

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS

As of June 30

Dollars in millions, except share and per share data

| | 2016 | 2015 |
|--|----------|----------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 401 | \$ 382 |
| Receivables, net | 569 | 519 |
| Inventories, net | 443 | 385 |
| Other current assets | 72 | 143 |
| Total current assets | 1,485 | 1,429 |
| Property, plant and equipment, net | 906 | 918 |
| Goodwill | 1,197 | 1,067 |
| Trademarks, net | 657 | 535 |
| Other intangible assets, net | 78 | 50 |
| Other assets | 195 | 165 |
| Total assets | \$ 4,518 | \$ 4,164 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Notes and loans payable | \$ 523 | \$ 95 |
| Current maturities of long-term debt | — | 300 |
| Accounts payable and accrued liabilities | 1,035 | 979 |
| Income taxes payable | — | 31 |
| Total current liabilities | 1,558 | 1,405 |
| Long-term debt | 1,797 | 1,796 |
| Other liabilities | 784 | 750 |
| Deferred income taxes | 82 | 95 |
| Total liabilities | 4,221 | 4,046 |
| Commitments and contingencies | | |
| Stockholders' equity | | |
| Preferred stock: \$1.00 par value; 5,000,000 shares authorized; none issued or outstanding | — | — |
| Common stock: \$1.00 par value; 750,000,000 shares authorized; 158,741,461 shares issued as of June 30, 2016 and 2015; and 129,355,263 and 128,614,310 shares outstanding as of June 30, 2016 and 2015, respectively | 159 | 159 |
| Additional paid-in capital | 868 | 775 |
| Retained earnings | 2,163 | 1,923 |
| Treasury shares, at cost: 29,386,198 and 30,127,151 shares as of June 30, 2016 and 2015, respectively | (2,323) | (2,237) |
| Accumulated other comprehensive net (losses) income | (570) | (502) |
| Stockholders' equity | 297 | 118 |
| Total liabilities and stockholders' equity | \$ 4,518 | \$ 4,164 |