

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

(unaudited)

|  | November 26, 2016    | February 27, 2016    |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| Current assets:  |                      |                      |
| Cash and cash equivalents  | \$ 220,028           | \$ 124,471           |
| Accounts receivable, net   | 1,707,648            | 1,601,008            |
| Inventories, net of LIFO reserve of \$1,047,657 and \$1,006,396      | 2,947,358            | 2,697,104            |
| Prepaid expenses and other current assets                            | 142,134              | 128,144              |
| Total current assets   | 5,017,168            | 4,550,727            |
| Property, plant and equipment, net                                   | 2,291,459            | 2,255,398            |
| Goodwill   | 1,715,479            | 1,713,475            |
| Other intangibles, net   | 885,220              | 1,004,379            |
| Deferred tax assets  | 1,534,437            | 1,539,141            |
| Other assets   | 215,163              | 213,890              |
| Total assets   | <u>\$ 11,658,926</u> | <u>\$ 11,277,010</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                          |                      |                      |
| Current liabilities:   |                      |                      |
| Current maturities of long-term debt and lease financing obligations | \$ 22,681            | \$ 26,848            |
| Accounts payable   | 1,792,574            | 1,542,797            |
| Accrued salaries, wages and other current liabilities                | 1,256,283            | 1,427,250            |
| Total current liabilities  | 3,071,538            | 2,996,895            |
| Long-term debt, less current maturities                              | 7,208,286            | 6,914,393            |
| Lease financing obligations, less current maturities                 | 43,943               | 52,895               |
| Other noncurrent liabilities   | 689,032              | 731,399              |
| Total liabilities  | 11,012,799           | 10,695,582           |
| Commitments and contingencies  | -                    | -                    |
| Stockholders' equity:  |                      |                      |
| Common stock   | 1,052,268            | 1,047,754            |
| Additional paid-in capital   | 4,855,612            | 4,822,665            |
| Accumulated deficit  | (5,216,015)          | (5,241,210)          |
| Accumulated other comprehensive loss                                 | (45,738)             | (47,781)             |
| Total stockholders' equity   | 646,127              | 581,428              |
| Total liabilities and stockholders' equity                           | <u>\$ 11,658,926</u> | <u>\$ 11,277,010</u> |

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS  
(Dollars in thousands, except per share amounts)  
(unaudited)

|  | Thirteen weeks ended<br>November 26, 2016 | Thirteen weeks ended<br>November 28, 2015 |
|--|---|---|
| Revenues   | \$ 8,089,726                              | \$ 8,154,184                              |
| Costs and expenses:  |   |   |
| Cost of revenues   | 6,194,866                                 | 6,151,305                                 |
| Selling, general and administrative expenses                   | 1,773,862                                 | 1,777,647                                 |
| Lease termination and impairment charges                       | 7,265                                     | 7,011                                     |
| Interest expense   | 106,309                                   | 106,879                                   |
| Loss on sale of assets, net                                    | 501                                       | 3,331                                     |
|  | <u>8,082,803</u>                          | <u>8,046,173</u>                          |
| Income before income taxes                                     | 6,923                                     | 108,011                                   |
| Income tax (benefit) expense                                   | (8,087)                                   | 48,468                                    |
| Net income   | <u>\$ 15,010</u>                          | <u>\$ 59,543</u>                          |
| Basic and diluted earnings per share:                          |   |   |
| Numerator for earnings per share:                              |   |   |
| Income attributable to common stockholders - basic and diluted | <u>\$ 15,010</u>                          | <u>\$ 59,543</u>                          |
| Denominator:   |   |   |
| Basic weighted average shares                                  | 1,045,028                                 | 1,039,867                                 |
| Outstanding options and restricted shares, net                 | <u>15,735</u>                             | <u>17,411</u>                             |
| Diluted weighted average shares                                | <u>1,060,763</u>                          | <u>1,057,278</u>                          |
| Basic and diluted income per share                             | \$ 0.01                                   | \$ 0.06                                   |

