

Condensed Consolidated Statements of Earnings (Unaudited)

In millions, except share and per-share amounts

	Three Months Ended		Twelve Months Ended	
	6/30/2005	6/30/2004	6/30/2005	6/30/2004
Net sales	\$1,254	\$1,185	\$4,388	\$4,162
Cost of products sold	701	643	2,493	2,331
Gross profit	553	542	1,895	1,831
Selling and administrative expenses	148	135	551	543
Advertising costs	132	124	435	420
Research and development costs	24	23	88	84
Restructuring and asset impairment	(1)	11	36	11
Interest expense	27	9	79	30
Other (income) expense:				
Equity earnings and gain on exchange of Henkel Iberica, S.A.	-	(3)	(25)	(11)
Other, net	(8)	(1)	2	2
Earnings from continuing operations before income taxes	231	244	729	752
Income taxes on continuing operations	75	85	214	262
Reversal of deferred taxes from equity investment in Henkel Iberica, S.A.	-	-	(2)	-
Earnings from continuing operations	156	159	517	490
Discontinued operations:				
Gain on exchange	-	-	550	-
Earnings from exchanged businesses	1	29	37	87
Reversal of deferred taxes from exchanged business	-	-	6	-
Earnings (losses) from Brazil operations	-	2	-	(4)
Income tax expense on discontinued operations	(1)	(5)	(14)	(24)
Earnings from discontinued operations	-	26	579	59
Net earnings	\$156	\$185	\$1,096	\$549
Earnings per common share:				
Basic				
Continuing operations	\$1.02	\$0.75	\$2.92	\$2.31
Discontinued operations	-	0.12	3.28	0.28
Basic net earnings per common share	\$1.02	\$0.87	\$6.20	\$2.59
Diluted				
Continuing operations	\$1.00	\$0.74	\$2.88	\$2.28
Discontinued operations	-	0.12	3.23	0.28
Diluted net earnings per common share	\$1.00	\$0.86	\$6.11	\$2.56
Weighted average common shares outstanding (in thousands)				
Basic	152,627	212,363	176,586	211,683
Diluted	155,059	214,770	179,176	214,371

Segment Information (Unaudited)

In millions

Fourth Quarter

	Net Sales			Earnings from Continuing Operations Before Income Taxes.		
	Three Months Ended		%	Three Months Ended		%
	6/30/2005	6/30/2004	Change ⁽¹⁾	6/30/2005	6/30/2004	Change ⁽¹⁾
Household Group - North America	\$537	\$529	2%	\$148	\$170	-13%
Specialty Group	569	534	7%	174	154	13%
International	148	122	21%	28	22	27%
Corporate	-	-	-	(119)	(102)	-17%
Total Company	<u>\$1,254</u>	<u>\$1,185</u>	<u>6%</u>	<u>\$231</u>	<u>\$244</u>	<u>-5%</u>

Year To Date

	Net Sales			Earnings from Continuing Operations Before Income Taxes.		
	Twelve Months Ended		%	Twelve Months Ended		%
	6/30/2005	6/30/2004	Change ⁽¹⁾	6/30/2005	6/30/2004	Change ⁽¹⁾
Household Group - North America	\$2,038	\$1,986	3%	\$633	\$634	0%
Specialty Group	1,788	1,677	7%	435	417	4%
International	562	499	13%	119	115	3%
Corporate	-	-	-	(458)	(414)	-11%
Total Company	<u>\$4,388</u>	<u>\$4,162</u>	<u>5%</u>	<u>\$729</u>	<u>\$752</u>	<u>-3%</u>

⁽¹⁾ Percentages based on rounded numbers.

Condensed Consolidated Balance Sheets (Unaudited)

In millions

	<u>6/30/2005</u>	<u>6/30/2004</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 293	\$ 232
Receivables, net	411	460
Inventories	323	301
Other current assets	63	50
	<u>1,090</u>	<u>1,043</u>
Total current assets	1,090	1,043
Property, plant and equipment, net	999	1,052
Goodwill, net	743	742
Trademarks and other intangible assets, net	599	633
Other assets, net	186	364
	<u>186</u>	<u>364</u>
Total assets	<u>\$3,617</u>	<u>\$3,834</u>
Liabilities and Stockholders' (Deficit) Equity		
Current liabilities		
Notes and loans payable	\$ 359	\$ 289
Current maturities of long-term debt	2	2
Accounts payable	347	310
Accrued liabilities	572	643
Income taxes payable	26	24
	<u>1,306</u>	<u>1,268</u>
Total current liabilities	1,306	1,268
Long-term debt	2,122	475
Other liabilities	618	377
Deferred income taxes	84	174
Stockholders' (deficit) equity		
Common stock	250	250
Additional paid-in capital	328	301
Retained earnings	3,726	2,846
Treasury shares	(4,463)	(1,570)
Accumulated other comprehensive net losses	(338)	(274)
Unearned compensation	(16)	(13)
	<u>(513)</u>	<u>1,540</u>
Stockholders' (deficit) equity	(513)	1,540
Total liabilities and stockholders' (deficit) equity	<u>\$3,617</u>	<u>\$3,834</u>