

CHURCH & DWIGHT CO INC /DE/
Form 10-Q
August 04, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended June 30, 2015

Commission file number 1-10585

CHURCH & DWIGHT CO., INC.

(Exact name of registrant as specified in its charter)

Delaware 13-4996950
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)
500 Charles Ewing Boulevard, Ewing, N.J. 08628

(Address of principal executive offices)

Registrant's telephone number, including area code: (609) 806-1200

Securities registered pursuant to Section 12(b) of the Act:

Name of each exchange

Title of each class on which registered
Common Stock, \$1 par value New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 31, 2015, there were 130,948,538 shares of Common Stock outstanding.

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PART I – FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In millions, except per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net Sales	\$847.1	\$808.3	\$1,659.4	\$1,590.3
Cost of sales	474.0	451.9	930.8	894.5
Gross Profit	373.1	356.4	728.6	695.8
Marketing expenses	115.8	113.4	204.6	201.2
Selling, general and administrative expenses	115.0	104.8	209.6	194.4
Income from Operations	142.3	138.2	314.4	300.2
Equity in earnings (losses) of affiliates	(13.8)	2.9	(11.5)	4.5
Investment earnings	0.5	0.6	1.0	1.1
Other income (expense), net	(1.6)	0.2	(3.6)	(0.5)
Interest expense	(7.9)	(6.9)	(15.5)	(13.6)
Income before Income Taxes	119.5	135.0	284.8	291.7
Income taxes	45.8	46.2	103.9	100.3
Net Income	\$73.7	\$88.8	\$180.9	\$191.4
Weighted average shares outstanding - Basic	130.9	134.8	131.4	136.4
Weighted average shares outstanding - Diluted	133.4	137.3	134.0	138.9
Net income per share - Basic	\$0.56	\$0.66	\$1.38	\$1.40
Net income per share - Diluted	\$0.55	\$0.65	\$1.35	\$1.38
Cash dividends per share	\$0.335	\$0.31	\$0.67	\$0.62

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(In millions)

Three Months Ended	Six Months Ended
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	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net Income	\$73.7	\$88.8	\$180.9	\$191.4
Other comprehensive income, net of tax:				
Foreign exchange translation adjustments	19.6	6.1	(4.7)	4.5
Defined benefit plan adjustments	3.9	0.7	3.9	0.7
Income (loss) from derivative agreements	(1.5)	(0.9)	1.4	(0.9)
Other comprehensive income	22.0	5.9	0.6	4.3
Comprehensive income	\$95.7	\$94.7	\$181.5	\$195.7

See Notes to Condensed Consolidated Financial Statements (Unaudited).

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In millions, except share and per share data)

	June 30, 2015	December 31, 2014
Assets		
Current Assets		
Cash and cash equivalents	\$203.2	\$423.0
Accounts receivable, less allowances of \$0.9 and \$1.9	340.4	322.9
Inventories	270.8	245.9
Deferred income taxes	14.0	14.4
Other current assets	19.7	26.3
Total Current Assets	848.1	1,032.5
Property, Plant and Equipment, Net	615.5	616.2
Equity Investment in Affiliates	8.8	24.8
Trade Names and Other Intangibles, Net	1,290.7	1,272.4
Goodwill	1,354.4	1,325.0
Other Assets	110.7	110.4
Total Assets	\$4,228.2	\$4,381.3
Liabilities and Stockholders' Equity		
Current Liabilities		
Short-term borrowings	\$123.6	\$146.7
Current portion of long-term debt	250.0	249.9
Accounts payable and accrued expenses	507.3	507.7
Income taxes payable	4.6	1.0
Total Current Liabilities	885.5	905.3
Long-term Debt	700.1	698.6
Deferred Income Taxes	484.1	484.1
Deferred and Other Long-term Liabilities	159.4	163.1
Pension, Postretirement and Postemployment Benefits	27.5	28.3
Total Liabilities	2,256.6	2,279.4
Commitments and Contingencies		
Stockholders' Equity		
Preferred Stock, \$1.00 par value, Authorized 2,500,000 shares; none issued	0.0	0.0
Common Stock, \$1.00 par value, Authorized 300,000,000 shares; 146,427,550 shares issued	146.4	146.4
Additional paid-in capital	371.3	364.8
Retained earnings	2,508.3	2,414.9
Accumulated other comprehensive loss	(34.1)	(34.7)
Common stock in treasury, at cost: 15,626,311 shares in 2015 and 13,075,944 shares in 2014	(1,020.3)	(789.5)

Total Stockholders' Equity	1,971.6	2,101.9
Total Liabilities and Stockholders' Equity	\$4,228.2	\$4,381.3

See Notes to Condensed Consolidated Financial Statements (Unaudited).

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(Unaudited)

(In millions)

	Six Months Ended June 30, 2015	June 30, 2014
Cash Flow From Operating Activities		
Net Income	\$ 180.9	\$ 191.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	29.6	29.4
Amortization expense	21.8	16.3
Deferred income taxes	10.6	8.9
Equity in net earnings of affiliates	(5.5)	(4.5)
Distributions from unconsolidated affiliates	5.4	4.3
Non-cash pension settlement charge	8.4	0.0
Non-cash compensation expense	12.4	12.8
Asset impairment charge and other asset write-offs	17.4	5.5
Other	0.8	(0.2)
Change in assets and liabilities:		
Accounts receivable	(22.9)	(10.2)
Inventories	(27.6)	(18.8)
Other current assets	0.8	(13.8)
Accounts payable and accrued expenses	12.6	(11.1)
Income taxes payable	20.1	14.4
Excess tax benefit on stock options exercised	(10.7)	(12.4)
Other operating assets and liabilities, net	(5.7)	(5.2)
Net Cash Provided By Operating Activities	248.4	206.8

