United Stationers Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Adjusted Operating Income, Net Income, and Diluted Earnings Per Share
(unaudited)
(in thousands, except per share data)

	For the Three Months Ended June 30,			
	2011		2010	
	Amount	% to Net Sales	Amount	% to Net Sales
Net sales	$ 1,256,628	100.00%	$ 1,220,759	100.00%
Gross profit	$ 184,239	14.66%	$ 179,239	14.68%
Operating expenses	$ 136,439	10.86%	$ 128,918	10.56%
Equity compensation – CEO transition	(4,409)	(0.35)	- -	- -
Post-retirement medical plan termination	- -	- -	2,762	0.23
Adjusted operating expenses	$ 132,030	10.51%	$ 131,680	10.79%
Operating income	$ 47,800	3.80%	$ 50,321	4.12%
Operating expense item noted above	4,409	0.35	(2,762)	(0.23)
Adjusted operating income	$ 52,209	4.15%	$ 47,559	3.89%
Net income	$ 24,836		$ 27,002	
Operating expense item noted above, net of tax	2,664		(1,699)	
Adjusted net income	$ 27,500		$ 25,303	
Diluted earnings per share	$ 0.54		$ 0.55	
Per share operating expense item noted above	0.05		(0.04)	
Adjusted diluted earnings per share	$ 0.59		$ 0.51	
Adjusted diluted earnings per share — growth rate over the prior year period	16%			
Weighted average number of common shares — diluted	46,340		49,272	

Note: Adjusted Operating Expenses, Operating Income, Net Income and Earnings Per Share in the second quarter of 2011 exclude the effects of an equity compensation charge related to a transition agreement with the former chief executive officer. In addition, the second quarter of 2010 excludes the effects of terminating a post-retirement medical plan. Generally Accepted Accounting Principles require that the effects of this item be included in the Condensed Consolidated Statements of Income. Management believes that excluding this item is an appropriate comparison of its ongoing operating results to last year. It is helpful to provide readers of its financial statements with a reconciliation of these items to its Condensed Consolidated Statements of Income reported in accordance with Generally Accepted Accounting Principles.

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United Stationers Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Adjusted Operating Income, Net Income, and Diluted Earnings Per Share
(unaudited)
(in thousands, except per share data)

	For the Six Months Ended June 30,			
	2011		2010	
	Amount	% to Net Sales	Amount	% to Net Sales
Net sales	$ 2,494,081	100.00%	$ 2,375,068	100.00%
Gross profit	$ 366,611	14.70%	$ 346,105	14.57%
Operating expenses	$ 278,800	11.18%	$ 259,986	10.94%
Equity compensation – CEO transition	(4,409)	(0.17)	- -	- -
Asset impairment charge	(1,635)	(0.07)	- -	- -
Post-retirement medical plan termination	- -	- -	2,762	0.12
Adjusted operating expenses	$ 272,756	10.94%	$ 262,748	11.06%
Operating income	$ 87,811	3.52%	$ 86,119	3.63%
Operating expense item noted above	6,044	0.24	(2,762)	(0.12)
Adjusted operating income	$ 93,855	3.76%	$ 83,357	3.51%
Net income	$ 45,283		$ 45,227	
Operating expense item noted above, net tax	4,357		(1,702)	
Adjusted net income	$ 49,640		$ 43,525	
Diluted earnings per share	$ 0.97		$ 0.91	
Per share operating expense item noted above	0.10		(0.03)	
Adjusted diluted earnings per share	$ 1.07		$ 0.88	
Adjusted diluted earnings per share — growth rate over the prior year period	22%			
Weighted average number of common shares — diluted	46,470		49,446	

Note: Adjusted Operating Expenses, Operating Income, Net Income and Earnings Per Share for the six months ended June 30, 2011, exclude the effects of an equity compensation charge related to a transition agreement with the former chief executive officer and a non-deductible asset impairment charge. In addition, the results for the six months ended June 30, 2010, were adjusted to exclude the effects of terminating a post-retirement medical plan. Generally Accepted Accounting Principles require that the effects of this item be included in the Condensed Consolidated Statements of Income. Management believes that excluding this item is an appropriate comparison of its ongoing operating results to last year. It is helpful to provide readers of its financial statements with a reconciliation of these items to its Condensed Consolidated Statements of Income reported in accordance with Generally Accepted Accounting Principles.

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