

Non-GAAP Definitions

Management believes certain non-GAAP measures provide an alternative presentation of the results that more accurately reflect on-going Company operations. These measures should be considered in addition to, not a substitute for, the reported GAAP results.

Debt to Capital

Total debt divided by total debt plus equity. Management believes this is an important measure in evaluating our balance sheet strength and is important in managing our credit ratios and financing relationships.

Adjusted Debt to Capital

Total debt plus net present value of operating leases plus value of sold receivables divided by total debt plus net present value of operating leases plus value of sold receivables plus equity. Management believes this is an important measure in evaluating the total amount of leverage in our capital structure including off-balance sheet obligations.

**Debt / Capital
Reconciliation to GAAP**

(Dollars in Millions Except for Percentages)

	<u>Jun 30 2008</u>	<u>Dec 31 2007</u>	<u>Jun 30 2007</u>
Debt (a)	\$8,299	\$7,682	\$7,236
Equity	<u>15,566</u>	<u>15,585</u>	<u>15,445</u>
Capital (b)	\$23,865	\$23,267	\$22,681
Debt to Capital (a/b)	34.8%	33.0%	31.9%

**Adjusted Debt / Capital
Reconciliation to GAAP**

(Dollars in Millions Except for Percentages)

	<u>Jun 30 2008</u>	<u>Dec 31 2007</u>	<u>Jun 30 2007</u>
Debt	\$8,299	\$7,682	\$7,236
Value of Sold Receivables	600	600	600
Net Present Value of Operating Leases	<u>3,598</u>	<u>3,783</u>	<u>3,275</u>
Adjusted Debt (a)	12,497	12,065	11,111
Equity	<u>15,566</u>	<u>15,585</u>	<u>15,445</u>
Adjusted Capital (b)	\$28,063	\$27,650	\$26,556
Adjusted Debt to Capital (a/b)	44.5%	43.6%	41.8%