

Consolidated Balance Sheets

(In thousands, except for share data)

	July 1, 2017	July 2, 2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 869,502	\$ 3,919,300
Accounts and notes receivable, less allowances of \$31,059 and \$37,880	4,012,393	3,380,971
Inventories, net	2,995,598	2,639,174
Prepaid expenses and other current assets	139,185	114,454
Income tax receivable	16,760	-
Total current assets	8,033,438	10,053,899
Plant and equipment at cost, less depreciation	4,377,302	3,880,442
Long-term assets		
Goodwill	3,916,128	2,121,661
Intangibles, less amortization	1,037,511	207,461
Deferred income taxes	142,472	207,320
Other assets	249,804	251,021
Total long-term assets	5,345,915	2,787,463
TOTAL ASSETS	\$ 17,756,655	\$ 16,721,804
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Notes payable	\$ 3,938	\$ 89,563
Accounts payable	3,971,112	2,935,982
Accrued expenses	1,576,221	1,289,312
Accrued income taxes	14,540	110,690
Current maturities of long-term debt	530,075	8,909
Total current liabilities	6,095,886	4,434,456
Long-term liabilities		
Long-term debt	7,660,877	7,336,930
Deferred income taxes	161,715	26,942
Other long-term liabilities	1,373,822	1,368,482
Total long-term liabilities	9,196,414	8,732,354
Commitments and contingencies		
Noncontrolling interests	82,839	75,386
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	1,327,366	1,281,140
Retained earnings	9,447,755	9,006,138
Accumulated other comprehensive loss	(1,262,737)	(1,358,118)
Treasury stock at cost, 235,135,699 and 205,577,484 shares	(7,896,043)	(6,214,727)
Total shareholders' equity	2,381,516	3,479,608
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 17,756,655	\$ 16,721,804

See Notes to Consolidated Financial Statements

Consolidated Results of Operations

(In thousands, except for share and per share data)	Year Ended		
	Jul. 1, 2017	Jul. 2, 2016	Jun. 27, 2015
Sales	\$ 55,371,139	\$ 50,366,919	\$ 48,680,752
Cost of sales	44,813,632	41,326,447	40,129,236
Gross profit	10,557,507	9,040,472	8,551,516
Operating expenses	8,504,336	7,189,972	7,322,154
Operating income	2,053,171	1,850,500	1,229,362
Interest expense	302,878	306,146	254,807
Other expense (income), net	(15,937)	111,347	(33,592)
Earnings before income taxes	1,766,230	1,433,007	1,008,147
Income taxes	623,727	483,385	321,374
NET EARNINGS	\$ 1,142,503	\$ 949,622	\$ 686,773
Net earnings:			
BASIC EARNINGS PER SHARE	\$ 2.10	\$ 1.66	\$ 1.16
DILUTED EARNINGS PER SHARE	2.08	1.64	1.15
Average shares outstanding	543,496,816	573,057,406	592,072,308
Diluted shares outstanding	548,545,027	577,391,406	596,849,034
Dividends declared per common share	\$ 1.30	\$ 1.23	\$ 1.19

See Notes to Consolidated Financial Statements

Consolidated Statements of Comprehensive Income

(In thousands)	Year Ended		
	Jul. 1, 2017	Jul. 2, 2016	Jun. 27, 2015
Net earnings	\$ 1,142,503	\$ 949,622	\$ 686,773
Other comprehensive income (loss):			
Foreign currency translation adjustment	(11,243)	(39,080)	(232,185)
Items presented net of tax:			
Amortization of cash flow hedges	7,082	7,111	5,116
Change in net investment hedge	(24,012)	-	-
Change in cash flow hedge	(6,698)	-	-
Change in fair value of cash flow hedges	-	(3,779)	(34,111)
Amortization of prior service cost	7,004	6,992	6,949
Amortization of actuarial loss, net	25,965	13,352	11,972
Actuarial gain (loss), net arising in current year	97,283	(419,517)	(38,275)
Total other comprehensive income (loss)	95,381	(434,921)	(280,534)
COMPREHENSIVE INCOME	\$ 1,237,884	\$ 514,701	\$ 406,239

