

NON-GAAP RECONCILIATIONS

Reconciliation of Reported (GAAP)
to Adjusted (non-GAAP) Financial Measures
(Dollar amounts in millions, except per share data)

	2016	2015	2014	2013	2012	2011
Non-GAAP adjustments, Continuing Operations						
Gain from sale of businesses	\$ (27)	\$ -	\$ -	\$ -	\$ -	\$ -
Benefit from litigation settlement proceeds	(7)	-	-	-	-	-
Impairment charges	4	6	-	67	-	-
Pension lump-sum buyout charge	-	12	-	-	-	-
Litigation accrual	-	6	54	-	-	-
Acquisition-related bargain purchase gain	-	-	-	(9)	-	-
Restructuring-related charges	-	-	-	-	-	15
Non-GAAP adjustments, pre-tax	(30)	23	54	58	-	15
Income tax impact	12	(9)	(21)	(21)	-	(5)
Unusual tax items	-	-	-	-	(27)	-
Non-GAAP adjustments, after tax	\$ (18)	\$ 15	\$ 33	\$ 37	\$ (27)	\$ 10
Diluted shares outstanding	140.0	142.9	143.2	147.2	146.0	147.0
EPS impact of non-GAAP adjustments	\$ (0.13)	\$ 0.09	\$ 0.23	\$ 0.25	\$ (0.18)	\$ 0.07
Adjusted EBIT, Margin, and EPS						
EBIT (earnings before interest and taxes)	\$ 522	\$ 487	\$ 332	\$ 275	\$ 324	\$ 266
Non-GAAP adjustments, pre-tax	(30)	23	54	58	-	15
Adjusted EBIT	\$ 492	\$ 510	\$ 386	\$ 333	\$ 324	\$ 281
Net sales from continuing operations	\$ 3,750	\$ 3,917	\$ 3,782	\$ 3,477	\$ 3,415	\$ 3,303
EBIT margin	13.9%	12.4%	8.8%	7.9%	9.5%	8.1%
Adjusted EBIT margin	13.1%	13.0%	10.2%	9.6%	9.5%	8.5%
Diluted EPS from continuing operations	\$ 2.62	\$ 2.27	\$ 1.55	\$ 1.25	\$ 1.57	\$ 1.15
EPS impact of non-GAAP adjustments	(0.13)	0.09	0.23	0.25	(0.18)	0.07
Adjusted EPS from continuing operations	\$ 2.49	\$ 2.36	\$ 1.78	\$ 1.50	\$ 1.39	\$ 1.22
Dividend Payout Ratio						
Diluted EPS from continuing operations	\$ 2.62	\$ 2.27	\$ 1.55	\$ 1.25	\$ 1.57	\$ 1.15
EPS impact of non-GAAP adjustments	(0.13)	0.09	0.23	0.25	(0.18)	0.07
Adjusted EPS from continuing operations	\$ 2.49	\$ 2.36	\$ 1.78	\$ 1.50	\$ 1.39	\$ 1.22
Annual dividend per share	\$ 1.34	\$ 1.26	\$ 1.22	\$ 1.18	\$ 1.14	\$ 1.10
Dividend payout % of diluted EPS from cont. ops.	51%	56%	79%	94%	73%	96%
Dividend payout % of adjusted EPS from cont. ops.	54%	53%	69%	79%	82%	90%

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	2016	2015	2014	2013	2012	2011
Return on Equity						
Net earnings from continuing operations	\$ 367	\$ 328	\$ 225	\$ 186	\$ 231	\$ 173
Non-GAAP adjustments, after tax	(18)	15	33	37	(27)	10
Adjusted net earnings	\$ 349	\$ 343	\$ 258	\$ 223	\$ 204	\$ 183
Average shareholders equity	\$ 1,096	\$ 1,126	\$ 1,277	\$ 1,421	\$ 1,375	\$ 1,416
Return on average equity	33.5%	29.1%	17.6%	13.1%	16.8%	12.2%
Adjusted return on average equity	31.8%	30.4%	20.2%	15.7%	14.8%	12.9%
Net Debt to Net Capital						
Current maturities of long-term debt	\$ 4	\$ 3	\$ 202	\$ 181	\$ 202	\$ 3
Long-term debt	956	942	762	685	850	831
Total debt	960	945	964	866	1,052	834
Cash and cash equivalents	(282)	(253)	(333)	(273)	(359)	(236)
Net debt	\$ 678	\$ 692	\$ 631	\$ 593	\$ 693	\$ 598
Long-term debt	\$ 956	\$ 942	\$ 762	\$ 685	\$ 850	\$ 831
Deferred income taxes	54	38	42	63	70	58
Other long-term liabilities	173	185	185	128	158	130
Equity	1,094	1,098	1,155	1,399	1,442	1,308
Total capital	2,277	2,263	2,144	2,275	2,520	2,327
Current maturities of long-term debt	4	3	202	181	202	3
Cash and cash equivalents	(282)	(253)	(333)	(273)	(359)	(236)
Net capital	\$ 1,999	\$ 2,013	\$ 2,013	\$ 2,183	\$ 2,363	\$ 2,094
Long-term debt to total capital	42.0%	41.6%	35.5%	30.1%	33.7%	35.7%
Net debt to net capital	33.9%	34.4%	31.3%	27.2%	29.3%	28.6%