

## Condensed Consolidated Statement of Income

	(In thousands, except per share amounts)		
	Year Ended December 31,		
	2016	2015	2014
<b>Net sales</b>	<b>\$ 3,840,087</b>	<b>\$ 3,974,295</b>	<b>\$ 4,021,964</b>
Operating expenses:			
Cost of sales	<b>2,575,220</b>	2,617,987	2,660,741
Selling, general and administrative	<b>462,970</b>	448,592	462,637
Total operating expenses	<b>3,038,190</b>	3,066,579	3,123,378
<b>Operating income</b>	<b>\$ 801,897</b>	<b>\$ 907,716</b>	<b>\$ 898,586</b>
Other expenses:			
Interest expense	<b>(94,304)</b>	(91,795)	(79,928)
Other, net	<b>(14,490)</b>	(9,541)	(13,826)
Income before income taxes	<b>693,103</b>	806,380	804,832
Provision for income taxes	<b>180,945</b>	215,521	220,372
<b>Net income</b>	<b>\$ 512,158</b>	<b>\$ 590,859</b>	<b>\$ 584,460</b>
Basic earnings per share	<b>\$ 2.20</b>	<b>\$ 2.46</b>	<b>\$ 2.39</b>
<b>Diluted earnings per share</b>	<b>\$ 2.19</b>	<b>\$ 2.45</b>	<b>\$ 2.37</b>
Weighted average common shares outstanding:			
Basic shares	<b>232,593</b>	239,906	244,885
Diluted shares	<b>233,730</b>	241,586	247,102

These condensed consolidated financial statements should be read in conjunction with the full financial statements and the notes presented in Appendix A to the Company's Proxy Statement for the 2017 Annual Meeting of Stockholders.

# Condensed Consolidated Statement of Comprehensive Income

	(In thousands) Year Ended December 31,		
	2016	2015	2014
<b>Net income</b>	<b>\$ 512,158</b>	<b>\$ 590,859</b>	<b>\$ 584,460</b>
Other comprehensive (loss) income:			
Amounts arising during the period - gains (losses), net of tax (expense) benefit:			
Foreign currency translation:			
Translation adjustments	(68,774)	(67,245)	(59,712)
Change in long-term intercompany notes	(7,597)	(51,235)	(54,906)
Net investment hedges, net of tax of \$6,558, \$3,432, and \$4,961 in 2016, 2015 and 2014, respectively	(12,179)	(6,374)	(9,213)
Defined benefit pension plans:			
Net actuarial loss, net of tax of \$17,450, \$12,870, and \$42,755 in 2016, 2015, and 2014, respectively	(55,259)	(21,002)	(83,040)
Amortization of net actuarial loss, net of tax of (\$2,090), (\$3,247) and (\$1,650) in 2016, 2015, and 2014, respectively	6,618	6,137	2,834
Amortization of prior service costs, net of tax of \$25, (\$564) and (\$753) in 2016, 2015, and 2014, respectively	(79)	1,809	2,292
Unrealized holding gain (loss) on available-for-sale securities:			
Unrealized gain (loss), net of tax of (\$275), \$445 and (\$48) in 2016, 2015, and 2014, respectively	512	(827)	90
<b>Other comprehensive (loss) income</b>	<b>(136,758)</b>	<b>(138,737)</b>	<b>(201,655)</b>
<b>Total comprehensive income</b>	<b>\$ 375,400</b>	<b>\$ 452,122</b>	<b>\$ 382,805</b>

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## Condensed Consolidated Balance Sheet

	(In thousands, except share amounts)	
	December 31,	
	2016	2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 717,259	\$ 381,005
Receivables, net	592,326	603,295
Inventories, net	492,104	514,451
Deferred income taxes	50,004	46,724
Other current assets	76,497	73,352
Total current assets	1,928,190	1,618,827
Property, plant and equipment, net	473,230	484,548
Goodwill	2,818,950	2,706,633
Other intangibles, net	1,734,021	1,672,961
Investments and other assets	146,283	177,481
Total assets	\$ 7,100,674	\$ 6,660,450
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term borrowings and current portion of long-term debt, net	\$ 278,921	\$ 384,924
Accounts payable	369,537	365,355
Income taxes payable	29,913	32,738
Accrued liabilities	246,070	241,004
Total current liabilities	924,441	1,024,021
Long-term debt, net	2,062,644	1,553,116
Deferred income taxes	621,776	624,046
Other long-term liabilities	235,300	204,641
Total liabilities	3,844,161	3,405,824
Stockholders' equity:		
Preferred stock, \$0.01 par value; authorized: 5,000,000 shares; none issued	—	—
Common stock, \$0.01 par value; authorized: 800,000,000 shares; issued: 2016 - 261,432,134 shares; 2015 - 260,718,769 shares	2,615	2,608
Capital in excess of par value	604,143	568,286
Retained earnings	4,403,683	3,974,793
Accumulated other comprehensive loss	(542,389)	(405,631)
Treasury stock: 2016 - 32,053,227 shares; 2015 - 25,203,699 shares	(1,211,539)	(885,430)
Total stockholders' equity	3,256,513	3,254,626
Total liabilities and stockholders' equity	\$ 7,100,674	\$ 6,660,450

These condensed consolidated financial statements should be read in conjunction with the full financial statements and the notes presented in Appendix A to the Company's Proxy Statement for the 2017 Annual Meeting of Stockholders.

