

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 plus after-tax unfunded pension and OPEB obligation divided by total debt plus net present value of operating leases plus value of sold receivables plus after-tax unfunded pension and OPEB obligation 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)

	Dec 31 2008	Dec 31 2007
Debt (a)	\$8,927	\$7,682
Equity	<u>15,447</u>	<u>15,585</u>
Capital (b)	\$24,374	\$23,267
Debt to Capital (a/b)	36.6%	33.0%

**Adjusted Debt / Capital
Reconciliation to GAAP**

(Dollars in Millions Except for Percentages)

	Dec 31 2008	Dec 31 2007
Debt	\$8,927	\$7,682
Value of Sold Receivables	584	600
Net Present Value of Operating Leases	3,690	3,783
Unfunded Pension and OPEB	<u>733</u>	<u>234</u>
Adjusted Debt (a)	\$13,934	\$12,299
Equity	<u>15,447</u>	<u>15,585</u>
Adjusted Capital (b)	\$29,381	\$27,884
Adjusted Debt to Capital (a/b)	47.4%	44.1%