Cash Flow From Investing Activities			
Additions to property, plant and equipment	(34.0)	(17.1)	
Acquisition	(74.9)	0.0	
Other	(2.0)	(0.9)	
Net Cash Used In Investing Activities	(110.9)	(18.0)	
Cash Flow From Financing Activities			
Short-term debt borrowings (repayments)	(23.0)	(0.9)	
Proceeds from stock options exercised	15.7	17.9	
Excess tax benefit on stock options exercised	10.7	12.4	
Payment of cash dividends	(87.5)	(84.6)	
Purchase of treasury stock	(263.1)	(435.0)	
Other	(0.7)	(0.1)	
Net Cash Used In Financing Activities	(347.9)	(490.3)	
Effect of exchange rate changes on cash and cash equivalents	(9.4)	1.5	
Net Change In Cash and Cash Equivalents	(219.8)	(300.0)	
Cash and Cash Equivalents at Beginning of Period	423.0	496.9	
Cash and Cash Equivalents at End of Period	\$ 203.2	\$ 196.9	

See Notes to Condensed Consolidated Financial Statements (Unaudited).

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW-CONTINUED

(Unaudited)

(In millions)

	Six Months Ended	
	June 30, 2015	June 30, 2014
Cash paid during the year for:		
Interest (net of amounts capitalized)	\$ 14.5	\$ 12.5
Income taxes	\$ 76.8	\$ 89.3
Supplemental disclosure of non-cash investing activities:		
Property, plant and equipment expenditures included in Accounts Payable	\$ 4.5	\$ 5.1

See Notes to Condensed Consolidated Financial Statements (Unaudited).

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

For the Six Months Ended June 30, 2015 and 2014

(Unaudited)

(In millions)

	Number of Shares		Amounts					Total		
	Common Stock	Treasury Stock	Common Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Church & Dwight Co., Inc. Stockholders' Equity	Noncontrolling Interest	Stockholders' Equity
December 31, 2013	146.4	(7.5)	\$ 146.4	\$ 352.9	\$ 2,168.5	\$ 0.2	\$(368.1)	\$ 2,299.9	\$ 0.1	\$ 2,300.0
Net income	0.0	0.0	0.0	0.0	191.4	0.0	0.0	191.4	0.0	191.4
Other comprehensive income (loss)	0.0	0.0	0.0	0.0	0.0	4.3	0.0	4.3	0.0	4.3
Cash dividends	0.0	0.0	0.0	0.0	(84.6)	0.0	0.0	(84.6)	0.0	(84.6)
Stock purchases	0.0	(6.2)	0.0	(17.5)	0.0	0.0	(417.5)	(435.0)	0.0	(435.0)
Stock based compensation expense and stock option plan transactions, including related income tax benefits of \$12.7	0.0	0.8	0.0	7.6	0.0	0.0	34.8	42.4	0.0	42.4
Other stock issuances	0.0	0.1	0.0	0.5	0.0	0.0	0.9	1.4	0.0	1.4
June 30, 2014	146.4	(12.8)	\$ 146.4	\$ 343.5	\$ 2,275.3	\$ 4.5	\$(749.9)	\$ 2,019.8	\$ 0.1	\$ 2,019.9
December 31, 2014	146.4	(13.1)	\$ 146.4	\$ 364.8	\$ 2,414.9	\$(34.7)	\$(789.5)	\$ 2,101.9	\$ 0.0	\$ 2,101.9
Net income	0.0	0.0	0.0	0.0	180.9	0.0	0.0	180.9	0.0	180.9

Other comprehensive											
income (loss)	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.6	0.0	0.6	
Cash dividends	0.0	0.0	0.0	0.0	(87.5)	0.0	0.0	(87.5)	0.0	(87.5)	
Stock purchases	0.0	(3.2)	0.0	0.0	0.0	0.0	(263.1)	(263.1)	0.0	(263.1)	
Transfer of stock for settlement											
of share repurchase agreement	0.0	0.1	0.0	(4.1)	0.0	0.0	4.1	0.0	0.0	0.0	
Stock based compensation expense and stock option plan transactions, including related income tax benefits of \$10.7	0.0	0.6	0.0	10.6	0.0	0.0	28.2	38.8	0.0	38.8	
June 30, 2015	146.4	(15.6)	\$146.4	\$371.3	\$2,508.3	\$(34.1)	\$(1,020.3)	\$1,971.6	\$0.0	\$1,971.6	

See Notes to Condensed Consolidated Financial Statements (Unaudited).

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(In millions, except per share data)

1. Basis of Presentation

The condensed consolidated balance sheets as of June 30, 2015 and December 31, 2014, the condensed consolidated statements of income and comprehensive income for the three and six months ended June 30, 2015 and June 30, 2014, and the condensed consolidated statements of cash flow and stockholders' equity for the six months ended June 30, 2015 and June 30, 2014 have been prepared by Church & Dwight Co., Inc. (the "Company"). In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position at June 30, 2015 and results of operations and cash flows for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles ("GAAP") have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 (the "Form 10-K"). The results of operations for the period ended June 30, 2015 are not necessarily indicative of the operating results for the full year.

The Company incurred research and development expenses in the second quarter of 2015 and 2014 of \$18.3 and \$14.4, respectively. The Company incurred research and development expenses in the first six months of 2015 and 2014 of \$32.1 and \$27.5, respectively. These expenses are included in selling, general and administrative expenses.

