



Supplemental Balance Sheet Information

Preliminary* (Unaudited)

For the three months ended Sept. 30, 2005

Working Capital Update

	Q1		Change (\$ millions)	Days FY 2006	Days FY 2005	Change
	FY 2006 (\$ millions)	FY 2005 (\$ millions)				
Receivables, net	\$362	\$385	-\$23	32	35	-3 days
Inventories	344	305	+39	47	45	+2 days
Accounts payable	309	287	+22	45	44	+1 day
Accrued liabilities	404	617	-213			
Total WC ⁽¹⁾	\$57	-\$167	+\$244			
Total WC % net sales ^(2,4)	+1.3%	-3.8%				
Avg WC ⁽¹⁾	-\$67	-\$167	+\$100			
Avg WC % net sales ^(3,4)	-1.5%	-3.8%				

- Receivables declined due to improved collections and shorter payment terms for Auto, partially offset by higher sales in International.
- Inventory was higher due to commodities cost increases and higher foreign currency translation impacting inventory values, as well as the build-up for new product launches and higher charcoal inventory.
- Accounts payable increased primarily due to the timing of payments and higher inventory balances, while accrued liabilities decreased primarily as a result of tax payments related to the IRS settlement.

Supplemental Cash Flow Information

Preliminary* (Unaudited)

For the three months ended Sept. 30, 2005

Capital expenditures were \$37 million

Depreciation and amortization was \$54 million

Cash provided by operations

- Net cash used in operations was \$59 million in the first quarter, compared with \$216 million provided by operations in the year-ago quarter. The year-over-year decline was primarily due to payment of a \$151 million IRS settlement. Also contributing to the decline were increased interest payments of \$41 million; lower levels of cash provided by discontinued operations of approximately \$30 million, due to the businesses exchanged as part of the November, 2004 Henkel transaction; and higher inventory values of \$10 million, mainly due to increased commodity costs. Excluding the impact of the IRS settlement, the company generated cash from operations of \$92 million.

* Preliminary estimates. Final quarterly numbers will be published in our Form 10-Q.

⁽¹⁾ Working capital is defined as current assets minus current liabilities excluding cash and short-term debt. Q1'05 working capital does not include \$120 million in current assets attributable to assets held for exchange as part of the Henkel transaction. Total working capital is based on working capital at the end of the period. Average working capital is based on a two points average working capital.

⁽²⁾ Based on working capital at the end of the period divided by annualized net sales (*current quarter net sales x 4*).

⁽³⁾ Based on a two points average working capital divided by annualized net sales (*current quarter net sales x 4*).

⁽⁴⁾ Q1'05 working capital as a percentage of net sales and days in receivables, net, inventories and accounts payable are calculated based on balances as reported in our Form 10-Q filed for the quarter ended September 30, 2004, and do not reflect reclassification of operating results of businesses transferred to Henkel as discontinued operations.