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INDEX TO QUARTERLY REPORT ON FORM 10-Q

13 WEEKS ENDED MARCH 29, 2003

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

SEARS ROEBUCK ACCEPTANCE CORP.
STATEMENTS OF FINANCIAL POSITION

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	(unaudited)		
(millions, except share data)	March 29, 2003	March 30, 2002	Dec.28, 2002
Assets			
Cash and cash equivalents	\$ 3,413	\$ 548	\$ 1,563
Notes of Sears	13,991	16,343	15,352
Other assets	172	46	139
	-----	-----	-----
Total assets	\$ 17,576	\$ 16,937	\$ 17,054
	=====	=====	=====
Liabilities			
Commercial paper (net of unamortized discount of \$3, \$6 and \$5)	\$ 2,951	\$ 3,319	\$ 2,869
Medium-term notes (net of unamortized discount of \$4, \$6 and \$5)	3,233	2,566	2,118
Discrete underwritten debt (net of unamortized discount of \$57, \$32 and \$58)	7,793	7,618	8,542
Accrued interest and other liabilities	200	164	160
	-----	-----	-----
Total liabilities	14,177	13,667	13,689
	-----	-----	-----
Commitments and contingent liabilities			
Shareholder's Equity			
Common share, par value \$100 per share; 500,000 shares authorized; 350,000 shares issued and outstanding	35	35	35
Capital in excess of par value	1,150	1,150	1,150
Accumulated other comprehensive loss	(3)		(3)
Retained earnings	2,217	2,085	2,183
	-----	-----	-----
Total shareholder's equity	3,399	3,270	3,365
	-----	-----	-----
Total liabilities and shareholder's equity	\$ 17,576	\$ 16,937	\$ 17,054
	=====	=====	=====

See notes to financial statements.

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SEARS ROEBUCK ACCEPTANCE CORP.

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(unaudited)

(millions, except ratios)

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	13 Weeks Ended	
	March 29, 2003	March 30, 2002
	-----	-----
Revenues		
Earnings on notes of Sears	\$ 251	\$ 234
Earnings on cash equivalents	7	3
	-----	-----
Total revenues	258	237
	-----	-----
Expenses		
Interest expense and amortization of debt discount/premium	206	188
Operating expenses	-	-
	-----	-----
Total expenses	206	188
	-----	-----
Income before income taxes	52	49
Income taxes	18	17
	-----	-----
Net income	\$ 34	\$ 32
	=====	=====
Total other comprehensive income(loss)		
Losses on cash flow hedge, net of tax	-	-
	-----	-----
Total comprehensive income	\$ 34	\$ 32
	=====	=====
Ratio of earnings to fixed charges	1.25	1.26

See notes to financial statements.

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SEARS ROEBUCK ACCEPTANCE CORP.

STATEMENTS OF CASH FLOWS
(unaudited)

(millions)	13 Weeks Ended	
	March 29, 2003	March 30, 2002
	-----	-----
Cash flows from operating activities:		
Net income	\$ 34	\$ 32
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other non-cash items	5	4
(Increase)decrease in other assets	(19)	79
Increase(decrease)in other liabilities	40	(28)

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Net cash provided by operating activities	60	87
Cash flows from investing activities:		
Decrease(increase) in notes of Sears	1,361	(329)
Net cash provided by(used in) investing activities	1,361	(329)
Cash flows from financing activities:		
Increase in commercial paper, primarily 90 days or less	82	94
Proceeds from issuance of long-term debt	1,780	611
Payments for redemption of long-term debt	(1,415)	(511)
Issue costs paid to issue debt	(18)	(3)
Net cash provided by financing activities	429	191
Net increase(decrease)in cash and cash equivalents	1,850	(51)
Cash and cash equivalents at beginning of period	1,563	599
Cash and cash equivalents at end of period	\$ 3,413	\$ 548

See notes to financial statements.

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SEARS ROEBUCK ACCEPTANCE CORP.

NOTES TO FINANCIAL STATEMENTS
(unaudited)

1. Significant Accounting Policies

The unaudited interim financial statements of Sears Roebuck Acceptance Corp. ("SRAC"), a wholly-owned subsidiary of Sears, Roebuck and Co. ("Sears"), reflect all adjustments (consisting only of normal recurring accruals) which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. The significant accounting policies used in the presentation of these financial statements are consistent with the summary of significant accounting policies set forth in SRAC's Annual Report on Form 10-K for the

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52 weeks ended December 28, 2002, and these financial statements should be read in conjunction with the financial statements and notes found therein. The results of operations for the interim periods should not be considered indicative of the results to be expected for the full year.

2. Back-up Liquidity

SRAC continued to provide support for 100% of its outstanding commercial paper through its investment portfolio and committed credit facilities. SRAC's investment portfolio fluctuated from a low of \$1.3 billion to a high of \$3.6 billion in the first quarter of 2003. On March 29, 2003, SRAC's committed credit facilities consisted of a \$3.5 billion 364-day revolving credit facility expiring February 23, 2004 which includes an option to extend the repayment of borrowings, if any, through February 2005.