2. New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued guidance that clarifies the principles for recognizing revenue. The guidance provides that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to receive for those goods or services. The guidance is effective for annual and interim periods beginning after December 15, 2017, and allows companies to apply the requirements retrospectively, either to all prior periods presented or through a cumulative adjustment in the year of adoption. Early adoption is allowed for annual and interim periods beginning after December 15, 2016. The Company is currently evaluating the impact, if any, that the adoption of the guidance will have on its consolidated financial position, results of operations or cash flows.

In April 2015, the FASB issued guidance that changes the presentation of certain debt issuance costs in the financial statements. The guidance requires debt issuance costs to be presented as a direct deduction from the associated debt liability rather than as an asset. Amortization of the costs will continue to be reported as interest expense. The guidance is effective for interim and annual reporting periods beginning after December 15, 2015, and will be applied retrospectively for each prior period presented in the financial statements. This guidance is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In April 2015, the FASB issued guidance that clarifies the accounting treatment for cloud computing arrangements. The guidance provides that if an arrangement includes a software license, then the software license

element should be accounted for consistent with the acquisition of other software licenses. If the arrangement does not include a software license, the arrangement should be accounted for as a service contract. This guidance is effective for interim and annual periods beginning after December 15, 2015, and may be applied retrospectively or prospectively. This guidance is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In July 2015, the FASB issued guidance on simplifying the measurement of inventory. Inventory within the scope of this update is required to be measured at the lower of its cost or net realizable value, with net realizable value being the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The guidance is effective for interim and annual periods beginning after December 15, 2016, with early adoption permitted, and will be applied prospectively. The Company is currently evaluating the impact, if any, that the adoption of the guidance will have on its consolidated financial position, results of operations or cash flows.

There have been no accounting pronouncements issued but not yet adopted by the Company, which are currently expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

3. Inventories

Inventories consist of the following:

	June 30, 2015	December 31, 2014
Raw materials and supplies	\$84.3	\$ 70.8
Work in process	34.5	25.0
Finished goods	152.0	150.1
Total	\$270.8	\$ 245.9

4. Property, Plant and Equipment, Net ("PP&E")

PP&E consists of the following:

	June 30, 2015	December 31, 2014
Land	\$25.4	\$ 25.5
Buildings and improvements	303.0	281.7
Machinery and equipment	644.2	599.3
Software	86.3	86.4
Office equipment and other assets	60.7	57.2
Construction in progress	25.9	71.5
Gross Property, Plant and Equipment	1,145.5	1,121.6
Less accumulated depreciation and amortization	530.0	505.4
Net Property, Plant and Equipment	\$615.5	\$ 616.2

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Depreciation and amortization on PP&E	\$15.0	\$14.7	\$29.6	\$29.4
Interest charges capitalized (in construction in progress)	\$0.1	\$0.1	\$0.4	\$0.3

The decrease in construction in progress is due to the completion of the Company's new vitamin manufacturing facility in York, Pennsylvania.

5. Earnings Per Share (“EPS”)

Basic EPS is calculated based on income available to holders of the Company’s common stock (“Common Stock”) and the weighted average number of shares outstanding during the reported period. Diluted EPS includes additional dilution from potential Common Stock issuable pursuant to the exercise of outstanding stock options.

The following table sets forth a reconciliation of the weighted average number of shares of Common Stock outstanding to the weighted average number of shares outstanding on a diluted basis:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Weighted average common shares outstanding - basic	130.9	134.8	131.4	136.4
Dilutive effect of stock options	2.5	2.5	2.6	2.5
Weighted average common shares outstanding - diluted	133.4	137.3	134.0	138.9
Antidilutive stock options outstanding	1.1	1.1	1.1	1.8

6. Stock Based Compensation Plans

The following table provides a summary of option activity during the six months ended June 30, 2015:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2014	8.5	\$ 45.50		
Granted	1.1	83.81		
Exercised	(0.6)	27.33		
Cancelled	(0.1)	61.90		
Outstanding at June 30, 2015	8.9	\$ 51.14	6.3	\$ 270.3
Exercisable at June 30, 2015	5.1	\$ 36.91	4.6	\$ 226.2

The following table provides information regarding the intrinsic value of stock options exercised and stock compensation expense related to stock option awards.

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Intrinsic Value of Stock Options Exercised	\$8.5	\$20.9	\$32.3	\$37.2
Stock Compensation Expense Related to Stock Option Awards	\$9.7	\$9.7	\$11.4	\$11.8
Issued Stock Options	1.1	1.1	1.1	1.1
Weighted Average Fair Value of Stock Options				
issued (per share)	\$13.73	\$12.84	\$13.73	\$12.84
Fair Value of Stock Options Issued	\$14.8	\$14.6	\$14.8	\$14.6

The following table provides a summary of the assumptions used in the valuation of issued stock options:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Risk-free interest rate	2.0 %	2.0 %	2.0 %	2.0 %
Expected life in Years	6.3	6.2	6.3	6.2

Expected volatility	17.2%	20.4%	17.2%	20.4%
Dividend Yield	1.6 %	1.8 %	1.6 %	1.8 %

The fair value of stock options is based upon the Black Scholes option pricing model. The Company determined the stock options' lives based on historical exercise behavior and their expected volatility and dividend yield based on historical changes in stock price and dividend payments. The risk free interest rate is based on the yield of an applicable term Treasury instrument.

