

United Stationers Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures

Free Cash Flow

(in millions, except per share data)

	<u>For the Nine Months ended September 30,</u>	
	2008	2009
Cash Flows From Operating Activities:		
Net cash provided by operating activities	\$ 65.4	\$ 294.5
Excluding the change in accounts receivable sold	26.0	23.0
Net cash provided by operating activities excluding the effects of receivables sold	\$ 91.4	\$ 317.5
Cash Flows From Investing Activities:		
Net cash used in investing activities	\$ (20.6)	\$ (8.8)
less: Acquisitions and purchase price adjustments	(13.0)	-
Net cash used in capital expenditures	\$ (7.6)	\$ (8.8)
Free cash flow	\$ 83.8	\$ 308.7
Free cash flow per share	\$ 3.51	\$ 12.90
Weighted average number of common shares, diluted	23.883	23.935

Note: Free cash flow is presented as an additional liquidity measure that indicates a company's ability to generate and sustain profitability which increases shareholder value. Free cash flow is calculated by taking adjusted operating cash flows and adding the net cash used in capital expenditures. Generally Accepted Accounting Principles require that cash flow effects from changes in the amount of accounts receivable sold be reflected within the Operating section of the Consolidated Statements of Cash Flows. Internally, the Company views these accounts receivable sold as a financing mechanism and not a source of cash flow related to operations. Generally Accepted Accounting Principles also require that Cash Flows From Investing Activities be presented in the Consolidated Statements of Cash Flows. The company uses net cash used in capital expenditures in determining a free cash flow metric. The company believes it is helpful to provide readers of its financial statements with a reconciliation of operating cash flows adjusted for the effects of these accounts receivables sold and a reconciliation of investing cash flows to net cash used in capital expenditures, as they are both key components of the free cash flow metric that the company reviews internally.