See Notes to Consolidated Financial Statements

Consolidated Cash Flows

(In thousands)	Year Ended		
	Jul. 1, 2017	Jul. 2, 2016	Jun. 27, 2015
Cash flows from operating activities:			
Net earnings	\$ 1,142,503	\$ 949,622	\$ 686,773
Adjustments to reconcile net earnings to cash provided by operating activities:			
Share-based compensation expense	83,883	79,466	73,766
Depreciation and amortization	901,992	662,710	553,021
Amortization of debt issuance and other debt-related costs	31,852	45,137	27,943
Loss on extinguishment of debt	-	86,460	-
Loss on foreign exchange remeasurement	-	101,228	-
Deferred income taxes	(51,846)	93,871	(4,705)
Provision for losses on receivables	20,672	20,372	17,996
Other non-cash items	6,704	23,347	(24,205)
Additional changes in certain assets and liabilities, net of effect of businesses acquired:			
Decrease (increase) in receivables	20,452	(27,311)	(11,741)
(Increase) decrease in inventories	(113,647)	66,937	(125,232)
Decrease (increase) in prepaid expenses and other current assets	8,158	(8,468)	(10,508)
Increase in accounts payable	322,775	23,863	72,516
(Decrease) increase in accrued expenses	(28,422)	(178,275)	464,403
(Decrease) increase in accrued income taxes	(74,590)	231,542	(32,843)
(Increase) in other assets	(36,449)	(6,639)	(10,745)
(Decrease) in other long-term liabilities	(18,629)	(196,190)	(105,501)
Excess tax benefits from share-based compensation arrangements	(38,983)	(34,530)	(15,454)
Net cash provided by operating activities	2,176,425	1,933,142	1,555,484
Cash flows from investing activities:			
Additions to plant and equipment	(686,378)	(527,346)	(542,830)
Proceeds from sales of plant and equipment	23,715	23,511	24,472
Acquisition of businesses, net of cash acquired	(2,921,798)	(219,218)	(115,862)
Decrease (increase) in restricted cash	-	168,274	(20,126)
Purchase of foreign currency options	-	(103,501)	-
Proceeds from the sales of foreign currency options	-	57,452	-
Net cash used for investing activities	(3,584,461)	(600,828)	(654,346)
Cash flows from financing activities:			
Bank and commercial paper borrowings (repayments), net	119,700	-	(129,999)
Other debt borrowings including senior notes	753,834	5,134,709	5,041,032
Other debt repayments	(143,664)	(126,797)	(354,007)
Redemption of senior notes	-	(5,050,000)	-
Debt issuance costs	(8,599)	(39,676)	(30,980)
Cash paid for settlement of cash flow hedge	-	(6,134)	-
Cash received (paid) from termination of interest rate swap agreements	-	14,496	(188,840)
Proceeds from stock option exercises	204,805	282,455	240,176
Treasury stock purchases	(1,886,121)	(1,949,445)	-
Dividends paid	(698,647)	(698,869)	(695,274)
Excess tax benefits from share-based compensation arrangements	38,983	34,530	15,454
Net cash (used for) provided by financing activities	(1,619,709)	(2,404,731)	3,897,562
Effect of exchange rates on cash and cash equivalents	(22,104)	(138,327)	(81,702)
Net (decrease) increase in cash and cash equivalents	(3,049,849)	(1,210,744)	4,716,998
Cash and cash equivalents at beginning of period	3,919,351	5,130,044	413,046
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 869,502	\$ 3,919,300	\$ 5,130,044
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	\$ 285,025	\$ 200,174	\$ 192,939
Income taxes	761,384	180,565	376,508

See Notes to Consolidated Financial Statements