

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

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

	For the Three Months Ended		For the Years Ended	
	December 31,		December 31,	
	2003	2002	2003	2002
Net income	\$ 21,923	\$ 1,396	\$ 73,002	\$ 60,228
Add: Loss on early retirement of debt	--	--	4,150	--
Cumulative effect of a change in accounting principle	--	--	6,108	--
Restructuring and other charges, net	--	5,575	--	4,069
Net income excluding charges	<u>\$ 21,923</u>	<u>\$ 6,971</u>	<u>\$ 83,260</u>	<u>\$ 64,297</u>
Diluted earnings per share under GAAP	\$ 0.64	\$ 0.04	\$ 2.18	\$ 1.78
Add: Loss on early retirement of debt	--	--	0.12	--
Cumulative effect of a change in accounting principle	--	--	0.19	--
Restructuring and other charges, net	--	0.17	--	0.12
Diluted EPS excluding charges	<u>\$ 0.64</u>	<u>\$ 0.21</u>	<u>\$ 2.49</u>	<u>\$ 1.90</u>
Weighted average number of common shares – diluted	<u>34,364</u>	<u>32,976</u>	<u>33,439</u>	<u>33,783</u>

Note: Adjusted net income and diluted EPS are provided as an additional financial measure. Generally Accepted Accounting Principles require that the restructuring and other charges, loss on early retirement of debt and the cumulative effect of a change in accounting principle be recorded as a reduction in net income. The company believes, for comparative purposes, it is helpful to provide readers of its financial statements with adjusted net income and diluted EPS, which exclude these items.