7. Share Repurchases

On January 29, 2014, the Company authorized an evergreen share repurchase program to reduce or eliminate dilution associated with the issuance of Common Stock under the Company's incentive plans. As part of the evergreen share repurchase program, in January 2015, the Company repurchased 0.5 million shares at a cost of \$41.2. On January 28, 2015, the Board authorized a share repurchase program under which the Company may repurchase up to \$500.0 million of Common Stock (the "2015 Share Repurchase Program"). In February 2015, the Company entered into an accelerated share repurchase contract with a commercial bank to repurchase 2.6 million shares of Common Stock at a cost of \$215.0, of which approximately \$47.0 was purchased under the evergreen share repurchase program and approximately \$168.0 was purchased under the 2015 Share Repurchase Program. Under the terms of the accelerated share repurchase contract, upon final settlement of the contract, the Company would receive additional shares, or, if the Company is required to deliver additional value to the bank, the Company would pay additional shares or cash to the bank based on the average market price of Common Stock over the repurchase period. On April 24, 2015, the settlement date, the Company issued 83 thousand shares of Common Stock to the commercial bank in a private transaction for approximately \$7.0 to settle the

accelerated share repurchase contract. On May 18, 2015, the Company repurchased 83 thousand shares from the commercial bank for approximately \$7.0 pursuant to the terms of the accelerated share repurchase contract.

8. Fair Value Measurements

Fair Value Hierarchy

Accounting guidance on fair value measurements and disclosures establishes a hierarchy that prioritizes the inputs used to measure fair value (generally, assumptions that market participants would use in pricing an asset or liability) based on the quality and reliability of the information provided by the inputs, as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The Company recognizes transfers between input levels as of the actual date of the event. There were no transfers between input levels during the six months ended June 30, 2015.

Fair Values of Other Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Company's other financial instruments at June 30, 2015 and December 31, 2014:

	Input Level	June 30, 2015		December 31, 2014	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:					
	Level				
Cash equivalents	2	\$ 132.0	\$ 132.0	\$ 298.0	\$ 298.0
Financial Liabilities:					
	Level				
Short-term borrowings	2	123.6	123.6	146.7	146.7
	Level				
2.875% Senior notes	2	399.7	390.0	399.7	393.3
	Level				
3.35% Senior notes	2	250.0	252.7	249.9	255.6
	Level				
2.45% Senior notes	2	299.8	302.6	299.8	298.6
	Level				
Fair value adjustment asset (liability) related to hedged fixed rate debt instrument	2	0.6	0.6	(0.9)	(0.9)

The following methods and assumptions were used to estimate the fair value of each class of financial instruments reflected in the Consolidated Balance Sheets:

Cash Equivalents: Cash equivalents consist of highly liquid short-term investments and term bank deposits, which mature within three months. The estimated fair value of the Company's cash equivalents approximates their carrying value.

Short-Term Borrowings: The carrying amounts of the Company's unsecured lines of credit and commercial paper issuances approximates fair value because of their short maturities and variable interest rates.

Senior Notes: The Company determines the fair value of its senior notes based on their quoted market value or broker quotes, when possible. In the absence of observable market quotes, the notes are valued using non-binding market consensus prices that the Company seeks to corroborate with observable market data.

Hedged Fixed Rate Debt: The interest rate swap agreements the Company entered into in December 2014 convert the fixed interest rate of the 2.45% Senior Notes to a variable rate based on LIBOR. These agreements are designated as hedges of the changes in fair value of the underlying debt obligation attributable to changes in interest rates and are accounted for as fair value hedges. The fair value of these interest rate swap agreements is determined using broker quotes that the Company seeks to corroborate with observable market data and is reflected in the Consolidated Balance Sheet within Other Assets or Deferred and Other Long-term Liabilities, with an offsetting amount recorded in long-term debt to adjust the carrying amount of the hedged debt obligation.

Other: The carrying amounts of accounts receivable, and accounts payable and accrued expenses, approximated estimated fair values as of June 30, 2015 and December 31, 2014.

9. Derivative Instruments and Risk Management

The following tables summarize the fair value of the Company's derivative instruments and the effect of such derivative instruments on the Company's Consolidated Statements of Income and on Other Comprehensive Income ("OCI"):

	Balance Sheet Location	Notional Amount June 30, 2015	Fair Value at June 30, 2015	December 31, 2014
Derivatives designated as hedging instruments				
Asset Derivatives				
Foreign exchange contracts	Other current assets	\$ 121.0	\$2.6	\$ 2.8
Interest rate swap	Other assets	\$ 300.0	0.6	0.0
Total assets			\$3.2	\$ 2.8
Liability Derivatives				
Diesel fuel contracts	Accounts payable and accrued expenses	3.3 gallons	\$2.4	\$ 4.4
Interest rate swap	Deferred and other long-term liabilities	Not applicable	0.0	0.9
Total liabilities			\$2.4	\$ 5.3
Derivatives not designated as hedging instruments				
Asset Derivatives				
Equity derivatives	Other current assets	Not applicable	\$0.0	\$ 2.8
Foreign exchange contracts	Other current assets	\$ 48.4	0.1	0.0
Total assets			\$0.1	\$ 2.8
Liability Derivatives				
Equity derivatives	Other current liabilities	\$ 31.6	\$1.4	\$ 0.0
Total liabilities			\$1.4	\$ 0.0
	Other Comprehensive Income (Loss)		Amount of Gain (Loss) Recognized in OCI from Derivatives for the Three Months Ended June 30,	

	Location	June 30, 2015	2014
Derivatives designated as hedging instruments			
Diesel fuel contracts (net of taxes)	Other comprehensive income (loss)	\$0.8	\$ 0.0
Foreign exchange contracts (net of taxes)	Other comprehensive income (loss)	(2.3)	(0.9)
Total gain (loss) recognized in OCI		\$(1.5)	\$ (0.9)

	Income Statement Location	Amount of Gain (Loss) Recognized in Income for the Three Months Ended June 30, 2015	June 30, 2014
Derivatives not designated as hedging instruments			
Equity derivatives	Selling, general and administrative expenses	\$(1.7)	\$ 0.3
Foreign exchange contracts	Other income (expense), net	(0.3)	0.0
Total gain (loss) recognized in income		\$(2.0)	\$ 0.3