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3. Medium-term Notes and Discrete Underwritten Debt

Medium-term notes and discrete underwritten debt are issued with either a floating rate indexed to LIBOR or a fixed rate.

(dollars in millions; term in years)

ISSUANCE

	2003			2002		
	Volume	Avg. Coupon	Avg. Orig. Term	Volume	Avg. Coupon	Avg. Orig. Term
First Quarter:						
Medium-term notes	\$1,530	5.53%	3.5	\$ 15	4.50%	2.7
Discrete debt	\$ 250	7.40%	40.0	\$ 600	6.70%	10.0

GROSS OUTSTANDING

	3/29/03		3/30/02	
	Avg.	Remain.	Avg.	Remain.
	Avg.	Remain.	Avg.	Remain.

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	Balance	Coupon	Term	Balance	Coupon	Term
	-----	-----	-----	-----	-----	-----
Medium-term notes	\$3,237	2.65%	2.8	\$2,572	5.97%	1.6
Discrete debt	\$7,850	6.82%	15.2	\$7,650	6.67%	10.1

MATURITIES

Year	Medium-term notes	Discrete debt	Total
-----	-----	-----	-----
2003	\$ 830	\$ 250	\$ 1,080
2004	819	-	819
2005	204	250	454
2006	433	550	983
2007	103	-	103
Thereafter	848	6,800	7,648
-----	-----	-----	-----
Total	\$3,237	\$7,850	\$11,087
=====	=====	=====	=====

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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors and Shareholder of
Sears Roebuck Acceptance Corp.:

We have reviewed the accompanying statements of financial position of Sears Roebuck Acceptance Corp. (a wholly-owned subsidiary of Sears, Roebuck and Co.) as of March 29, 2003 and March 30, 2002, and the related statements of income and comprehensive income and cash flows for the 13 week periods then ended. These financial statements are the responsibility of the Sears Roebuck Acceptance Corp.'s management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

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We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position of Sears Roebuck Acceptance Corp. as of December 28, 2002, and the related statements of income and comprehensive income, shareholder's equity and cash flows for the year then ended (not presented herein); and in our report dated February 14, 2003, except for Note 5, as to which the date is February 24, 2003, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying statement of financial position as of December 28, 2002 is fairly stated, in all material respects, in relation to the statement of financial position from which it has been derived.

/s/Deloitte & Touche LLP

Deloitte & Touche LLP
Philadelphia, Pennsylvania
April 15, 2003

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SEARS ROEBUCK ACCEPTANCE CORP.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations

During the first quarter of 2003, Sears Roebuck Acceptance Corp.'s ("SRAC") revenues increased to \$258 million from \$237 million in the comparable 2002 period. SRAC's income is derived primarily from the earnings on its investment in the notes of Sears, Roebuck and Co. ("Sears") and invested cash. The increase in revenue resulted primarily from a \$1 billion increase in average earning asset levels in the first quarter of 2003 versus the 2002 period.

SRAC's interest and related expenses increased to \$206 million for the first quarter of 2003 from \$188 million for the first quarter of 2002 as a result of higher average long-term interest rates and debt levels. SRAC's cost of long-term funds averaged 6.57% in the first quarter of 2003 from 6.54% for the first quarter of 2002. Average outstanding long-term debt of \$11.3 billion in the first quarter of 2003 increased \$1.4 billion compared to \$9.9 billion in the first quarter of 2002. Increases in interest and related expenses attributed to long term debt activity were partially offset by reductions in average costs and debt levels related to short-term funding. SRAC's cost of short-term funds averaged 1.77% in the first quarter of 2003, a 73 basis point decrease from 2.50% for the first three months of last year. SRAC's short-term borrowings averaged \$3.1 billion in the first quarter of 2003, a slight decrease from the 2002 first quarter average of \$3.5 billion.

On April 23, 2003, SRAC entered into a new selling agent agreement that provides for the continuous issuance of up to \$3 billion of medium-term notes

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through a program targeted at retail investors. This agreement replaced the December 6, 2002 agreement under which SRAC issued \$1.4 billion in notes.

SRAC's net income was \$34 million for the first quarter of 2003 and \$32 million for the first quarter of 2002. SRAC's ratio of earnings to fixed charges was 1.25 and 1.26, respectively for the first quarter of 2003 and 2002.

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Financial Condition

SRAC's investment in Sears notes declined by \$1.4 billion to \$14.0 billion at the end of the first quarter 2003 from \$15.4 billion at year-end 2002. Offsetting this decrease was a \$1.8 billion increase in SRAC's cash and cash equivalents. Changes in SRAC's assets were primarily the result of Sears activity in the first quarter of 2003. In this quarter, Sears announced plans to evaluate strategic alternatives for its Credit and Financial Products segment, including the possible sale of all or a portion of the segment. Due to the uncertainty regarding the future of its Credit and Financial Products segment stemming from that evaluation as well as the economic and geopolitical uncertainties, Sears believed it prudent to arrange short-term asset-backed funding capacity in the first quarter of 2003 to ensure liquidity and partially pre-fund 2003 debt maturities. As a result, Sears used acquired funds to pay down a portion of the Sears note resulting in an increase in cash and cash equivalents for SRAC.