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

(unaudited)

|  | Thirty-nine weeks ended<br>November 26, 2016 | Thirty-nine weeks ended<br>November 28, 2015 |
|--|--|--|
| Revenues   | \$ 24,303,712                                | \$ 22,466,521                                |
| Costs and expenses:  |  |  |
| Cost of revenues   | 18,597,809                                   | 16,681,822                                   |
| Selling, general and administrative expenses                   | 5,345,356                                    | 5,203,058                                    |
| Lease termination and impairment charges                       | 20,279                                       | 21,670                                       |
| Interest expense   | 316,810                                      | 345,895                                      |
| Loss on debt retirements, net                                  | -  | 33,205                                       |
| Loss on sale of assets, net                                    | 1,731  | 3,651  |
|  | <u>24,281,985</u>                            | <u>22,289,301</u>                            |
| Income before income taxes                                     | 21,727                                       | 177,220                                      |
| Income tax (benefit) expense                                   | (3,468)                                      | 77,372                                       |
| Net income   | <u>\$ 25,195</u>                             | <u>\$ 99,848</u>                             |
| Basic and diluted earnings per share:                          |  |  |
| Numerator for earnings per share:                              |  |  |
| Income attributable to common stockholders - basic and diluted | <u>\$ 25,195</u>                             | <u>\$ 99,848</u>                             |
| Denominator:   |  |  |
| Basic weighted average shares                                  | 1,043,887                                    | 1,018,783                                    |
| Outstanding options and restricted shares, net                 | <u>17,117</u>                                | <u>18,765</u>                                |
| Diluted weighted average shares                                | <u>1,061,004</u>                             | <u>1,037,548</u>                             |
| Basic and diluted income per share                             | \$ 0.02                                      | \$ 0.10                                      |

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(unaudited)

|  | Thirteen weeks ended<br>November 26, 2016 | Thirteen weeks ended<br>November 28, 2015 |
|--|---|---|
| Net income   | \$ 15,010                                 | \$ 59,543                                 |
| Other comprehensive income:  |   |   |
| Defined benefit pension plans:   |   |   |
| Amortization of prior service cost, net transition obligation and net<br>actuarial losses included in net periodic pension cost, net of \$451 and<br>\$398 tax expense | 681                                       | 597                                       |
| Total other comprehensive income   | 681                                       | 597                                       |
| Comprehensive income   | \$ 15,691                                 | \$ 60,140                                 |

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(unaudited)

|  | Thirty-nine weeks ended<br>November 26, 2016 | Thirty-nine weeks ended<br>November 28, 2015 |
|--|--|--|
| Net income   | \$ 25,195                                    | \$ 99,848                                    |
| Other comprehensive income:  |  |  |
| Defined benefit pension plans:   |  |  |
| Amortization of prior service cost, net transition obligation and net actuarial losses included in net periodic pension cost, net of \$1,353 and \$1,194 tax expense | 2,043  | 1,792  |
| Total other comprehensive income   | 2,043  | 1,792  |
| Comprehensive income   | <u>\$ 27,238</u>                             | <u>\$ 101,640</u>                            |

RITE AID CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL SEGMENT OPERATING INFORMATION

(Dollars in thousands)

(unaudited)

|  | Thirteen weeks ended<br>November 26, 2016 | Thirteen weeks ended<br>November 28, 2015 |
|--|---|---|
| <b>Retail Pharmacy Segment</b>   |   |   |
| Revenues (a)   | \$ 6,535,274                              | \$ 6,744,143                              |
| Cost of revenues (a)   | 4,743,471                                 | 4,822,257                                 |
| Gross profit   | 1,791,803                                 | 1,921,886                                 |
| LIFO charge  | 13,750                                    | 5,986                                     |
| FIFO gross profit  | 1,805,553                                 | 1,927,872                                 |
| Gross profit as a percentage of revenues                                 | 27.42%                                    | 28.50%                                    |
| LIFO charge as a percentage of revenues                                  | 0.21%                                     | 0.09%                                     |
| FIFO gross profit as a percentage of revenues                            | 27.63%                                    | 28.59%                                    |
| Selling, general and administrative expenses                             | 1,700,625                                 | 1,708,445                                 |
| Selling, general and administrative expenses as a percentage of revenues | 26.02%                                    | 25.33%                                    |
| Cash interest expense  | 101,015                                   | 101,494                                   |
| Non-cash interest expense  | 5,271                                     | 5,375                                     |
| Total interest expense   | 106,286                                   | 106,869                                   |
| Adjusted EBITDA  | 221,716                                   | 339,255                                   |
| Adjusted EBITDA as a percentage of revenues                              | 3.39%                                     | 5.03%                                     |
| <b>Pharmacy Services Segment</b>   |   |   |
| Revenues (a)   | \$ 1,645,835                              | \$ 1,500,895                              |
| Cost of revenues (a)   | 1,542,778                                 | 1,419,902                                 |
| Gross profit   | 103,057                                   | 80,993                                    |
| Gross profit as a percentage of revenues                                 | 6.26%                                     | 5.40%                                     |
| Adjusted EBITDA  | 52,431                                    | 33,911                                    |
| Adjusted EBITDA as a percentage of revenues                              | 3.19%                                     | 2.26%                                     |