	Other Comprehensive Income (Loss) Location	Amount of Gain (Loss) Recognized in OCI for the Six Months Ended June 30, 2015	June 30, 2014
Derivatives designated as hedging instruments			
Diesel fuel contracts (net of taxes)	Other comprehensive income (loss)	\$1.2	\$ (0.2)
Foreign exchange contracts (net of taxes)	Other comprehensive income (loss)	0.2	(0.7)
Total gain (loss) recognized in OCI		\$1.4	\$ (0.9)

	Income Statement Location	Amount of Gain (Loss) Recognized in Income for the Six Months Ended	
		June 30, 2015	June 30, 2014
Derivatives not designated as hedging instruments			
Equity derivatives	Selling, general and administrative expenses	\$0.7	\$1.3
Foreign exchange contracts	Other income (expense), net	0.6	0.0
Total gain (loss) recognized in income		\$1.3	\$1.3

The notional amount of a derivative instrument is the nominal or face amount used to calculate payments made on that instrument. The fair values of the derivative instruments disclosed above were measured based on Level 2 inputs (observable market-based inputs or unobservable inputs that are corroborated by market data).

10. Acquisition

On January 2, 2015, the Company acquired the assets of Varied Industries Corporation (the “VI-COR Acquisition”), a manufacturer and seller of feed ingredients for cows, beef cattle, poultry and other livestock for cash consideration of \$74.9, and a \$5.0 payment to be made after one year if certain operating performance is achieved. The Company financed the acquisition with available cash. These brands are managed within the Specialty Products Division (“SPD”) segment.

The preliminary fair values of the net assets acquired are set forth as follows:

	Acquisition Date Preliminary Fair Value
VI-COR Acquisition	
Inventory and other working capital	\$ 1.0
Property, plant and equipment and other long-term assets	7.6
Trade Names and other intangibles	41.5
Goodwill	29.4
Purchase Price	79.5
Fair value of contingent payment due in one year	(4.6)
Cash purchase price as of June 30, 2015	\$ 74.9

The life of the amortizable intangible assets recognized from the VI-COR Acquisition ranges from 5 - 15 years. The goodwill is a result of expected synergies from combined operations of the acquisition and the Company. Pro forma results are not presented because the impact is not material to the Company's consolidated financial results.

11. Goodwill and Other Intangibles, Net

The following table provides information related to the carrying value of all intangible assets, other than goodwill:

	June 30, 2015			Amortization Period (Years)	December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net		Gross Carrying Amount	Accumulated Amortization	Net
Amortizable intangible assets:							
Trade Names	\$260.3	\$ (89.7)	\$170.6	3-20	\$255.3	\$ (85.2)	\$170.1
Customer Relationships	371.8	(130.9)	240.9	15-20	347.3	(119.9)	227.4
Patents/Formulas	57.6	(40.7)	16.9	4-20	48.6	(38.3)	10.3
Non Compete Agreement	1.8	(1.4)	0.4	5-10	1.4	(1.4)	0.0
Total	\$691.5	\$ (262.7)	\$428.8		\$652.6	\$ (244.8)	\$407.8

Indefinite lived intangible assets - Carrying value

	June 30, 2015	December 31, 2014
Trade Names	\$861.9	\$ 864.6

Intangible amortization expense was \$9.7 and \$7.6 for the second quarter of 2015 and 2014, respectively. Intangible amortization expense was \$20.4 and \$15.2 for the first six months of 2015 and 2014, respectively. The Company estimates that intangible amortization expense will be approximately \$40.0 in 2015 and approximately \$38.0 in each of the next five years.

The carrying amount of goodwill as of June 30, 2015 and December 31, 2014, respectively, is as follows:

	Consumer Domestic	Consumer International	Specialty Products	Total
Balance at December 31, 2014	\$ 1,242.2	\$ 62.6	\$ 20.2	\$ 1,325.0
VI-COR Acquisition	0.0	0.0	29.4	29.4
Balance at June 30, 2015	\$ 1,242.2	\$ 62.6	\$ 49.6	\$ 1,354.4

The 2015 increase in goodwill and amortizable assets is due to the VI-COR Acquisition, which is deductible for U.S. tax purposes. In connection with its annual goodwill impairment test, performed in the beginning of the second quarter of 2015, the Company determined that the estimated fair value substantially exceeded the carrying values of all reporting units.

12. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

	June 30, 2015	December 31, 2014
Trade accounts payable	\$301.7	\$ 284.1
Accrued marketing and promotion costs	107.7	114.8
Accrued wages and related benefit costs	35.9	54.0
Other accrued current liabilities	62.0	54.8
Total	\$507.3	\$ 507.7

13. Short-Term Borrowings and Long-Term Debt

Short-term borrowings and long-term debt consist of the following:

	June 30, 2015	December 31, 2014
Short-term borrowings		

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Commercial paper issuances	\$123.0	\$ 143.3
Various debt due to international banks	0.6	3.4
Total short-term borrowings	\$123.6	\$ 146.7
Long-term debt		
2.875% Senior notes due October 1, 2022	\$400.0	\$ 400.0
Less: Discount	(0.3)	(0.3)
3.35% Senior notes due December 15, 2015	250.0	250.0
Less: Discount	0.0	(0.1)
2.45% Senior notes due December 15, 2019	300.0	300.0
Less: Discount	(0.2)	(0.2)
Fair value adjustment related to hedged fixed rate debt instrument	0.6	(0.9)
Total long-term debt	950.1	948.5
Less: current maturities	(250.0)	(249.9)
Net long-term debt	\$700.1	\$ 698.6

14. Accumulated Other Comprehensive Income

The components of changes in accumulated other comprehensive income for the six months ended June 30, 2015 and June 30, 2014 are as follows:

