

Financial Statements

Condensed Consolidated Statements of Earnings

Years ended June 30

Dollars in millions, except share and per share data

	2017	2016	2015
Net sales	\$ 5,973	\$ 5,761	\$ 5,655
Cost of products sold	3,302	3,163	3,190
Gross profit	2,671	2,598	2,465
Selling and administrative expenses	810	806	798
Advertising costs	599	587	523
Research and development costs	135	141	136
Interest expense	88	88	100
Other (income) expense, net	6	(7)	(13)
Earnings from continuing operations before income taxes	1,033	983	921
Income taxes on continuing operations	330	335	315
Earnings from continuing operations	703	648	606
Losses from discontinued operations, net of tax	(2)	—	(26)
Net earnings	\$ 701	\$ 648	\$ 580
Net earnings (losses) per share			
Basic			
Continuing operations	\$ 5.45	\$ 5.01	\$ 4.65
Discontinued operations	(0.02)	—	(0.20)
Basic net earnings per share	\$ 5.43	\$ 5.01	\$ 4.45
Diluted			
Continuing operations	\$ 5.35	\$ 4.92	\$ 4.57
Discontinued operations	(0.02)	—	(0.20)
Diluted net earnings per share	\$ 5.33	\$ 4.92	\$ 4.37
Weighted average shares outstanding (in thousands)			
Basic	128,953	129,472	130,310
Diluted	131,566	131,717	132,776