

Supplemental Financial Information

(in millions)

Table 7. GROSS PROFIT EXCLUDING ONE-TIME ITEMS AND LIFO CHARGE (CREDIT)

	FOURTH QUARTER		2002	2001
	2002	2001		
SALES	\$ 12,469.6	\$ 12,128.6	\$ 51,759.5	\$ 50,098.0
MERCHANDISE COSTS	9,057.7	8,768.6	37,810.4	36,398.0
SUBTRACT:				
ONE-TIME EXPENSES INCLUDED IN MERCHANDISE COSTS (a)	1.9	4.5	92.6	11.9
MERCHANDISE COSTS WITHOUT ONE-TIME ITEMS	9,055.8	8,764.1	37,717.8	36,386.1
ADDBACK:				
LIFO CHARGE (CREDIT) INCLUDED IN MERCHANDISE COSTS	(34.3)	(3.7)	(22.3)	23.3
GROSS PROFIT (EXCLUDING LIFO CHARGE/CREDIT)	\$ 3,379.5	\$ 3,360.8	\$ 14,019.4	\$ 13,735.2
PERCENT TO SALES	27.10%	27.71%	27.09%	27.42%

(a) For a description of items excluded from the "without" presentation, but included in the "with" presentation, refer to Tables 1 and 3.

Table 8. OPERATING, GENERAL AND ADMINISTRATIVE EXCLUDING ONE-TIME ITEMS

	FOURTH QUARTER		2002	2001
	2002	2001		
SALES	\$ 12,469.6	\$ 12,128.6	\$ 51,759.5	\$ 50,098.0
OPERATING, GENERAL AND ADMINISTRATIVE	2,248.1	2,204.1	9,617.8	9,482.9
SUBTRACT:				
ONE-TIME EXPENSES (CREDIT) INCLUDED IN OPERATING, GENERAL AND ADMINISTRATIVE (a)	(9.5)	14.7	3.0	140.2
OPERATING, GENERAL AND ADMINISTRATIVE WITHOUT ONE-TIME ITEMS	\$ 2,257.6	\$ 2,189.4	\$ 9,614.8	\$ 9,342.7
PERCENT TO SALES	18.10%	18.05%	18.58%	18.65%

(a) For a description of items excluded from the "without" presentation, but included in the "with" presentation, refer to Tables 1 and 3.

Table 9. NET TOTAL DEBT

	2002	2001
LONG-TERM DEBT, INCLUDING CAPITAL LEASES AND CURRENT PORTION THEREOF	\$ 8,574.2	\$ 8,829.4
SUBTRACT:		
ADJUSTMENT TO REFLECT FAIR VALUE INTEREST RATE HEDGES	110.2	(18.6)
INVESTMENTS IN OWN DEBT SECURITIES	67.0	67.3
PREFUNDED EMPLOYEE BENEFITS	300.4	270.3
NET TOTAL DEBT	\$ 8,096.6	\$ 8,510.4

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Table 10. NET OPERATING WORKING CAPITAL

	2002	2001	CHANGE
CURRENT ASSETS	\$ 5,565.7	\$ 5,512.4	
CURRENT LIABILITIES	5,607.7	5,485.3	
GAAP WORKING CAPITAL	(42.0)	27.1	(69.1)
ADDBACK:			
LIFO RESERVE	\$ 290.1	\$ 340.0	
CURRENT PORTION OF LONG-TERM DEBT, INCLUDING CAPITAL LEASES	352.4	436.2	
CURRENT ACCRUED AND DEFERRED INCOME TAX LIABILITIES	56.1	121.7	
SUBTRACT:			
PROPERTY HELD FOR SALE	19.6	7.1	
PREFUNDED EMPLOYEE BENEFITS	300.4	270.3	
NET OPERATING WORKING CAPITAL	\$ 336.6	\$ 647.6	(311.0)
SUBTRACT:			
ITEM-COST COMPARATIVE ADJUSTMENT	-	90.7	
EITF 02-16 COMPARATIVE ADJUSTMENT	-	27.6	
ADJUSTED NET OPERATING WORKING CAPITAL	\$ 336.6	\$ 529.3	(192.7)

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Table 11. ADJUSTED EBITDA

	FOURTH QUARTER		2002	2001
	2002	2001		
EARNINGS FROM OPERATIONS BEFORE TAX EXPENSE	\$ 609.6	\$ 570.7	\$ 1,972.9	\$ 1,710.7
ADDBACK:				
DEPRECIATION	267.0	236.7	1,086.5	972.5
AMORTIZATION OF GOODWILL	-	18.9	-	103.1
INTEREST EXPENSE INCL. CAPITAL LEASES	139.6	141.4	599.8	648.0
EBITDA	1,016.2	967.7	3,659.2	3,434.3
ADDBACK:				
IMPAIRMENT CHARGES (a)	-	-	-	90.5
RESTRUCTURING CHARGES (a)	-	37.5	14.4	37.5
MERGER RELATED COSTS (a)	-	(0.8)	1.8	4.4
ONE-TIME EXPENSES IN MERCHANDISE COSTS - RELATED TO MERGERS (a)	1.9	4.5	1.9	11.9
ONE-TIME EXPENSES IN MERCHANDISE COSTS - ITEM-COST CONVERSION (a)	-	-	90.7	-
ONE-TIME EXPENSES IN MERCHANDISE COSTS - EITF 02-16 (a)	27.6	-	27.6	-
ONE-TIME CREDIT IN MERCHANDISE COSTS - LIFO EFFECT OF EITF 02-16 (a)	(27.6)	-	(27.6)	-
ONE-TIME EXPENSES IN OG&A - RELATED TO MERGERS (a)	5.7	12.5	22.0	37.4
ONE-TIME EXPENSES IN OG&A - STORE CLOSINGS (a)	-	-	-	19.6
ONE-TIME EXPENSES (CREDIT) IN OG&A - UTILITY CONTRACTS (a)	(15.2)	2.2	(19.0)	83.2
LIFO CHARGE (CREDIT)	(34.3)	(3.7)	(22.3)	23.3
ROUNDING	0.1	-	-	(0.1)
ADJUSTED EBITDA	\$ 974.4	\$ 1,019.9	\$ 3,748.7	\$ 3,742.0

(a) For a description of these items refer to Tables 1 and 3.

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Table 12. NET TOTAL DEBT TO ADJUSTED EBITDA RATIO

	2002	2001
NET TOTAL DEBT (Table 9)	\$ 8,096.6	\$ 8,510.4
ROLLING FOUR QUARTERS TOTAL ADJUSTED EBITDA (Table 11)	3,748.7	3,742.0
NET TOTAL DEBT TO ADJUSTED EBITDA RATIO	2.16	2.27

Table 13. FREE CASH FLOW

	2002
ROLLING FOUR QUARTERS TOTAL ADJUSTED EBITDA (Table 11)	\$ 3,748.7
SUBTRACT:	
ROLLING FOUR QUARTERS TOTAL CAPITAL EXPENDITURES	2,010.3
ROLLING FOUR QUARTERS TOTAL CASH PAID FOR TAXES	268.0
ROLLING FOUR QUARTERS TOTAL CASH PAID FOR INTEREST	585.0
ROLLING FOUR QUARTERS NET INCREASE (DECREASE) IN NET OPERATING WORKING CAPITAL (Table 10)	(192.7)
ADDBACK:	
ROLLING FOUR QUARTERS TOTAL CAPITAL EXPENDED TO PURCHASE ASSETS PREVIOUSLY FINANCED UNDER A SYNTHETIC LEASE	192.0
FREE CASH FLOW	\$ 1,270.1

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