	Foreign Currency Adjustments	Defined Benefit Plans	Derivative Agreements	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2013	\$ 12.7	\$ (13.0)	\$ 0.5	\$ 0.2
Other comprehensive income (loss) before reclassifications	4.5	1.0	(0.8)	4.7
Amounts reclassified to consolidated statement of				
income ^(a) ^(b)	0.0	0.0	(0.4)	(0.4)
Tax benefit (expense)	0.0	(0.3)	0.3	0.0
Other comprehensive income (loss)	4.5	0.7	(0.9)	4.3
Balance at June 30, 2014	\$ 17.2	\$ (12.3)	\$ (0.4)	\$ 4.5
Balance at December 31, 2014	\$ (16.4)	\$ (17.7)	\$ (0.6)	\$ (34.7)
Other comprehensive income (loss) before reclassifications	(16.3)	0.0	5.9	(10.4)
Amounts reclassified to consolidated statement of				
income ^(a) ^(b)	0.0	5.2	(3.6)	1.6
Tax benefit (expense) ^(c)	11.6	(1.3)	(0.9)	9.4
Other comprehensive income (loss)	(4.7)	3.9	1.4	0.6
Balance at June 30, 2015	\$ (21.1)	\$ (13.8)	\$ 0.8	\$ (34.1)

(a) Amounts classified to cost of sales and selling, general and administrative expenses.

(b) The Company reclassified a loss of \$3.3 and a gain of \$0.1 to the consolidated statement of income during the three months ended June 30, 2015 and 2014, respectively.

(c) See Note 18 for a discussion of the tax impact of foreign cash repatriation.

15. Benefit Plans

The following tables provide information regarding the net periodic benefit costs for the Company's international pension plans and domestic and international nonpension postretirement plans:

	Pension Costs Three Months Ended		Pension Costs Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Components of Net Periodic Benefit Cost:				
Service cost	\$0.1	\$0.2	\$0.1	\$0.4
Interest cost	0.8	1.1	1.6	2.2
Expected return on plan assets	(1.3)	(1.5)	(2.7)	(3.0)
Settlement loss	8.9	0.0	8.9	0.0
Amortization of prior service cost	0.0	0.1	0.2	0.2
Net periodic benefit cost (income)	\$8.5	\$(0.1)	\$8.1	\$(0.2)

	Nonpension Postretirement Costs Three Months Ended		Nonpension Postretirement Costs Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Components of Net Periodic Benefit Cost:				
Service cost	\$0.1	\$0.0	\$0.1	\$0.1
Interest cost	0.2	0.3	0.5	0.5
Amortization of prior service cost	(0.3)	(0.3)	(0.6)	(0.7)
Net periodic benefit cost (income)	\$0.0	\$0.0	\$0.0	\$(0.1)

On December 31, 2014, the Company terminated an international defined benefit pension plan under which approximately 270 participants, including approximately 90 active employees have accrued benefits. The Company completed the termination of this plan in the second quarter of 2015 after regulatory approvals were obtained. The Company made a cash contribution of \$0.5 to provide for final accrued benefits and recorded a one-time expense of \$8.9 (\$6.7 after tax) in the Consumer International segment when the plan settlement was completed. This expense is primarily attributable to pension settlement accounting rules which require accelerated recognition of actuarial losses that were to be amortized over the expected benefit lives of participants.

The Company made cash contributions of approximately \$1.7 to its pension plans during the first six months of 2015, of which \$0.5 was required to fund the settlement of the international pension plan. The Company estimates it will be required to make additional cash contributions to its pension plans of approximately \$1.1 in the remainder of 2015 to offset 2015 benefit payments and administrative costs in excess of investment returns.

16. Commitments, Contingencies and Guarantees

Commitments

a. The Company has a partnership with a supplier of raw materials that mines and processes sodium-based mineral deposits. The Company purchases the majority of its sodium-based raw material requirements from the partnership. The partnership agreement for the partnership terminates upon two years' written notice by either partner. Under the partnership agreement, the Company has an annual commitment to purchase 240,000 tons of sodium-based raw materials at the prevailing market price. With the exception of the Natronx Technologies LLC ("Natronx") joint venture, in which the Company and the partner supplier are each one-third owners, the Company is not engaged in any other material transactions with the partnership or the partner supplier.

b. As of June 30, 2015, the Company had commitments through 2019 of approximately \$269.5. These commitments include the purchase of raw materials, packaging supplies and services from its vendors at market prices to enable the Company to respond quickly to changes in customer orders or requirements, as well as costs associated with licensing and promotion agreements.

c. As of June 30, 2015, the Company had the following guarantees: (i) \$4.2 in outstanding letters of credit drawn on several banks which guarantee payment for such things as insurance claims in the event of the Company's insolvency, (ii) an insolvency protection guarantee of approximately \$18.4 to one of its United Kingdom pension plans effective January 1, 2011, and (iii) \$2.9 worth of assets subject to guarantees for its Brazil operations for value added tax assessments and labor related cases currently under appeal.

d. On November 8, 2011, the Company acquired a license for certain oral care technology for cash consideration of \$4.3. In addition to this initial payment, the Company is required to make advance royalty payments of up to \$5.5 upon the launch of a product utilizing the licensed technology, of which \$4.3 had been made as of June 30, 2015. The Company is required to make an additional \$7.0 license payment upon the approval of certain New Drug Applications by the U.S. Food and Drug Administration for products incorporating the acquired technology.

e. In connection with the VI-COR Acquisition, the Company will be required to make an additional \$5.0 payment in 2016 if a certain operating performance objective is achieved in 2015. As part of the preliminary purchase price allocation, the Company recorded a \$4.6 liability. The Company will monitor performance and adjust the liability accordingly.

