Reconciliation of GAAP and Non-GAAP Information

CERTAIN LINE ITEMS

For the Twelve Months Ended December 31, 2017
(In millions, except per share data)

	GAAP Measure	Project Renewal Costs[1]												Non-GAAP Measure	
	Reported	Advisory Costs	Personnel Costs	Other Costs	Inventory Step-up[2]	Integration Costs[3]	Acquisition Amortization Costs[4]	Transaction and Related Costs[5]	Divestiture Costs[6]	Other Non-recurring Items[7]	Loss on Extinguishment of Debt[8]	Net Gain/(Loss) on Sale of Businesses[9]	Non-recurring Tax items[11]	Normalized*	Percentage of Sales
Cost of products sold	$ 9,652.9	$ —	$ (2.6)	$ —	$(10.7)	$ (20.0)	$ (11.7)	$ —	$ —	$(14.6)	$ —	$ —	$ —	$9,593.3	65.1%
Gross profit	5,089.3	—	2.6	—	10.7	20.0	11.7	—	—	14.6	—	—	—	5,148.9	34.9%
Selling, general and administrative expenses	3,666.7	(4.4)	(7.5)	(0.6)	—	(246.5)	(273.2)	(27.4)	(34.9)	(15.2)	—	—	—	3,057.0	20.7%
Restructuring costs	111.9	—	—	(19.4)	—	(92.5)	—	—	—	—	—	—	—	—	
Impairment charges	85.0	—	—	—	—	—	(85.0)	—	—	—	—	—	—	—	
Operating income	1,225.7	4.4	10.1	20.0	10.7	359.0	369.9	27.4	34.9	29.8	—	—	—	2,091.9	14.2%
Non-operating (income) expenses	(203.3)	—	—	—	—	—	—	(2.0)	—	—	(32.3)	713.0	—	475.4	
Income before income taxes	1,429.0	4.4	10.1	20.0	10.7	359.0	369.9	29.4	34.9	29.8	32.3	(713.0)	—	1,616.5	
Income taxes[17]	(1,319.8)	1.6	3.7	7.4	3.9	136.1	134.7	10.2	12.8	10.9	10.4	(166.1)	1,429.5	275.3	
Net income (loss) from continuing operations	2,748.8	2.8	6.4	12.6	6.8	222.9	235.2	19.2	22.1	18.9	21.9	(546.9)	(1,429.5)	1,341.2	
Net income (loss)	2,748.8	2.8	6.4	12.6	6.8	222.9	235.2	19.2	22.1	18.9	21.9	(546.9)	(1,429.5)	1,341.2	
Diluted earnings per share**	$ 5.63	$0.01	$0.01	$ 0.03	$ 0.01	$ 0.46	$ 0.48	$ 0.04	$ 0.05	$ 0.04	$ 0.04	$ (1.12)	$ (2.93)	$ 2.75	

Reconciliation of GAAP and Non-GAAP Information

CERTAIN LINE ITEMS

For the Twelve Months Ended December 31, 2016
(In millions, except per share data)

	GAAP Measure	Project Renewal Costs[1]												Non-GAAP Measure	
	Reported	Advisory Costs	Personnel Costs	Other Costs	Inventory Step-up[2]	Integration Costs[3]	Acquisition Amortization Costs[4]	Transaction and Related Costs[5]	Divestiture Costs[6]	Product Recall Costs[7]	Net Gain/(Loss) on Sale of Business[9]	Discontinued Operations[10]	Non-recurring Tax items[11]	Normalized*	Percentage of Sales
Cost of products sold	$8,865.2	$ (0.2)	$ (6.3)	$ (7.1)	$(479.5)	$ (5.1)	$ (8.9)	$ —	$ —	$ —	$ —	$ —	$ —	$8,358.1	63.0%
Gross profit	4,398.8	0.2	6.3	7.1	479.5	5.1	8.9	—	—	—	—	—	—	4,905.9	37.0%
Selling, general & administrative expenses	3,223.8	(9.3)	(20.0)	(7.2)	—	(129.5)	(145.8)	(61.7)	(8.4)	(0.7)	—	—	—	2,841.2	21.4%
Restructuring costs	74.9	—	—	(9.9)	—	(65.0)	—	—	—	—	—	—	—	—	
Operating income	1,100.1	9.5	26.3	24.2	479.5	199.6	154.7	61.7	8.4	0.7	—	—	—	2,064.7	15.6%
Non-operating (income) expenses	285.6	—	—	—	—	(64.4)	—	—	—	—	160.2	—	—	381.4	
Income (loss) before income taxes	814.5	9.5	26.3	24.2	479.5	264.0	154.7	61.7	8.4	0.7	(160.2)	—	—	1,683.3	
Income taxes[17]	286.0	3.6	10.0	9.2	168.1	96.2	52.6	32.9	3.2	0.3	(59.3)	—	(143.2)	459.6	
Net income (loss) from continuing operations	528.5	5.9	16.3	15.0	311.4	167.8	102.1	28.8	5.2	0.4	(100.9)	—	143.2	1,223.7	
Net income (loss)	527.8	5.9	16.3	15.0	311.4	167.8	102.1	28.8	5.2	0.4	(100.9)	0.7	143.2	1,223.7	
Diluted earnings per share**	$ 1.25	$0.01	$ 0.04	$ 0.04	$ 0.74	$ 0.39	$ 0.24	$ 0.07	$0.01	$ —	$ (0.24)	$ —	$ 0.34	$ 2.89	

