

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

Years ended June 30

Dollars in millions, except share and per share data

	2016	2015	2014
Net sales	\$ 5,761	\$ 5,655	\$ 5,514
Cost of products sold	3,163	3,190	3,158
Gross profit	2,598	2,465	2,356
Selling and administrative expenses	806	798	751
Advertising costs	587	523	503
Research and development costs	141	136	125
Interest expense	88	100	103
Other (income) expense, net	(7)	(13)	(10)
Earnings from continuing operations before income taxes	983	921	884
Income taxes on continuing operations	335	315	305
Earnings from continuing operations	648	606	579
Losses from discontinued operations, net of tax	—	(26)	(21)
Net earnings	\$ 648	\$ 580	\$ 558
Net earnings (losses) per share			
Basic			
Continuing operations	\$ 5.01	\$ 4.65	\$ 4.47
Discontinued operations	—	(0.20)	(0.16)
Basic net earnings per share	\$ 5.01	\$ 4.45	\$ 4.31
Diluted			
Continuing operations	\$ 4.92	\$ 4.57	\$ 4.39
Discontinued operations	—	(0.20)	(0.16)
Diluted net earnings per share	\$ 4.92	\$ 4.37	\$ 4.23
Weighted average shares outstanding (in thousands)			
Basic	129,472	130,310	129,558
Diluted	131,717	132,776	131,742