

## 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. Operating leases were discounted using 6.2% at March 31, 2009 and 8.0% at March 31, 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)

|                              | <b>Mar 31<br/>2009</b> | <b>Mar 31<br/>2008</b> |
|------------------------------|------------------------|------------------------|
| <b>Debt (a)</b>              | \$9,195                | \$8,118                |
| Equity                       | <u>15,654</u>          | <u>15,557</u>          |
| <b>Capital (b)</b>           | <b>\$24,849</b>        | <b>\$23,675</b>        |
| <br>                         |                        |                        |
| <b>Debt to Capital (a/b)</b> | <b>37.0%</b>           | <b>34.3%</b>           |

**Adjusted Debt / Capital  
Reconciliation to GAAP**

(Dollars in Millions Except for Percentages)

|                                       | <b>Mar 31<br/>2009</b> | <b>Mar 31<br/>2008</b> |
|---------------------------------------|------------------------|------------------------|
| Debt                                  | \$9,195                | \$8,118                |
| Value of Sold Receivables             | 500                    | 600                    |
| Net Present Value of Operating Leases | 3,959                  | 3,687                  |
| Unfunded Pension and OPEB             | <u>733</u>             | <u>234</u>             |
| <b>Adjusted Debt (a)</b>              | <b>\$14,387</b>        | <b>\$12,639</b>        |
| Equity                                | <u>15,654</u>          | <u>15,557</u>          |
| <b>Adjusted Capital (b)</b>           | <b>\$30,041</b>        | <b>\$28,196</b>        |
| <br>                                  |                        |                        |
| <b>Adjusted Debt to Capital (a/b)</b> | <b>47.9%</b>           | <b>44.8%</b>           |