

FINANCIAL STATEMENTS

Condensed Consolidated Statements of Earnings

Years ended June 30

Dollars in millions, except share and per share data

	2018	2017	2016
Net sales	\$ 6,124	\$ 5,973	\$ 5,761
Cost of products sold	3,449	3,302	3,163
Gross profit	2,675	2,671	2,598
Selling and administrative expenses	837	810	806
Advertising costs	570	599	587
Research and development costs	132	135	141
Interest expense	85	88	88
Other (income) expense, net	(3)	6	(7)
Earnings from continuing operations before income taxes	1,054	1,033	983
Income taxes on continuing operations	231	330	335
Earnings from continuing operations	823	703	648
Losses from discontinued operations, net of tax	—	(2)	—
Net earnings	\$ 823	\$ 701	\$ 648
Net earnings (losses) per share			
Basic			
Continuing operations	\$ 6.37	\$ 5.45	\$ 5.01
Discontinued operations	—	(0.02)	—
Basic net earnings per share	\$ 6.37	\$ 5.43	\$ 5.01
Diluted			
Continuing operations	\$ 6.26	\$ 5.35	\$ 4.92
Discontinued operations	—	(0.02)	—
Diluted net earnings per share	\$ 6.26	\$ 5.33	\$ 4.92
Weighted average shares outstanding (in thousands)			
Basic	129,293	128,953	129,472
Diluted	131,581	131,566	131,717