Reconciliation of GAAP and Non-GAAP Information

CERTAIN LINE ITEMS

For the Twelve Months Ended December 31, 2015
(In millions, except per share data)

	GAAP Measure	Project Renewal Costs[1]												Non-GAAP Measure	
	Reported	Advisory Costs	Personnel Costs	Other Costs	Acquisition and Integration Costs[3]	Divestiture Costs[6]	Product Recall Costs[12]	Pension Settlement Charge[13]	Inventory Charge from the Devaluation of the Venezuelan Bolivar[15]	Charge Resulting from the Devaluation of the Venezuelan Bolivar[7]	Net Asset and Currency Translation Charge – Venezuela[16]	Discontinued Operations[10]	Non-recurring Tax items[11]	Normalized*	Percentage of Sales
Cost of products sold	$3,611.1	$ —	$ (5.2)	$ (6.7)	$ (1.6)	$ —	$ —	$ —	$ (2.6)	$ —	$ —	$ —	$ —	$3,595.0	60.8%
Gross profit	2,304.6	—	5.2	6.7	1.6	—	—	—	2.6	—	—	—	—	2,320.7	39.2%
Selling, general & administrative expenses	1,626.0	(42.1)	(21.5)	(14.4)	(13.4)	(0.2)	(10.2)	(52.1)	—	—	—	—	—	1,472.1	24.9%
Restructuring costs	77.2	—	—	(74.0)	(3.2)	—	—	—	—	—	—	—	—	—	
Operating income	601.4	42.1	26.7	95.1	18.2	0.2	10.2	52.1	2.6	—	—	—	—	848.6	14.3%
Non-operating (income) expenses	263.9	—	—	—	(4.5)	—	—	—	—	(9.2)	(172.7)	—	—	77.5	
Income (loss) before income taxes	337.5	42.1	26.7	95.1	22.7	0.2	10.2	52.1	2.6	9.2	172.7	—	—	771.1	
Income taxes[17]	78.2	15.2	9.9	27.6	8.5	0.1	3.3	19.8	1.1	3.1	7.6	—	6.0	180.4	
Net income (loss) from continuing operations	259.3	26.9	16.8	67.5	14.2	0.1	6.9	32.3	1.5	6.1	165.1	—	(6.0)	590.7	
Net income (loss)	350.0	26.9	16.8	67.5	14.2	0.1	6.9	32.3	1.5	6.1	165.1	(90.7)	(6.0)	590.7	
Diluted earnings per share**	$ 1.29	$ 0.10	$ 0.06	$ 0.25	$ 0.05	$ —	$ 0.03	$ 0.12	$0.01	$0.02	$ 0.61	$(0.33)	$(0.02)	$ 2.18	

Reconciliation of GAAP and Non-GAAP Information

** Normalized results are financial measures that are not in accordance with GAAP and exclude the above normalized adjustments. See below for a discussion of each of these adjustments.

**Totals may not add due to rounding

(1) Costs associated with Project Renewal include $15.1 million of project-related costs and $19.4 million of restructuring costs during the twelve months ended December 31, 2017; $50.1 million of project-related costs and $9.9 million of restructuring costs during the twelve months ended December 31, 2016, and $89.9 million of project-related costs and $74.0 million of restructuring costs during the year ended December 31, 2015. Project-related costs include advisory and consultancy costs, compensation and related costs of personnel dedicated to transformation projects, and other project-related costs.

(2) During the twelve months ended December 31, 2017, the Company recognized $10.7 million of non-cash charges related to the fair value step up of inventory related to the Chesapeake®, Sistema® and WoodWick® (Smith Mountain Industries) acquisitions. During the twelve months ended December 31, 2016, the Company recognized $479.5 million of non-cash charges related to the fair value step up of inventory related to the Jarden acquisition.

(3) During the twelve months ended December 31, 2017, the Company incurred $359.0 million of costs (including $92.5 million of restructuring costs) primarily associated with the Jarden integration. During the year ended December 31, 2016, the Company incurred $199.6 million of costs (including $65.0 million of restructuring costs) associated with the integration of Jarden, Elmer's, Ignite Holdings, LLC, which primarily represent personnel and advisory costs associated with the integration of Jarden. In addition, the Company recognized a $47.6 million loss associated with the termination of the Jarden Bridge Facility and $16.8 million of interest costs associated with borrowing arrangements for the Jarden transaction. During the year ended December 31, 2015, the Company recognized $18.2 million of costs (including $3.2 million of restructuring costs) associated with the acquisition and integration of Ignite Holdings, LLC, bubba brands, Baby Jogger, Elmer's and the pending Jarden transaction. During the year ended December 31, 2015, the Company recognized $4.5 million of interest expense in connection with bridge loans related to the acquisition of Elmer's and the pending Jarden transaction.

