

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,			
	2014		2013	
	Amount	% to Net Sales	Amount	% to Net Sales
Net sales	<u>\$ 2,574,176</u>	<u>100.00%</u>	<u>\$ 2,524,979</u>	<u>100.00%</u>
Gross profit	\$ 386,543	15.02%	\$ 390,461	15.46%
Operating expenses	\$ 291,035	11.31%	\$ 306,293	12.13%
Workforce reduction and facility closure charge	--	--	(14,432)	(0.57)
Adjusted operating expenses	<u>\$ 291,035</u>	<u>11.31%</u>	<u>\$ 291,861</u>	<u>11.56%</u>
Operating income	\$ 95,508	3.71%	\$ 84,168	3.33%
Operating expense items noted above	--	--	14,432	0.57
Adjusted operating income	<u>\$ 95,508</u>	<u>3.71%</u>	<u>\$ 98,600</u>	<u>3.90%</u>
Net income	\$ 55,188		\$ 48,544	
Operating expense items noted above, net of taxes	--		8,948	
Adjusted net income	<u>\$ 55,188</u>		<u>\$ 57,492</u>	
Diluted earnings per share	\$ 1.40		\$ 1.20	
Per share operating expense items noted above	--		0.22	
Adjusted diluted earnings per share	<u>\$ 1.40</u>		<u>\$ 1.42</u>	
Adjusted diluted earnings per share — growth rate over the prior year period		(1.4)%		
Weighted average number of common shares — diluted	39,435		40,475	

Note: Adjusted Operating Expenses, Adjusted Operating Income, Adjusted Net Income and Adjusted Earnings Per Share for the six months ended June 30, 2013 exclude the effects of a \$14.4 million charge related to a workforce reduction and facility closures. Generally Accepted Accounting Principles require that the effects of these items be included in the Condensed Consolidated Statements of Income. Management believes that excluding these items 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.