

calculation of consolidated EBIT and EBITDA



quarterly, fiscal 2013 to present

Background

We have presented consolidated earnings from continuing operations before interest expense and income taxes (EBIT) and earnings before interest, taxes, depreciation and amortization (EBITDA), non-GAAP financial measures, because we believe they provide investors with meaningful information about our operational efficiency compared to our competitors by excluding the impact of differences in tax jurisdictions and structures, debt levels, and, for EBITDA, capital investment. These measures are not in accordance with, or an alternative for, generally accepted accounting principles in the United States (GAAP). The most comparable GAAP measure is net earnings from continuing operations. Consolidated EBIT and EBITDA should not be considered in isolation or as a substitution for analysis of our results as reported under GAAP. Other companies may calculate consolidated EBIT and EBITDA differently, limiting the usefulness of the measure for comparisons with other companies.

(millions) (unaudited)	2017				2016				2015			
	4Q ^(b)	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q ^(b)	3Q	2Q	1Q
Net earnings from continuing operations	\$ 1,102	\$ 478	\$ 671	\$ 677	\$ 821	\$ 608	\$ 625	\$ 614	\$ 1,421	\$ 476	\$ 773	\$ 651
+ Provision for income taxes	(84)	137	308	357	387	311	316	283	596	249	409	348
+ Net interest expense	134	254	135	144	140	142	307	415	152	151	148	155
Earnings from continuing operations before interest expense and income taxes (EBIT)	1,152	869	1,114	1,178	1,348	1,061	1,248	1,312	2,169	876	1,330	1,154
+ Depreciation and amortization ^(a)	660	633	578	573	612	570	570	546	562	561	551	540
EBITDA	\$ 1,812	\$ 1,502	\$ 1,692	\$ 1,751	\$ 1,960	\$ 1,631	\$ 1,818	\$ 1,858	\$ 2,731	\$ 1,437	\$ 1,881	\$ 1,694

(millions) (unaudited)	2014				2013			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q ^(c)
Net earnings from continuing operations	\$ 960	\$ 526	\$ 391	\$ 571	\$ 780	\$ 523	\$ 746	\$ 645
+ Provision for income taxes	474	232	199	299	393	273	403	358
+ Net interest expense	151	146	433	152	142	145	152	610
Earnings from continuing operations before interest expense and income taxes (EBIT)	1,585	904	1,023	1,022	1,315	941	1,301	1,613
+ Depreciation and amortization ^(a)	545	535	537	511	508	503	493	491
EBITDA	\$ 2,130	\$ 1,439	\$ 1,560	\$ 1,533	\$ 1,823	\$ 1,444	\$ 1,794	\$ 2,104

^(a) Represents total depreciation, including amounts classified within cost of sales on our Consolidated Statements of Operations.

^(b) The fourth quarter 2017 consisted of 14 weeks compared with 13 weeks in the comparable prior-year periods.

^(c) Includes a \$620 million gain on sale of our former pharmacy and clinic businesses.

^(d) Includes a \$391 million gain on sale of our U.S. credit card receivables portfolio.