	14.7%	15.4%	16.1%
Net sales	\$1,186	\$1,101	\$2,425	\$2,262

⁽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 EBIT and EBIT margin provides additional useful information to investors about current trends in the business.

⁽²⁾ EBIT (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding interest income and expense, as reported above. EBIT margin is a measure of EBIT as a percentage of net sales.