(a) - Revenues and cost of revenues include \$91,383 and \$90,854 of inter-segment activity for the thirteen weeks ended November 26, 2016 and November 28, 2015, respectively, that is eliminated in consolidation.

RITE AID CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL SEGMENT OPERATING INFORMATION

(Dollars in thousands)

(unaudited)

|  | Thirty-nine weeks ended<br>November 26, 2016 | Thirty-nine weeks ended<br>November 28, 2015 |
|--|--|--|
| <b>Retail Pharmacy Segment</b>   |  |  |
| Revenues (a)   | \$ 19,696,304                                | \$ 20,038,947                                |
| Cost of revenues (a)   | 14,279,785                                   | 14,397,018                                   |
| Gross profit   | 5,416,519                                    | 5,641,929                                    |
| LIFO charge  | 41,261                                       | 17,959                                       |
| FIFO gross profit  | 5,457,780                                    | 5,659,888                                    |
| <br>Gross profit as a percentage of revenues                             | 27.50%                                       | 28.15%                                       |
| LIFO charge as a percentage of revenues                                  | 0.21%  | 0.09%  |
| FIFO gross profit as a percentage of revenues                            | 27.71%                                       | 28.24%                                       |
| <br>Selling, general and administrative expenses                         | 5,133,161                                    | 5,086,939                                    |
| Selling, general and administrative expenses as a percentage of revenues | 26.06%                                       | 25.39%                                       |
| <br>Cash interest expense  | 300,802                                      | 314,052                                      |
| Non-cash interest expense  | 15,973                                       | 31,828                                       |
| Total interest expense   | 316,775                                      | 345,880                                      |
| <br>Adjusted EBITDA  | 729,186                                      | 952,120                                      |
| Adjusted EBITDA as a percentage of revenues                              | 3.70%  | 4.75%  |
| <br><b>Pharmacy Services Segment</b>                                     |  |  |
| Revenues (a)   | \$ 4,883,070                                 | \$ 2,572,784                                 |
| Cost of revenues (a)   | 4,593,686                                    | 2,430,014                                    |
| Gross profit   | 289,384                                      | 142,770                                      |
| <br>Gross profit as a percentage of revenues                             | 5.93%  | 5.55%  |
| <br>Adjusted EBITDA  | 143,616                                      | 67,133                                       |
| Adjusted EBITDA as a percentage of revenues                              | 2.94%  | 2.61%  |

(a) - Revenues and cost of revenues include \$275,662 and \$145,210 of inter-segment activity for the thirty-nine weeks ended November 26, 2016 and November 28, 2015, respectively, that is eliminated in consolidation.

RITE AID CORPORATION AND SUBSIDIARIES  
SUPPLEMENTAL INFORMATION  
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA  
(In thousands)  
(unaudited)

|  | <u>Thirteen weeks ended<br/>November 26, 2016</u> | <u>Thirteen weeks ended<br/>November 28, 2015</u> |
|--|---|---|
| Reconciliation of net income to adjusted EBITDA: |   |   |
| Net income                                       | \$ 15,010   | \$ 59,543   |
| Adjustments:                                     |   |   |
| Interest expense                                 | 106,309   | 106,879   |
| Income tax (benefit) expense                     | (8,087)   | 48,468  |
| Depreciation and amortization                    | 143,245   | 136,434   |
| LIFO charge                                      | 13,750  | 5,986   |
| Lease termination and impairment charges         | 7,265   | 7,011   |
| Other  | (3,345)   | 8,845   |
| Adjusted EBITDA                                  | <u>\$ 274,147</u>                                 | <u>\$ 373,166</u>                                 |
| Percent of revenues                              | 3.39%   | 4.58%   |