# Condensed Consolidated Statement of Cash Flows

	(In thousands) Year Ended December 31,		
	2016	2015	2014
<b>Cash provided by (used for):</b>			
<b>Operating activities:</b>			
Net income	\$ 512,158	\$ 590,859	\$ 584,460
Adjustments to reconcile net income to total operating activities:			
Depreciation and amortization	179,716	149,460	138,584
Deferred income taxes	(5,632)	6,458	20,579
Share-based compensation expense	22,030	23,762	19,871
Gain on sale of facilities	(743)	—	(869)
Changes in assets and liabilities, net of acquisitions:			
Decrease (increase) in receivables	14,773	(6,995)	(35,258)
Decrease (increase) in inventories and other current assets	38,666	(12,007)	11,626
Increase (decrease) in payables, accruals and income taxes	2,657	(20,049)	(18,653)
(Decrease) increase in other long-term liabilities	(4,298)	255	8,867
Pension contribution	(6,775)	(55,215)	(5,729)
Other, net	4,283	(3,988)	2,484
Total operating activities	756,835	672,540	725,962
<b>Investing activities:</b>			
Additions to property, plant and equipment	(63,280)	(69,083)	(71,327)
Purchase of businesses, net of cash acquired	(391,419)	(356,466)	(573,647)
Proceeds from sale of facilities	1,832	421	950
Other, net	500	(429)	2,391
Total investing activities	(452,367)	(425,557)	(641,633)
<b>Financing activities:</b>			
Net change in short-term borrowings	(315,674)	226,761	(172,495)
Additional long-term borrowings	820,900	200,000	500,000
Reduction in long-term borrowings	(48,724)	(182,007)	(914)
Repurchases of common stock	(336,140)	(435,400)	(245,283)
Cash dividends paid	(83,267)	(85,988)	(80,551)
Excess tax benefits from share-based payments	5,343	20,478	7,889
Proceeds from employee stock plans and other, net	14,616	39,192	15,493
Total financing activities	57,054	(216,964)	24,139
Effect of exchange rate changes on cash and cash equivalents	(25,268)	(26,629)	(26,056)
Increase in cash and cash equivalents	336,254	3,390	82,412
<b>Cash and cash equivalents:</b>			
Beginning of year	381,005	377,615	295,203
End of year	\$ 717,259	\$ 381,005	\$ 377,615

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## Selected Financial Data

(In millions, except per share amounts)

	2016	2015	2014	2013	2012
<b>Consolidated Operating Results (Year Ended December 31):</b>					
Net sales	\$ 3,840.1	\$ 3,974.3	\$ 4,022.0	\$ 3,594.1	\$ 3,334.2
Operating income	\$ 801.9	\$ 907.7	\$ 898.6	\$ 815.1	\$ 745.9
Interest expense	\$ 94.3	\$ 91.8	\$ 79.9	\$ 73.6	\$ 75.5
Net income	\$ 512.2	\$ 590.9	\$ 584.5	\$ 517.0	\$ 459.1
Diluted earnings per share	\$ 2.19	\$ 2.45	\$ 2.37	\$ 2.10	\$ 1.88
Dividends declared and paid per share	\$ 0.36	\$ 0.36	\$ 0.33	\$ 0.24	\$ 0.22
Diluted weighted average common shares outstanding	233.7	241.6	247.1	246.1	244.0
<b>Performance Measures and Other Data:</b>					
Operating income - Return on net sales	20.9%	22.8%	22.3%	22.7%	22.4%
Net income - Return on average total capital	9.5%	11.6%	12.3%	12.1%	12.6%
Net income - Return on average stockholders' equity	15.7%	18.2%	18.3%	18.2%	20.0%
EBITDA <sup>(1)</sup>	\$ 966.0	\$ 1,046.9	\$ 1,022.6	\$ 916.3	\$ 842.7
Ratio of EBITDA to interest expense <sup>(1)</sup>	10.2x	11.4x	12.8x	12.4x	11.2x
Depreciation and amortization	\$ 179.7	\$ 149.5	\$ 138.6	\$ 118.7	\$ 105.5
Capital expenditures	\$ 63.3	\$ 69.1	\$ 71.3	\$ 63.3	\$ 57.4
Cash provided by operating activities	\$ 756.8	\$ 672.5	\$ 726.0	\$ 660.7	\$ 612.5
Free cash flow <sup>(2)</sup>	\$ 693.5	\$ 603.4	\$ 654.7	\$ 597.4	\$ 555.1
<b>Consolidated Financial Position (At December 31):</b>					
Current assets	\$ 1,928.2	\$ 1,618.8	\$ 1,577.6	\$ 1,368.3	\$ 1,163.9
Current liabilities	\$ 924.4	\$ 1,024.0	\$ 934.5	\$ 872.7	\$ 878.5
Property, plant, and equipment, net	\$ 473.2	\$ 484.5	\$ 448.4	\$ 402.8	\$ 383.5
Total assets	\$ 7,100.7	\$ 6,660.5	\$ 6,415.9	\$ 5,874.4	\$ 5,186.5
Long-term debt, net	\$ 2,062.6	\$ 1,553.1	\$ 1,424.4	\$ 1,140.1	\$ 1,131.0
Total debt, net	\$ 2,341.6	\$ 1,938.0	\$ 1,709.0	\$ 1,411.5	\$ 1,450.2
Stockholders' equity	\$ 3,256.5	\$ 3,254.6	\$ 3,239.6	\$ 3,136.1	\$ 2,535.2
Stockholders' equity per share	\$ 14.20	\$ 13.82	\$ 13.42	\$ 12.80	\$ 10.42
Total debt as a percentage of capitalization	41.8%	37.3%	34.5%	31.0%	36.4%
Net debt as a percentage of capitalization <sup>(3)</sup>	33.3%	32.4%	29.1%	26.3%	33.8%