

Financial Highlights

For the years ended December 30, 2006 and December 31, 2005
(\$ millions except where otherwise indicated)

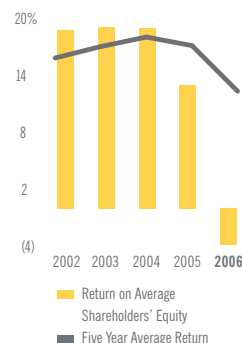
	2006 (52 weeks)	2005 (52 weeks)
Operating Results		
Sales ⁽³⁾	\$ 28,640	\$ 27,627
Sales excluding the impact of VIEs ^{(2) (3)}	28,257	27,212
Adjusted EBITDA ⁽²⁾	1,892	2,132
Operating income	289	1,401
Adjusted operating income ⁽²⁾	1,326	1,600
Interest expense	259	252
Net (loss) earnings	(219)	746
Cash Flow		
Cash flows from operating activities	1,180	1,489
Free cash flow ⁽²⁾	70	103
Capital investment	937	1,156
Per Common Share (\$)		
Basic net (loss) earnings	(.80)	2.72
Adjusted basic net earnings ⁽²⁾	2.72	3.35
Dividend rate at year end	.84	.84
Cash flows from operating activities	4.31	5.43
Book value	19.85	21.48
Market price at year end	48.79	56.37
Financial Ratios		
Adjusted EBITDA margin ⁽²⁾	6.7%	7.8%
Operating margin	1.0%	5.1%
Adjusted operating margin ⁽²⁾	4.7%	5.9%
Return on average total assets ⁽²⁾	2.3%	11.2%
Return on average shareholders' equity	(3.9%)	13.2%
Interest coverage	1.0:1	5.1:1
Net debt ⁽²⁾ to equity	.72:1	.66:1
Operating Statistics		
Retail square footage (in millions)	49.7	48.5
Average corporate store size (square feet)	57,400	56,100
Corporate stores sales per average square foot (\$)	585	579
Same-store sales growth	.8%	.2%
Number of corporate stores	672	670
Number of franchised stores	405	402

(1) For financial definitions and ratios refer to the Glossary of Terms on page 80 in the Financial Report.

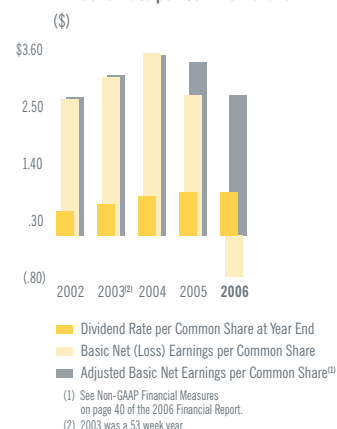
(2) See Non-GAAP Financial Measures on page 40 in the Financial Report.

(3) During 2006, the Company implemented Emerging Issues Committee Abstract 156, "Accounting by a Vendor for Consideration Given to a Customer (Including a Reseller of the Vendor's Products)" on a retroactive basis. Accordingly certain sales incentives paid to independent franchisees, associates and independent accounts for the prior year have been reclassified between sales and cost of sales, selling and administrative expenses. For a further discussion, see the Accounting Standards Implemented in 2006 section in the Management's Discussion and Analysis in the Financial Report contained in this Annual Report.

Return on Average Shareholders' Equity



Basic Net (Loss) Earnings, Adjusted Basic Net Earnings⁽¹⁾ and Dividend Rate per Common Share



(1) See Non-GAAP Financial Measures on page 40 of the 2006 Financial Report.

(2) 2003 was a 53 week year.

Total Return on \$100 Investment (includes dividend reinvestment)

