

FORTUNE BRANDS HOME & SECURITY, INC.
RECONCILIATION OF OPERATING INCOME (LOSS) BEFORE CHARGES/GAINS TO GAAP OPERATING INCOME (LOSS)
(In millions)
(unaudited)

	For the three month period ended				For the six month period ended			
	June 30, 2012	June 30, 2011	\$ change	% change	June 30, 2012	June 30, 2011	\$ change	% change
KITCHEN & BATH CABINETRY								
Operating income before charges/gains^(a)	\$ 18.5	\$ 15.2	\$ 3.3	21.7	\$ 14.6	\$ 13.5	\$ 1.1	8.1
Restructuring charges	(0.2)	(0.1)	(0.1)	100.0	(1.0)	(0.4)	(0.6)	150.0
Other charges								
Cost of products sold	(0.4)	-	(0.4)	-	(1.0)	-	(1.0)	-
Operating income (GAAP)	\$ 17.9	\$ 15.1	\$ 2.8	18.5	\$ 12.6	\$ 13.1	\$ (0.5)	(3.8)
PLUMBING & ACCESSORIES								
Operating income before charges/gains^(a)	\$ 42.8	\$ 34.5	\$ 8.3	24.1	\$ 79.0	\$ 60.1	\$ 18.9	31.4
Other charges								
Cost of products sold	-	0.1	(0.1)	(100.0)	-	0.2	(0.2)	(100.0)
Operating income (GAAP)	\$ 42.8	\$ 34.6	\$ 8.2	23.7	\$ 79.0	\$ 60.3	\$ 18.7	31.0
ADVANCED MATERIAL WINDOWS & DOOR SYSTEMS								
Operating income (loss) before charges/gains^(a)	\$ 4.0	\$ 5.0	\$ (1.0)	(20.0)	\$ (6.3)	\$ (8.6)	\$ 2.3	(26.7)
Restructuring charges	(0.3)	(0.3)	-	-	(0.5)	(0.3)	(0.2)	-
Other charges								
Cost of products sold	-	(0.1)	0.1	(100.0)	-	(0.4)	0.4	(100.0)
Contingent acquisition consideration adjustment	-	-	-	-	2.0	-	2.0	100.0
Operating income (loss) (GAAP)	\$ 3.7	\$ 4.6	\$ (0.9)	(19.6)	\$ (4.8)	\$ (9.3)	\$ 4.5	48.4
SECURITY & STORAGE								
Operating income before charges/gains^(a)	\$ 21.1	\$ 19.5	\$ 1.6	8.2	\$ 32.9	\$ 25.7	\$ 7.2	28.0
Restructuring charges	0.5	-	0.5	-	0.5	-	0.5	-
Operating income (GAAP)	\$ 21.6	\$ 19.5	\$ 2.1	10.8	\$ 33.4	\$ 25.7	\$ 7.7	30.0
CORPORATE								
Operating loss before charges/gains^(a)	\$ (13.7)	\$ (12.8)	\$ (0.9)	(6.9)	\$ (26.6)	\$ (26.0)	\$ (0.6)	(2.3)
Standalone corporate costs	-	5.0	(5.0)	(100.0)	-	10.0	(10.0)	(100.0)
Defined benefit plan actuarial losses	-	(0.8)	0.8	(100.0)	-	(0.8)	0.8	(100.0)
Corporate expense (GAAP)	\$ (13.7)	\$ (8.6)	\$ (5.1)	(59.3)	\$ (26.6)	\$ (16.8)	\$ (9.8)	(58.3)
FORTUNE BRANDS HOME & SECURITY								
Operating income before charges/gains^(a)	\$ 72.7	\$ 61.4	\$ 11.3	18.4	\$ 93.6	\$ 64.7	\$ 28.9	44.7
Restructuring charges	-	(0.4)	0.4	(100.0)	(1.0)	(0.7)	(0.3)	42.9
Other charges								
Cost of products sold	(0.4)	-	(0.4)	-	(1.0)	(0.2)	(0.8)	400.0
Contingent acquisition consideration adjustment	-	-	-	-	2.0	-	2.0	100.0
Standalone corporate costs	-	5.0	(5.0)	(100.0)	-	10.0	(10.0)	(100.0)
Defined benefit plan actuarial losses	-	(0.8)	0.8	(100.0)	-	(0.8)	0.8	(100.0)
Operating income (GAAP)	\$ 72.3	\$ 65.2	\$ 7.1	10.9	\$ 93.6	\$ 73.0	\$ 20.6	28.2