RITE AID CORPORATION AND SUBSIDIARIES  
SUPPLEMENTAL INFORMATION  
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA  
(In thousands)  
(unaudited)

|  | Thirty-nine weeks ended<br>November 26, 2016 | Thirty-nine weeks ended<br>November 28, 2015 |
|--|--|--|
| Reconciliation of net income to adjusted EBITDA: |  |  |
| Net income                                       | \$ 25,195                                    | \$ 99,848                                    |
| Adjustments:                                     |  |  |
| Interest expense                                 | 316,810                                      | 345,895                                      |
| Income tax (benefit) expense                     | (3,468)                                      | 77,372                                       |
| Depreciation and amortization                    | 424,084                                      | 373,782                                      |
| LIFO charge                                      | 41,261                                       | 17,959                                       |
| Lease termination and impairment charges         | 20,279                                       | 21,670                                       |
| Loss on debt retirements, net                    | -  | 33,205                                       |
| Other  | 48,641                                       | 49,522                                       |
| Adjusted EBITDA                                  | <u>\$ 872,802</u>                            | <u>\$ 1,019,253</u>                          |
| Percent of revenues                              | 3.59%  | 4.54%  |

RITE AID CORPORATION AND SUBSIDIARIES  
SUPPLEMENTAL INFORMATION  
ADJUSTED NET INCOME  
(Dollars in thousands, except per share amounts)  
(unaudited)

|  | Thirteen weeks ended<br>November 26, 2016 | Thirteen weeks ended<br>November 28, 2015 |
|--|---|---|
| Net income   | \$ 15,010                                 | \$ 59,543                                 |
| Add back - Income tax (benefit) expense              | <u>(8,087)</u>                            | <u>48,468</u>                             |
| Income before income taxes                           | 6,923                                     | 108,011                                   |
| Adjustments:   |   |   |
| Amortization of EnvisionRx intangible assets         | 21,049                                    | 21,177                                    |
| LIFO charge  | 13,750                                    | 5,986                                     |
| Merger and Acquisition-related costs                 | <u>1,964</u>                              | <u>10,078</u>                             |
| Adjusted income before income taxes                  | 43,686                                    | 145,252                                   |
| Adjusted income tax expense (a)                      | 20,401                                    | 58,101                                    |
| Adjusted net income                                  | <u><u>\$ 23,285</u></u>                   | <u><u>\$ 87,151</u></u>                   |
| Adjusted net income per diluted share:               |   |   |
| Numerator for adjusted net income per diluted share: |   |   |
| Adjusted net income                                  | <u><u>\$ 23,285</u></u>                   | <u><u>\$ 87,151</u></u>                   |
| Denominator:   |   |   |
| Basic weighted average shares                        | 1,045,028                                 | 1,039,867                                 |
| Outstanding options and restricted shares, net       | <u>15,735</u>                             | <u>17,411</u>                             |
| Diluted weighted average shares                      | <u><u>1,060,763</u></u>                   | <u><u>1,057,278</u></u>                   |
| Net income per diluted share                         | \$ 0.01                                   | \$ 0.06                                   |
| Adjusted net income per diluted share                | \$ 0.02                                   | \$ 0.08                                   |

(a) The fiscal year 2017 and 2016 annual effective tax rates, adjusted to exclude amortization of EnvisionRx intangible assets, LIFO charges and Merger and Acquisition-related costs from projected book income, are used for the thirteen weeks ended November 26, 2016 and November 28, 2015, respectively.

