

# Consolidated Balance Sheets

(In thousands, except for share data)	June 30, 2018	July 1, 2017
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 552,325	\$ 869,502
Accounts and notes receivable, less allowances of \$25,768 and \$31,059	4,073,723	4,012,393
Inventories, net	3,125,413	2,995,598
Prepaid expenses and other current assets	187,880	139,185
Income tax receivable	64,112	16,760
Total current assets	8,003,453	8,033,438
Plant and equipment at cost, less depreciation	4,521,660	4,377,302
Other long-term assets		
Goodwill	3,955,485	3,916,128
Intangibles, less amortization	979,812	1,037,511
Deferred income taxes	83,666	142,472
Other assets	526,328	249,804
Total other long-term assets	5,545,291	5,345,915
<b>TOTAL ASSETS</b>	<b>\$ 18,070,404</b>	<b>\$ 17,756,655</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Notes payable	\$ 4,176	\$ 3,938
Accounts payable	4,136,482	3,971,112
Accrued expenses	1,608,966	1,576,221
Accrued income taxes	56,793	14,540
Current maturities of long-term debt	782,329	530,075
Total current liabilities	6,588,746	6,095,886
Long-term liabilities		
Long-term debt	7,540,765	7,660,877
Deferred income taxes	319,124	161,715
Other long-term liabilities	1,077,163	1,373,822
Total long-term liabilities	8,937,052	9,196,414
Commitments and contingencies		
Noncontrolling interest	37,649	82,839
Shareholders' equity		
Preferred stock, par value \$1 per share		
Authorized 1,500,000 shares, issued none	-	-
Common stock, par value \$1 per share		
Authorized 2,000,000,000 shares, issued 765,174,900 shares	765,175	765,175
Paid-in capital	1,383,619	1,327,366
Retained earnings	10,348,628	9,447,755
Accumulated other comprehensive loss	(1,409,269)	(1,262,737)
Treasury stock at cost, 244,533,248 and 235,135,699 shares	(8,581,196)	(7,896,043)
Total shareholders' equity	2,506,957	2,381,516
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 18,070,404</b>	<b>\$ 17,756,655</b>

See Notes to Consolidated Financial Statements

## Consolidated Results of Operations

(In thousands, except for share and per share data)	Year Ended		
	Jun. 30, 2018	Jul. 1, 2017	Jul. 2, 2016
Sales	\$ 58,727,324	\$ 55,371,139	\$ 50,366,919
Cost of sales	47,641,933	44,813,632	41,326,447
Gross profit	11,085,391	10,557,507	9,040,472
Operating expenses	8,756,417	8,504,336	7,189,972
Operating income	2,328,974	2,053,171	1,850,500
Interest expense	395,483	302,878	306,146
Other expense (income), net	(22,733)	(15,937)	111,347
Earnings before income taxes	1,956,224	1,766,230	1,433,007
Income taxes	525,458	623,727	483,385
<b>NET EARNINGS</b>	<b>\$ 1,430,766</b>	<b>\$ 1,142,503</b>	<b>\$ 949,622</b>
Net earnings:			
<b>BASIC EARNINGS PER SHARE</b>	<b>\$ 2.74</b>	<b>\$ 2.10</b>	<b>\$ 1.66</b>
<b>DILUTED EARNINGS PER SHARE</b>	<b>2.70</b>	<b>2.08</b>	<b>1.64</b>
Average shares outstanding	522,926,914	543,496,816	573,057,406
Diluted shares outstanding	529,089,854	548,545,027	577,391,406
Dividends declared per common share	\$ 1.41	\$ 1.30	\$ 1.23