(a) Operating income (loss) before charges/gains is operating income (loss) derived in accordance with GAAP including estimated incremental standalone corporate expenses and excluding restructuring and other charges, income from a contingent acquisition consideration adjustment and the impact of income and expense from actuarial gains or losses associated with our defined benefit plans. Operating income (loss) before charges/gains is a measure not derived in accordance with GAAP. Management uses this measure to determine the returns generated by FBHS and to evaluate and identify cost-reduction initiatives. Management believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Company from period to period. This measure may be inconsistent with similar measures presented by other companies.

FORTUNE BRANDS HOME & SECURITY, INC.
SUPPLEMENTAL INFORMATION ON KITCHEN & BATH CABINETRY
RECONCILIATION OF OPERATING INCOME BEFORE CHARGES/GAINS TO GAAP OPERATING INCOME
(In millions)
(unaudited)

	For the year ended	
	December 31,	
	2011	
KITCHEN & BATH CABINETRY		
Operating income before charges/gains^(a)	\$	18.4
Restructuring charges		(3.7)
Other charges		
Cost of products sold		(9.0)
Operating income (GAAP)	\$	5.7

(a) Operating income before charges/gains is operating income derived in accordance with GAAP excluding restructuring and other charges. Operating income before charges/gains is a measure not derived in accordance with GAAP. Management uses this measure to determine the returns generated by FBHS and to evaluate and identify cost-reduction initiatives. Management believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Company from period to period. This measure may be inconsistent with similar measures presented by other companies.

FORTUNE BRANDS HOME & SECURITY, INC.
RECONCILIATION OF FULL YEAR GUIDANCE DILUTED EPS BEFORE CHARGES/GAINS TO GAAP DILUTED EPS
(unaudited)

	For the twelve months ended		
	December 31, 2012	December 31, 2011	% change
Diluted EPS before charges/gains - full year range	\$0.77 - \$0.87		
Diluted EPS before charges/gains^(a)	\$ 0.82	\$ 0.60	36.7
Restructuring and other charges	(0.01)	(0.08)	
Contingent acquisition consideration adjustment	0.01	-	
Standalone corporate costs	-	0.05	
Capital structure change	-	(0.06)	
Business separation costs	-	(0.01)	
Adjusted pro forma tax rate adjustment	-	(0.07)	
Asset impairment charges	-	(0.35)	
Defined benefit plan actuarial losses	-	(0.31)	
Diluted EPS (GAAP)	\$ 0.82	\$ (0.23)	(456.5)

(a) For the year ended December 31, 2011, diluted EPS before charges/gains is net income (loss) calculated on a diluted per-share basis adjusted to reflect the actual number of diluted shares of the company as of December 31, 2011 of 160.7 million, standalone corporate costs of \$13.8 million (\$8.6 million after tax or \$0.05 per diluted share), an adjusted pro forma effective tax rate adjustment of \$12.0 million (\$0.07 per share) to reflect an effective tax rate of 35%, capital structure changes that reflect the borrowing arrangements and debt level of the Company as of October 4, 2011 of \$14.4 million (\$8.9 million after tax or \$0.06 per diluted share), and excludes restructuring and other charges of \$20.0 million (\$12.5 million after tax or \$0.08 per diluted share), business separation costs of \$2.4 million (\$1.7 million after tax or \$0.01 per diluted share), asset impairment charges of \$90.0 million (\$55.3 million after tax or \$0.35 per diluted share) and the impact from the Company's defined benefit plan actuarial losses of \$80.0 million (\$49.9 million after tax or \$0.31 per diluted share).

Diluted EPS before charges/gains is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the overall performance of the Company and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Company from period to period. This measure may be inconsistent with similar measures presented by other companies.