

**United Stationers Inc. and Subsidiaries**  
**Reconciliations of Non-GAAP Financial Measures**  
(unaudited)

**Net Income and Diluted EPS Excluding Charges (Net of Tax)**  
(unaudited; in thousands, except per share data)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2004	2003	2004	2003
Net income	\$ 21,029	\$ 15,106	\$ 44,408	\$ 27,782
Add: Loss on early retirement of debt		3,649		4,150
Cumulative effect of a change in accounting principle	--	--	--	6,108
Net income excluding charges	<u>\$ 21,029</u>	<u>\$ 18,755</u>	<u>\$ 44,408</u>	<u>\$ 38,040</u>
Earnings per share under GAAP	\$ 0.62	\$ 0.46	\$ 1.30	\$ 0.85
Add: Loss on early retirement of debt	--	0.11	--	0.13
Cumulative effect of a change in accounting principle	--	--	--	0.18
EPS excluding charges	<u>\$ 0.62</u>	<u>\$ 0.57</u>	<u>\$ 1.30</u>	<u>\$ 1.16</u>
Weighted average number of common shares – diluted	<u>34,049</u>	<u>33,108</u>	<u>34,250</u>	<u>32,873</u>

Note: Net income and diluted EPS excluding charges, are provided as additional financial measures. GAAP requires that the loss on early retirement of debt and the cumulative effect of a change in accounting principle be included in net income. The company believes, for comparative purposes, it is helpful to provide readers of its financial statements with net income excluding charges and diluted EPS excluding charges.