SRAC's total debt outstanding rose by \$400 million to \$13.9 billion in the first quarter of 2003 from \$13.5 billion at year-end 2002. SRAC issued \$1.8 billion of term debt in the first quarter of 2003 of which proceeds from this issuance and commercial paper were used to fund SRAC's maturing debt and provide excess cash liquidity.

SRAC ended the 2003 quarter with an equity position of \$3.4 billion and a debt-to-equity ratio of 4.2:1 compared to 4.1:1 at year-end 2002.

Item 4. DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, including Keith E. Trost, President (principal executive officer) and George F. Slook, Vice President, Finance (principal financial officer), have evaluated the effectiveness of the Company's "disclosure controls and procedures," as such term is defined in Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934, as amended, within 90 days of the filing date of this Quarterly Report on Form 10-Q. Based upon their evaluation, the principal executive officer and principal

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financial officer concluded that the Company's disclosure controls and procedures are effective. There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls, since the date the controls were evaluated.

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SEARS ROEBUCK ACCEPTANCE CORP.

PART II. OTHER INFORMATION

- Item 6. Exhibits and Reports on Form 8-K
- (a) The exhibits listed in the "Exhibit Index" are filed as part of this report.
- (b) Reports on Form 8-K:
Registrant filed current reports on Form 8-K dated February 7, 2003 and February 24, 2003[Items 5 and 7].

SEARS ROEBUCK ACCEPTANCE CORP.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEARS ROEBUCK ACCEPTANCE CORP.
(Registrant)

By: /s/ George F. Slook

George F. Slook
Vice President, Finance
and Assistant Secretary
(authorized officer of
Registrant)

May 8, 2003

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SEARS ROEBUCK ACCEPTANCE CORP

CERTIFICATIONS

I, Keith E. Trost, President of Sears Roebuck Acceptance Corp.,
certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sears Roebuck Acceptance Corp.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - (a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - (c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and;

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6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 8, 2003

By: /s/ Keith E. Trost

Keith E. Trost
President (principal executive officer)

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SEARS ROEBUCK ACCEPTANCE CORP

I, George F. Slook, Vice President, Finance of Sears Roebuck Acceptance Corp., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sears Roebuck Acceptance Corp.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - (a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - (c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors

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and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- (a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and;
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 8, 2003

By: /s/ George F. Slook

George F. Slook
Vice President, Finance (principal financial officer)

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EXHIBIT INDEX

- 3(a) Certificate of Incorporation of the Registrant, as in effect at November 13, 1987 [Incorporated by reference to Exhibit 28(c) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1987*].
- 3(b) By-laws of the Registrant, as in effect at October 20, 1999 [Incorporated by reference to Exhibit 3(b) to the Registrant's Quarterly Report on Form 10-Q for the Quarter ended October 2, 1999*].
- 4(a) The Registrant hereby agrees to furnish the Commission, upon request, with each instrument defining the rights of holders of long-term debt of the Registrant with respect to which the total amount of securities authorized does not exceed 10% of the total assets of the Registrant.
- 4(b) Form of 7.40% Note [Incorporated by reference to Exhibit 4 to the Registrant's Current Report on Form 8-K dated February 7, 2003*].
- 4(c) Indenture dated as of October 1, 2002 between the Registrant and BNY Midwest Trust Company.[Incorporated by reference to Exhibit 4(b) to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 28, 2002*].

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- 4(d) Form of Fixed-Rate InterNotes [Incorporated by reference to Exhibit 4 to the Registrant's Current Report on Form 8-K dated April 23, 2003*].
- 10(a) \$3,500,000,000 364-day Credit Agreement dated as of February 24, 2003 among the Registrant, the banks financial institutional lenders listed on the signature pages thereof, BANK ONE, NA, as syndication agent, BARCLAYS BANK PLC and BANK OF AMERICA, N.A. as documentation agents, SALOMON SMITH BARNEY INC. and BANC ONE CAPITAL MARKETS, INC., as joint lead arrangers and joint bookrunners, and CITIBANK, N.A., as agent for the Lenders.[Incorporated by reference to Exhibit 10(a) to the Registrant's Current Report on Form 8-K dated February 24, 2003*].
- 10(b) Credit Agreement Support Letter dated February 24, 2003 between Sears, Roebuck and Co. and the Registrant [Incorporated by reference to Exhibit 10(b) to the Registrant's Current Report on Form 8-K dated February 24, 2003*].
- 12 Calculation of ratio of earnings to fixed charges.
- 15 Acknowledgement of awareness from Deloitte & Touche LLP, dated May 8, 2003, concerning unaudited financial information.
- 99(a) Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(18 U.S.C.1350)
- 99(b) Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(18 U.S.C.1350)

* SEC File No. 1-4040.