Environmental matter

f. In 2000, the Company acquired majority ownership in its Brazilian subsidiary, Quimica Geral Do Nordeste S.A. ("QGN"). The acquired operations included an inorganic salt manufacturing plant which began site operations in the late 1970's. Located on the site were two closed landfills, two active landfills and a pond for the management of process waste streams. In 2009, QGN was advised by the environmental authority in the State of Bahia, the Institute of the Environment ("IMA"), that the plant was discharging contaminants into an adjacent creek. After learning of the discharge, QGN took immediate action to cease the discharge and retained two nationally recognized environmental firms to prepare a site investigation / remedial action ("SI/RA") report. The SI/RA report was submitted by QGN to IMA in April 2010. The report concluded that the likely sources of the discharge were the failure of the pond and closed landfills. QGN ceased site operations in August 2010. In November 2010, IMA responded to QGN's recommendation for an additional study by issuing a notification requiring a broad range of remediation measures (the "Remediation Notification"), which included the shutdown and removal of two on-site landfills. In addition, despite repeated discussions with IMA at QGN's request to consider QGN's proposed remediation alternatives, in December 2010, IMA imposed a fine of five million Brazilian Real (approximately U.S. \$1.6 at current exchange rates) for the discharge of contaminants above allowable limits. The description of the fine included a reference to aggravating factors that may indicate that local "management's intent" was considered in determining the severity of the fine, which could result in criminal liability for members of local management. In January 2011, QGN filed with IMA an administrative defense to the fine, suspending any enforcement activities pending its defense. IMA has not yet formally responded to QGN's administrative defense.

With respect to the Remediation Notification, QGN engaged in discussions with IMA during which QGN asserted that a number of the remediation measures, including the removal of the landfills, and the timeframes for implementation were not appropriate and requested that the Remediation Notification be withdrawn. In response, in February 2011, IMA issued a revised Remediation Notification (the "Revised Remediation Notification") providing for further site analysis by QGN, including further study of the integrity of the landfills. The Revised Remediation Notification did not include a requirement to remove the landfills; however, it did not foreclose the possibility of such a requirement. QGN has responded to the Revised Remediation Notification providing further information regarding the remediation measures, and is in discussions with the Institute of Environment and Waste Management ("INEMA"), successor to IMA, to seek agreement on an appropriate remediation plan. In mid-2011, QGN, consistent with the Revised Remediation Notice, began an additional site investigation and capped the two active landfills. In 2012, QGN drained the waste pond. During the third quarter of 2013, INEMA approved the first step in QGN's proposed

remediation plans, the installation of a trench drain to capture and treat groundwater at the site. Construction of the trench drain began during the first quarter of 2014 and was completed in the first quarter of 2015. In June 2014, QGN formally submitted to INEMA a technical report, including a remediation plan for the site and a proposed agreement regarding the fine and QGN's ongoing obligations at the site. In July 2014, an initial meeting was held with INEMA to review and discuss the report and the proposed agreement. Following the initial meeting, QGN provided additional information requested by INEMA and continues to engage in discussions with INEMA regarding the proposed agreement.

As a result of the foregoing events, the Company accrued approximately \$3.0 in 2009 and \$4.8 in 2010 for remediation, fines and related costs. Since 2009, the costs of remediation activities and foreign exchange rate changes have reduced the accrual by approximately \$5.4 to a current amount of \$2.4. As a result of INEMA's approval of the first step in QGN's remediation plans, the Company does not believe that QGN will be required to remove the landfills. However, it remains reasonably possible that INEMA will require such removal, and the Company could be unsuccessful in appealing such decision. The Company estimates the cost of such landfill removal to be in the range of \$30.0 to \$50.0.

Legal proceedings

g. In conjunction with the Company's acquisition and divestiture activities, the Company entered into select guarantees and indemnifications of performance with respect to the fulfillment of the Company's commitments under applicable purchase and sale agreements. The arrangements generally indemnify the buyer or seller for damages associated with breach of contract, inaccuracies in representations and warranties surviving the closing date and satisfaction of liabilities and commitments retained under the applicable contract. Representations and warranties that survive the closing date generally survive for periods up to five years or the expiration of the applicable statutes of limitations. Potential losses under the indemnifications are generally limited to a portion of the original transaction price, or to other lesser specific dollar amounts for select provisions. With respect to sale transactions, the Company also routinely enters into non-competition agreements for varying periods of time. Guarantees and indemnifications with respect to acquisition and divestiture activities, if triggered, could have a materially adverse impact on the Company's financial condition, results of operations and cash flows.

h. The Company, in the ordinary course of its business, is the subject of, or party to, various pending or threatened legal actions, government investigations and proceedings from time to time, including, without limitation, those relating to, commercial transactions, product liability, purported consumer class actions, employment matters, antitrust, environmental, health, safety and other compliance related matters. Such proceedings are subject to many uncertainties and the outcome of certain pending or threatened legal actions may not be reasonably predictable and any related damages may not be estimable. Certain legal actions, including those described above, could result in an adverse outcome for the Company, and any such adverse outcome could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

17. Related Party Transactions

The following summarizes the balances and transactions between the Company and each of (i) Armand Products Company ("Armand") and The ArmaKleen Company ("ArmaKleen"), in which the Company holds a 50% ownership interest, and (ii) Natronx, in which the Company holds a one-third ownership interest:

	Armand Six Months Ended		ArmaKleen Six Months Ended		Natronx Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Purchases by Company	\$11.2	\$11.3	\$0.0	\$0.0	\$0.0	\$0.0
Sales by Company	\$0.0	\$0.0	\$0.7	\$0.6	\$1.0	\$0.9
Outstanding Accounts Receivable	\$0.8	\$0.7	\$1.0	\$0.6	\$0.1	\$0.1
Outstanding Accounts Payable	\$2.3	\$2.8	\$0.0	\$0.0	\$0.0	\$0.0
Administration & Management Oversight Services ⁽¹⁾	\$1.2	\$1.1	\$1.0	\$1.0	\$0.4	\$0.5

(1) Billed by Company and recorded as a reduction of selling, general and administrative expenses.

