

11 LEASE COMMITMENTS



The Company conducts the major part of its operations from leased premises that include retail stores, catalog fulfillment centers, warehouses, offices and other facilities. Almost all leases will expire during the next 20 years; however, most leases will other premises. Rent expense for real property operating leases totaled \$667 million in 1999, \$585 million in 1998, and \$541 million in 1997, including contingent rent, based on sales, of \$64 million, \$66 million and \$72 million for the three years, respectively.

The Company also leases data processing equipment and other personal property under operating leases of primarily three to five years. Rent expense for personal property leases was \$127 million in 1999, \$123 million in 1998, and \$126 million in 1997.

Future minimum lease payments for non-cancelable operating and capital leases, net of executory costs, principally real estate taxes, maintenance and insurance, and subleases, as of January 29, 2000 were:

<i>(\$ in millions)</i>	Operating	Capital
2000	620	10
2001	568	10
2002	521	6
2003	492	1
2004	454	
Thereafter	3,099	
Total minimum lease payments	5,754	27
Present value	3,302	24
Weighted average interest rate	9.70%	10.00%