

FINANCIAL STATEMENTS

Condensed Consolidated Statements of Cash Flows

Years ended June 30

Dollars in millions

	2018	2017	2016
Operating activities:			
Net earnings	\$ 823	\$ 701	\$ 648
Deduct: Losses from discontinued operations, net of tax	—	(2)	—
Earnings from continuing operations	823	703	648
Adjustments to reconcile earnings from continuing operations to net cash provided by continuing operations:			
Depreciation and amortization	166	163	165
Stock-based compensation	53	51	45
Deferred income taxes	(23)	(35)	5
Other	43	36	1
Changes in:			
Receivables, net	(24)	(1)	(52)
Inventories, net	(21)	(19)	(45)
Prepaid expenses and other current assets	3	(5)	6
Accounts payable and accrued liabilities	(47)	(34)	57
Income taxes payable	1	12	(62)
Net cash provided by continuing operations	974	871	768
Net cash (used for) provided by discontinued operations	—	(3)	10
Net cash provided by operations	974	868	778
Investing activities:			
Capital expenditures	(194)	(231)	(172)
Businesses acquired, net of cash acquired	(681)	—	(290)
Other	16	26	32
Net cash used for investing activities	(859)	(205)	(430)
Financing activities:			
Notes and loans payable, net	(214)	(125)	426
Long-term debt borrowings, net of issuance costs	891	—	—
Long-term debt repayments	(400)	—	(300)
Treasury stock purchased	(271)	(183)	(254)
Cash dividends paid	(450)	(412)	(398)
Issuance of common stock for employee stock plans and other	45	75	210
Net cash used for financing activities	(399)	(645)	(316)
Effect of exchange rate changes on cash and cash equivalents	(3)	(1)	(13)
Net increase (decrease) in cash and cash equivalents	(287)	17	19
Cash and cash equivalents:			
Beginning of year	418	401	382
End of year	\$ 131	\$ 418	\$ 401
Supplemental cash flow information:			
Interest paid	\$ 75	\$ 78	\$ 79
Income taxes paid, net of refunds	245	347	323
Non-cash financing activities:			
Cash dividends declared and accrued, but not paid	123	108	104