(4) During the twelve months ended December 31, 2017 and 2016, the Company incurred acquisition amortization costs of $284.9 million and $154.7 million, respectively. During the twelve months ended December 31, 2017, the Company recognized $85.0 million of impairment charges, primarily associated with assets of the Winter Sports and Fire building businesses held for sale.

(5) During the twelve months ended December 31, 2017, the Company recognized $29.4 million of transaction and related costs, which includes $2.0 million of hedge loss associated with the Sistema® acquisition. During the twelve months ended December 31, 2016, the Company recognized $61.7 million of transaction and related costs associated with the Jarden transaction.

(6) During the twelve months ended December 31, 2017, the Company recognized $34.9 million of transaction and related costs primarily associated with the divestiture of the Tools business (excluding Dymo® industrial labeling), and the Winter Sports businesses. During the twelve months ended December 31, 2016, the Company recognized $8.4 million of costs associated with the divestiture of Décor and planned divestiture of Tools (excluding Dymo® industrial labeling). During the year ended December 31, 2015, the Company recognized $0.2 million of costs associated with the planned divestiture of Décor.

(7) During the twelve months ended December 31, 2017, the Company incurred $14.6 million of fire-related losses and costs, net of recoveries, in the Writing business; $13.0 million of bad debt related to a customer in the Baby business; and $2.2 million of consulting expenses for new accounting standards adoption. During the twelve months ended December 31, 2016, the Company recorded $0.7 million of charges associated with the Graco® recall.

(8) During the twelve months ended December 31, 2017, the Company incurred a $32.3 million loss related to the extinguishment of debt, consisting of a make-whole payment of $34.2 million and fees, partially offset by $1.9 million of non-cash write-offs.

(9) During the twelve months ended December 31, 2017 and 2016, the Company recognized $713.0 million of net gains related to the sale of businesses, primarily Tools and Winter Sports businesses, and $160.2 million related to the divestiture of Décor, respectively. During the twelve months ended December 31, 2017, the Company recognized $166.1 million of net tax expense attributed to the gain on sale, withholding taxes, and outside basis differences primarily related to the dispositions of the Tools and Winter Sports businesses.

(10) During the twelve months ended December 31, 2016, the Company recognized net loss of $0.7 million in discontinued operations. During the year ended December 31, 2015, the Company recognized a net loss of $4.9 million in discontinued operations primarily associated with Endicia and certain Culinary businesses and a $95.6 million net gain from the sale of Endicia.

(11) During the twelve months ended December 31, 2017, the Company recognized a benefit of $1.5 billion related to tax reform due to the revaluation of its deferred tax liabilities for the change in the U.S. tax rate from 35% to 21%; $195.0 million of tax expense related to the mandatory repatriation tax; and $87.2 million of tax benefit to reverse the Company's APB 23 liability on historical Jarden earnings. During the twelve months ended December 31, 2016, the Company recognized $164.2 million of deferred tax expense related to the difference between the book and tax basis in the Tools business and ($21.0) million of deferred tax benefit related to statutory tax rate changes in France affecting Jarden acquired intangibles. During the year ended December 31, 2015, the Company recognized $6.0 million of non-recurring income tax benefits resulting from the resolution of income tax contingencies.

(12) During the year ended December 31, 2015, the Company recognized $10.2 million of charges associated with the Graco product recall.

(13) During the year ended December 31, 2015, the Company settled U.S. pension liabilities for certain participants with plan assets which resulted in $52.1 million of non-cash settlement charges.

(14) During the year ended December 31, 2015, the Company recognized an increase of $2.6 million in cost of products sold resulting from increased costs of inventory due to changes in the exchange rate for the Venezuelan Bolivar.

(15) During the year ended December 31, 2015, the Company recognized foreign exchange losses of $9.2 million resulting from the devaluation of and subsequent changes in the exchange rate for the Venezuelan Bolivar, which under hyperinflationary accounting is recorded in the Statement of Operations.

(16) During the year ended December 31, 2015, the Company recognized charges resulting from the deconsolidation of its Venezuela operations, including $133.0 million of charges associated with the write-off of Venezuela net assets and $39.7 million of charges associated with the write-off of currency translation adjustments included in equity that arose before the application of hyperinflationary accounting for Venezuela in 2010.

(17) The Company determined the tax effect of the items excluded from normalized results by applying the estimated effective rate for the applicable jurisdiction in which the pre-tax items were incurred, and for which realization of the resulting tax benefit, if any, is expected. In certain situations in which an item excluded from normalized results impacts income tax expense, the Company uses a ""with"" and ""without"" approach to determine normalized income tax expense.