RITE AID CORPORATION AND SUBSIDIARIES  
SUPPLEMENTAL INFORMATION  
ADJUSTED NET INCOME  
(Dollars in thousands, except per share amounts)  
(unaudited)

|  | Thirty-nine weeks ended<br>November 26, 2016 | Thirty-nine weeks ended<br>November 28, 2015 |
|--|--|--|
| Net income   | \$ 25,195                                    | \$ 99,848                                    |
| Add back - Income tax (benefit) expense              | <u>(3,468)</u>                               | <u>77,372</u>                                |
| Income before income taxes                           | 21,727                                       | 177,220                                      |
| Adjustments:   |  |  |
| Amortization of EnvisionRx intangible assets         | 62,217                                       | 38,217                                       |
| LIFO charge  | 41,261                                       | 17,959                                       |
| Loss on debt retirements, net                        | -  | 33,205                                       |
| Merger and Acquisition-related costs                 | <u>6,122</u>                                 | <u>21,796</u>                                |
| Adjusted income before income taxes                  | 131,327                                      | 288,397                                      |
| Adjusted income tax expense (a)                      | 61,330                                       | 115,359                                      |
| Adjusted net income                                  | <u>\$ 69,997</u>                             | <u>\$ 173,038</u>                            |
| Adjusted net income per diluted share:               |  |  |
| Numerator for adjusted net income per diluted share: |  |  |
| Adjusted net income                                  | <u>\$ 69,997</u>                             | <u>\$ 173,038</u>                            |
| Denominator:   |  |  |
| Basic weighted average shares                        | 1,043,887                                    | 1,018,783                                    |
| Outstanding options and restricted shares, net       | <u>17,117</u>                                | <u>18,765</u>                                |
| Diluted weighted average shares                      | <u>1,061,004</u>                             | <u>1,037,548</u>                             |
| Net income per diluted share                         | \$ 0.02                                      | \$ 0.10                                      |
| Adjusted net income per diluted share                | \$ 0.07                                      | \$ 0.17                                      |

(a) The fiscal year 2017 and 2016 annual effective tax rates, adjusted to exclude amortization of EnvisionRx intangible assets, LIFO charges and Merger and Acquisition-related costs from projected book income, are used for the thirty-nine weeks ended November 26, 2016 and November 28, 2015, respectively.

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(unaudited)

|  | Thirteen weeks ended<br>November 26, 2016 | Thirteen weeks ended<br>November 28, 2015 |
|--|---|---|
| OPERATING ACTIVITIES:  |   |   |
| Net income   | \$ 15,010                                 | \$ 59,543                                 |
| Adjustments to reconcile to net cash provided by operating activities: |   |   |
| Depreciation and amortization  | 143,245                                   | 136,434                                   |
| Lease termination and impairment charges                               | 7,265                                     | 7,011                                     |
| LIFO charge  | 13,750                                    | 5,986                                     |
| Loss on sale of assets, net  | 501                                       | 3,331                                     |
| Stock-based compensation expense                                       | 13,070                                    | 10,328                                    |
| Changes in deferred taxes  | 4,167                                     | 44,079                                    |
| Excess tax benefit on stock options and restricted stock               | (561)                                     | (567)                                     |
| Changes in operating assets and liabilities:                           |   |   |
| Accounts receivable  | 116,387                                   | 307,779                                   |
| Inventories  | (134,103)                                 | 24,808                                    |
| Accounts payable   | 74,939                                    | 57,721                                    |
| Other assets and liabilities, net                                      | (101,083)                                 | (328,488)                                 |
| Net cash provided by operating activities                              | 152,587                                   | 327,965                                   |
| INVESTING ACTIVITIES:  |   |   |
| Payments for property, plant and equipment                             | (108,070)                                 | (142,655)                                 |
| Intangible assets acquired   | (19,936)                                  | (54,150)                                  |
| Acquisition of businesses, net of cash acquired                        | -   | 1,194                                     |
| Proceeds from dispositions of assets and investments                   | 3,384                                     | 2,616                                     |
| Net cash used in investing activities                                  | (124,622)                                 | (192,995)                                 |
| FINANCING ACTIVITIES:  |   |   |
| Net proceeds from (payments to) revolver                               | 30,000                                    | (73,000)                                  |
| Principal payments on long-term debt                                   | (5,196)                                   | (5,750)                                   |
| Change in zero balance cash accounts                                   | 30,151                                    | 16,298                                    |
| Net proceeds from the issuance of common stock                         | 454                                       | 520                                       |
| Excess tax benefit on stock options and restricted stock               | 561                                       | 567                                       |
| Net cash provided by (used in) financing activities                    | 55,970                                    | (61,365)                                  |
| Increase in cash and cash equivalents                                  | 83,935                                    | 73,605                                    |
| Cash and cash equivalents, beginning of period                         | 136,093                                   | 152,647                                   |
| Cash and cash equivalents, end of period                               | \$ 220,028                                | \$ 226,252                                |

