

Non-GAAP Definitions

Management believes certain non-GAAP measures provide an alternative presentation of the results that more accurately reflect ongoing 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. Operating leases were discounted using 6.3% at September 30, 2009 and 8.0% at September 30, 2008, respectively. The lower discount rate reflects changes to interest rates and our current financing costs. 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)

	Sep 30 2009	Sep 30 2008
Debt (a)	\$9,793	\$8,462
Equity	<u>16,429</u>	<u>15,735</u>
Capital (b)	\$26,222	\$24,197
 Debt to Capital (a/b)	 37.3%	 35.0%

**Adjusted Debt / Capital
Reconciliation to GAAP**

(Dollars in Millions Except for Percentages)

	Sep 30 2009	Sep 30 2008
Debt	\$9,793	\$8,462
Net Present Value of Operating Leases	3,604	3,674
Value of Sold Receivables	400	600
Unfunded Pension and OPEB	<u>733</u>	<u>234</u>
Adjusted Debt (a)	\$14,530	\$12,970
Equity	<u>16,429</u>	<u>15,735</u>
Adjusted Capital (b)	\$30,959	\$28,705
 Adjusted Debt to Capital (a/b)	 46.9%	 45.2%