During the second quarter of 2015, the Company impaired its remaining investment in Natronx and recorded a \$17.0 charge. This charge is primarily a result of lower than expected demand for the joint venture's products as a result of a shift in the electric utility industry from coal-fired to natural gas-supplied power plants, continued delays in the implementation of updated federal regulations, and indirectly, the recent U.S. Supreme Court ruling against the Environmental Protection Agency ("EPA") where the court stated that the EPA failed to properly consider the costs to implement the regulations. We believe that the foregoing factors will likely further delay the demand for these products. The Company assessed the value of the investment using both income and market based valuation methods. Currently, the partners are exploring strategic alternatives with regard to their investment and the venture's assets. The charge is recorded in the Corporate segment in Equity in Earnings (Losses) of Affiliates.

18. Income Taxes

During the quarter ended June 30, 2015, the Company liquidated its subsidiary in the Netherlands and decided that the earnings of its subsidiary in France would no longer be permanently reinvested outside of the U.S. As a result, the Company repatriated cash of \$93.0. The funds repatriated were used to reduce outstanding commercial paper. As a result of liquidating its subsidiary in the Netherlands, the Company recorded a tax benefit of \$2.7 in the Consolidated Statement of Income and a deferred tax benefit of \$11.6 recorded through Accumulated Other Comprehensive Income in the quarter ended June 30, 2015. As of June 30, 2015, there remains \$149.2 of cash and cash equivalents outside the U.S. These funds are not needed for operations in the U.S. If they were, the Company would be required to accrue and pay taxes in the U.S. to repatriate these funds. The Company's intent is to permanently reinvest these funds outside the U.S., and the Company does not currently expect to repatriate them to fund U.S. operations.

19. Segments

Segment Information

The Company operates three reportable segments: Consumer Domestic, Consumer International and SPD. These segments are determined based on differences in the nature of products and organizational and ownership structures. The Company also has a Corporate segment.

Segment revenues are derived from the sale of the following products:

Segment	Products
	Household and personal care products
Consumer Domestic	Primarily personal care products
Consumer International	Specialty chemical products
SPD	

The Corporate segment income consists of equity in earnings (losses) of affiliates. As of June 30, 2015, the Company held 50% ownership interests in each of Armand and ArmaKleen, respectively, and a one-third ownership interest in Natronx. The Company's equity in earnings (losses) of Armand, ArmaKleen and Natronx for the three and six months ended June 30, 2015 and June 30, 2014, respectively, are included in the Corporate segment. See Note 17 for a discussion of the impairment charge which is included in the Corporate segment.

Some of the subsidiaries that are included in the Consumer International segment manufacture and sell personal care products to the Consumer Domestic segment. These sales are eliminated from the Consumer International segment results set forth in the table below.

Segment Net Sales and Income before Income Taxes for the three and six months ended June 30, 2015 and June 30, 2014, respectively, are as follows:

	Consumer Domestic	Consumer International	SPD	Corporate ⁽³⁾	Total
Net Sales ⁽¹⁾					
Second Quarter 2015	\$ 638.3	\$ 130.9	\$ 77.9	\$ 0.0	\$ 847.1
Second Quarter 2014	598.9	136.6	72.8	0.0	808.3
First Six Months of 2015	\$ 1,252.9	\$ 251.3	\$ 155.2	\$ 0.0	\$ 1,659.4

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First Six Months of 2014	1,192.2	260.4	137.7	0.0	1,590.3
Income before Income Taxes ⁽²⁾					
Second Quarter 2015	\$ 112.6	\$ 4.5	\$ 16.1	\$ (13.7)	\$ 119.5
Second Quarter 2014	107.7	14.3	10.1	2.9	135.0
First Six Months of 2015	\$ 242.2	\$ 23.9	\$ 30.1	\$ (11.4)	\$ 284.8
First Six Months of 2014	234.6	32.5	20.1	4.5	291.7

⁽¹⁾ Intersegment sales from Consumer International to Consumer Domestic, which are not reflected in the table, were \$1.7 and \$0.3 for the quarters ended June 30, 2015 and June 30, 2014, respectively, and were \$3.0 and \$0.5 for the six months ended June 30, 2015 and June 30, 2014, respectively.

⁽²⁾ In determining Income before Income Taxes, interest expense and investment earnings were allocated among segments based upon each segment's relative operating profit.

⁽³⁾ Corporate consists of equity in earnings (losses) of affiliates from Armand, ArmaKleen and Natronx.

Product line revenues from external customers are as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Household Products	\$390.9	\$355.2	\$757.4	\$707.7
Personal Care Products	247.4	243.7	495.5	484.5
Total Consumer Domestic	638.3	598.9	1,252.9	1,192.2
Total Consumer International	130.9	136.6	251.3	260.4
Total SPD	77.9	72.8	155.2	137.7
Total Consolidated Net Sales	\$847.1	\$808.3	\$1,659.4	\$1,590.3

Household Products include laundry, deodorizing, and cleaning products. Personal Care Products include condoms, pregnancy kits, oral care products, skin care products and gummy dietary supplements.

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

(In millions, except per share data)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Consolidated results

	Three Months Ended June 30, 2015	Change vs. Prior Year	Three Months Ended June 30, 2014
Net Sales \$			