

## **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.

### **Lease Adjusted Debt to Adjusted EBITDA**

Total Debt plus convertible preferred securities plus present value of leases divided by pretax income plus interest expense plus interest on present value of leases plus depreciation. Lease adjusted debt to EBITDA (earnings before interest, taxes and depreciation) is considered a non-GAAP measure by SEC Regulation G. Management believes this measure is important in evaluating the Company's ability to sustain given debt levels (including leases) with the cash generated from Company operations. In addition, this measure is used by our debt rating agencies when reviewing the Company's credit rating.

### **Adjusted Operating Revenue**

Operating revenue less fuel surcharge.

**Debt / Capital  
Reconciliation to GAAP**

(Dollars in Millions Except for Percentages)

	<u>Dec 31 2007</u>	<u>Dec 31 2006</u>	<u>Dec 31 2005</u>	<u>Dec 31 2004</u>	<u>Dec 31 2003</u>
<b>Debt (a)</b>	\$7,682	\$6,780	\$7,416	\$8,131	\$7,989
Equity	<u>15,585</u>	<u>15,312</u>	<u>13,707</u>	<u>12,655</u>	<u>12,354</u>
<b>Total Capital (b)</b>	<b>\$23,267</b>	<b>\$22,092</b>	<b>\$21,123</b>	<b>\$20,786</b>	<b>\$20,343</b>
<b>Debt to Capital (a/b)</b>	<b>33.0%</b>	<b>30.7%</b>	<b>35.1%</b>	<b>39.1%</b>	<b>39.3%</b>

**Adjusted Debt / Capital  
Reconciliation to GAAP**

(Dollars in Millions Except for Percentages)

	<u>Dec 31 2007</u>	<u>Dec 31 2006</u>	<u>Dec 31 2005</u>	<u>Dec 31 2004</u>	<u>Dec 31 2003</u>
Debt	\$7,682	\$6,780	\$7,416	\$8,131	\$7,989
Value of Sold Receivables	600	600	600	590	590
Net Present Value of Operating Leases	<u>3,783</u>	<u>3,513</u>	<u>3,185</u>	<u>2,273</u>	<u>2,022</u>
<b>Total Lease Adjusted Debt (a)</b>	<b>\$12,065</b>	<b>\$10,893</b>	<b>\$11,201</b>	<b>\$10,994</b>	<b>\$10,601</b>
Equity	<u>15,585</u>	<u>15,312</u>	<u>13,707</u>	<u>12,655</u>	<u>12,354</u>
<b>Total Capital (b)</b>	<b>\$27,650</b>	<b>\$26,205</b>	<b>\$24,908</b>	<b>\$23,649</b>	<b>\$22,955</b>
<b>Adjusted Debt to Capital (a/b)</b>	<b>43.6%</b>	<b>41.6%</b>	<b>45.0%</b>	<b>46.5%</b>	<b>46.2%</b>

**Lease Adjusted Debt /Adjusted EBITDA  
Reconciliation to GAAP**

(Dollars in millions except for percentages)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt	\$7,682	\$6,780	\$7,416	\$8,131	\$7,989
A/R Securitization	600	600	600	590	590
Net Present Value of Operating Leases	<u>3,783</u>	<u>3,513</u>	<u>3,185</u>	<u>2,273</u>	<u>2,022</u>
<b>Total Lease Adjusted Debt (a)</b>	<b>\$12,065</b>	<b>\$10,893</b>	<b>\$11,201</b>	<b>\$10,994</b>	<b>\$10,601</b>
Operating Income	3,375	2,884	1,795	1,542	2,133
Depreciation	<u>1,322</u>	<u>1,237</u>	<u>1,175</u>	<u>1,111</u>	<u>1,067</u>
EBITDA	4,697	4,121	2,970	2,653	3,200
Portion of Rentals Representing an Interest Factor	<u>237</u>	<u>243</u>	<u>220</u>	<u>206</u>	<u>169</u>
<b>Adjusted EBITDA (b)</b>	<b>4,934</b>	<b>4,364</b>	<b>3,190</b>	<b>2,859</b>	<b>3,369</b>
<b>Lease Adjusted Debt/Adjusted EBITDA (a/b)</b>	<b>2.4x</b>	<b>2.5x</b>	<b>3.5x</b>	<b>3.8x</b>	<b>3.1x</b>

**Adjusted Operating Revenue  
Reconciliation to GAAP**

(Dollars in millions except for percentages)

	<u>2007</u>	<u>2003</u>
Operating Revenue (Reported)	\$16,283	\$11,551
Less: Fuel Surcharge (Reported)	<u>1,478</u>	<u>112</u>
<b>Adjusted Operating Revenue</b>	<b>\$14,805</b>	<b>\$11,439</b>