**SUPPLEMENTAL CASH FLOW INFORMATION**

|  |            |            |
|--|------------|------------|
| Payments for property, plant and equipment   | \$ 108,070 | \$ 142,655 |
| Intangible assets acquired                   | 19,936     | 54,150     |
| Total cash capital expenditures              | 128,006    | 196,805    |
| Equipment received for noncash consideration | -          | -          |
| Equipment financed under capital leases      | 1,021      | 2,228      |
| Gross capital expenditures                   | \$ 129,027 | \$ 199,033 |

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(unaudited)

|  | Thirty-nine weeks ended<br>November 26, 2016 | Thirty-nine weeks ended<br>November 28, 2015 |
|--|--|--|
| OPERATING ACTIVITIES:  |  |  |
| Net income   | \$ 25,195                                    | \$ 99,848                                    |
| Adjustments to reconcile to net cash provided by operating activities: |  |  |
| Depreciation and amortization  | 424,084                                      | 373,782                                      |
| Lease termination and impairment charges                               | 20,279                                       | 21,670                                       |
| LIFO charge  | 41,261                                       | 17,959                                       |
| Loss on sale of assets, net  | 1,731  | 3,651  |
| Stock-based compensation expense                                       | 36,766                                       | 26,529                                       |
| Loss on debt retirements, net  | -  | 33,205                                       |
| Changes in deferred taxes  | 6,165  | 50,696                                       |
| Excess tax benefit on stock options and restricted stock               | (3,809)                                      | (21,436)                                     |
| Changes in operating assets and liabilities:                           |  |  |
| Accounts receivable  | (110,868)                                    | 315,898                                      |
| Inventories  | (291,574)                                    | 339  |
| Accounts payable   | 225,278                                      | 89,630                                       |
| Other assets and liabilities, net                                      | (209,055)                                    | (342,234)                                    |
| Net cash provided by operating activities                              | 165,453                                      | 669,537                                      |
| INVESTING ACTIVITIES:  |  |  |
| Payments for property, plant and equipment                             | (333,788)                                    | (414,338)                                    |
| Intangible assets acquired   | (48,805)                                     | (97,612)                                     |
| Acquisition of businesses, net of cash acquired                        | -  | (1,778,377)                                  |
| Proceeds from dispositions of assets and investments                   | 10,217                                       | 8,697  |
| Net cash used in investing activities                                  | (372,376)                                    | (2,281,630)                                  |
| FINANCING ACTIVITIES:  |  |  |
| Proceeds from issuance of long-term debt                               | -  | 1,800,000                                    |
| Net proceeds from revolver   | 280,000                                      | 655,000                                      |
| Principal payments on long-term debt                                   | (16,426)                                     | (666,967)                                    |
| Change in zero balance cash accounts                                   | 30,685                                       | (35,011)                                     |
| Net proceeds from the issuance of common stock                         | 4,412  | 8,625  |
| Financing fees paid for early debt redemption                          | -  | (26,003)                                     |
| Excess tax benefit on stock options and restricted stock               | 3,809  | 21,436                                       |
| Deferred financing costs paid  | -  | (34,634)                                     |
| Net cash provided by financing activities                              | 302,480                                      | 1,722,446                                    |
| Increase in cash and cash equivalents                                  | 95,557                                       | 110,353                                      |
| Cash and cash equivalents, beginning of period                         | 124,471                                      | 115,899                                      |
| Cash and cash equivalents, end of period                               | \$ 220,028                                   | \$ 226,252                                   |

**SUPPLEMENTAL CASH FLOW INFORMATION**

|  |            |            |
|--|------------|------------|
| Payments for property, plant and equipment   | \$ 333,788 | \$ 414,338 |
| Intangible assets acquired                   | 48,805     | 97,612     |
| Total cash capital expenditures              | 382,593    | 511,950    |
| Equipment received for noncash consideration | 746        | 2,011      |
| Equipment financed under capital leases      | 3,881      | 3,499      |
| Gross capital expenditures                   | \$ 387,220 | \$ 517,460 |