

RANGE RESOURCES CORPORATION
CALCULATION OF NET INCOME AND CASH FLOW EXCLUDING CERTAIN ITEMS
NON-GAAP MEASURES

TABLE 1

(Dollar amounts in thousands, except per share)

	<u>Quarter Ended September 30,</u>					<u>Nine Months Ended September 30,</u>				
	<u>2003</u>		<u>2002</u>			<u>2003</u>		<u>2002</u>		
	<u>Amount</u>	<u>Per Share</u>	<u>Amount</u>	<u>Per Share</u>		<u>Amount</u>	<u>Per Share</u>	<u>Amount</u>	<u>Per Share</u>	
Net income (loss) as reported	\$ 16,737	\$ 0.30 ¹	\$ 9,222	\$ 0.17 ¹		\$ 30,782	\$ 0.55 ¹	\$ 20,873	\$ 0.39 ¹	
Less certain items not included by analysts -										
(Gains) losses on sales of properties ²	275	0.00	(266)	(0.00)		118	0.00	(292)	(0.01)	
Non cash valuation on equity stock held ²	-	-	-	-		-	-	1,220	0.02	
Addition (recovery) to IPF valuation provision	326	0.01	176	0.00		884	0.02	2,743	0.05	
SFAS 133 ineffective commodity hedges (gains) losses ²	(1,093)	(0.02)	419	0.01		178	0.00	2,581	0.05	
SFAS 133 ineffective interest hedges (gains) losses ³	(157)	(0.00)	262	0.00		(240)	(0.00)	190	0.00	
Treasury stock mark-to-market expense (income) ⁴	898	0.02	(1,249)	(0.02)		2,195	0.04	71	0.00	
Inducement expense on exchange of securities	-	-	-	-		465	0.01	-	-	
(Gains) losses on exchange of securities	(18,572)	(0.33)	(1,050)	(0.02)		(18,712)	(0.34)	(3,080)	(0.06)	
Call premium on 8.75% Notes & write-off of deferred financing	2,376	0.04	-	-		2,376	0.04	-	-	
Deferred tax (benefit) on special items	5,581	0.10	363	0.01		5,374	0.10	(4,550)	(0.08)	
Change in accounting principle, net of deferred taxes	-	-	-	-		(4,491)	(0.08)	-	-	
Total certain items	<u>(10,366)</u>	<u>(0.19)</u>	<u>(1,345)</u>	<u>(0.02)</u>		<u>(11,853)</u>	<u>(0.21)</u>	<u>(1,117)</u>	<u>(0.02)</u>	
Net income (loss) excluding certain items, non-GAAP measure	\$ 6,371	\$ 0.11	\$ 7,877	\$ 0.14	-19%	\$ 18,929	\$ 0.34	\$ 19,756	\$ 0.37	-4%
Add back:										
DD&A	20,694		19,716			60,666		57,120		
Accretion of discount on change in accounting ⁵	1,175		-			3,446		-		
Deferred income taxes (benefit), excluding special items	3,434		-			10,197		-		
Exploration expense	3,633		1,814			8,773		9,257		
Allowance for bad debt provision	75		75			225		75		
Amortization of debt issuance costs and discount ⁶	236		258			682		669		
Discretionary cash flow, a non-GAAP measure	\$ 35,618		\$ 29,740		+ 20%	\$ 102,918		\$ 86,877		+ 18%
Less preferred dividends	<u>(65)</u>		<u>-</u>			<u>(65)</u>		<u>-</u>		
Cash flow after preferred dividends, a non-GAAP measure	<u>\$ 35,553</u>		<u>\$ 29,740</u>			<u>\$ 102,853</u>		<u>\$ 86,877</u>		
Weighted average shares outstanding, a non-GAAP measure ⁷	<u>56,022</u>		<u>54,764</u>		+ 2%	<u>55,636</u>		<u>54,101</u>		+ 3%
Cash flow per share, a non-GAAP measure comparable to analysts	<u>\$ 0.63</u>		<u>\$ 0.54</u>		+ 17%	<u>\$ 1.85</u>		<u>\$ 1.61</u>		+ 15%

¹ Deducts preferred dividends for per share common stock amounts.

² Included in Other revenues on Range's income statement.

³ Amortization of Ineffective interest rate hedges and debt issuance costs included in Interest expense on Range's income statement.

⁴ Mark-to-market of the Company's common stock held in the rabbi trust as treasury shares is included in G&A in the income statement.

⁵ Included in Depreciation, depletion and amortization.

⁶ Included in Interest expense and IPF expenses on Range's income statement.

⁷ Weighted shares outstanding excludes the reduction for treasury shares contained in rabbi trust and the dilutive effect of stock options.