See Notes to Consolidated Financial Statements

## Consolidated Statements of Comprehensive Income

(In thousands)	Year Ended		
	Jun. 30, 2018	Jul. 1, 2017	Jul. 2, 2016
Net earnings	\$ 1,430,766	\$ 1,142,503	\$ 949,622
Other comprehensive income (loss):			
Foreign currency translation adjustment	(22,987)	(11,243)	(39,080)
Items presented net of tax:			
Amortization of cash flow hedges	8,240	7,082	7,111
Change in net investment hedges	5,791	(24,012)	-
Change in cash flow hedges	14,343	(6,698)	(3,779)
Amortization of prior service cost	6,905	7,004	6,992
Amortization of actuarial loss, net	25,110	25,965	13,352
Actuarial gain (loss), net arising in current year	52,511	97,283	(419,517)
Total other comprehensive income (loss)	89,913	95,381	(434,921)
<b>COMPREHENSIVE INCOME</b>	<b>\$ 1,520,679</b>	<b>\$ 1,237,884</b>	<b>\$ 514,701</b>

See Notes to Consolidated Financial Statements

# Consolidated Cash Flows

(In thousands)	Year Ended		
	Jun. 30, 2018	Jul. 1, 2017	Jul. 2, 2016
Cash flows from operating activities:			
Net earnings	\$ 1,430,766	\$ 1,142,503	\$ 949,622
Adjustments to reconcile net earnings to cash provided by operating activities:			
Share-based compensation expense	93,841	83,883	79,466
Depreciation and amortization	765,498	901,992	662,710
Amortization of debt issuance and other debt-related costs	28,474	31,852	45,137
Loss on extinguishment of debt	53,104	-	86,460
Loss on foreign exchange remeasurement	-	-	101,228
Deferred income taxes	187,908	(51,846)	93,871
Provision for losses on receivables	21,448	20,672	20,372
Other non-cash items	3,986	6,704	23,347
Additional changes in certain assets and liabilities, net of effect of businesses acquired:			
(Increase) decrease in receivables	(37,457)	20,452	(27,311)
(Increase) decrease in inventories	(89,737)	(113,647)	66,937
(Increase) decrease in prepaid expenses and other current assets	(19,643)	8,158	(8,468)
Increase in accounts payable	76,897	322,775	23,863
Increase (decrease) in accrued expenses	47,105	(4,476)	(157,600)
(Decrease) increase in accrued income taxes	(10,652)	(74,590)	231,542
(Increase) in other assets	(77,852)	(36,449)	(6,639)
(Decrease) in other long-term liabilities	(315,054)	(18,629)	(196,190)
Net cash provided by operating activities	2,158,632	2,239,354	1,988,347
Cash flows from investing activities:			
Additions to plant and equipment	(687,815)	(686,378)	(527,346)
Proceeds from sales of plant and equipment	22,255	23,715	23,511
Acquisition of businesses, net of cash acquired	(248,105)	(2,921,798)	(219,218)
Purchase of foreign currency options	-	-	(103,501)
Proceeds from sale of foreign currency options	-	-	57,452
Net cash used for investing activities	(913,665)	(3,584,461)	(769,102)
Cash flows from financing activities:			
Bank and commercial paper borrowings, net	(119,700)	119,700	-
Other debt borrowings	1,000,599	753,834	5,134,709
Other debt repayments	(552,036)	(143,664)	(126,797)
Tender and redemption premiums for senior notes	(281,762)	-	-
Redemption of senior notes	-	-	(5,050,000)
Proceeds from stock option exercises	268,751	204,805	282,455
Treasury stock purchases	(978,901)	(1,886,121)	(1,949,445)
Dividends paid	(722,158)	(698,647)	(698,869)
Other financing activities	(25,262)	(32,494)	(51,989)
Net cash used for financing activities	(1,410,469)	(1,682,587)	(2,459,936)
Effect of exchange rates on cash, cash equivalents and restricted cash	11,844	(22,104)	(138,327)
Net decrease in cash, cash equivalents and restricted cash	(153,658)	(3,049,798)	(1,379,018)
Cash, cash equivalents and restricted cash at beginning of period	869,502	3,919,300	5,298,318
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD</b>	<b>\$ 715,844</b>	<b>\$ 869,502</b>	<b>\$ 3,919,300</b>

Supplemental disclosures of cash flow information:

Cash paid during the period for:			
Interest	\$ 301,672	\$ 285,025	\$ 200,174
Income taxes	268,384	761,384	180,565

See Notes to Consolidated Financial Statements