

Dick's Sporting Goods, Inc.
Reconciliation of Non-GAAP Financial Measures

EBITDA

EBITDA should not be considered as an alternative to net income or any other GAAP measure of performance or liquidity and may not be comparable to similarly titled measures reported by other companies. EBITDA is a key metric used by the Company that provides a measurement of profitability that eliminates the effect of changes resulting from financing decisions, tax regulations and capital investments.

	EBITDA							
	2012	2012 Adjusted	2011	2011 Adjusted	2010	2010 Adjusted	2010	2010 Adjusted
	(dollars in thousands)							
Net income	\$ 290,709	\$ 318,345	\$ 263,906	\$ 253,879	\$ 182,077	\$ 198,396		
Provision for income taxes	199,116	203,850	168,120	162,099	115,434	126,312		
Interest expense	6,034	6,034	13,868	13,868	14,016	14,016		
Depreciation and amortization	125,096	125,096	116,581	116,581	110,394	110,394		
EBITDA	<u>\$ 620,955</u>	<u>\$ 653,325</u>	<u>\$ 562,475</u>	<u>\$ 546,427</u>	<u>\$ 421,921</u>	<u>\$ 449,118</u>		
GAAP EBITDA % increase over prior year		10%		33%				
Adjusted EBITDA % increase over prior year		20%		22%				

EBITDA Fiscal 2012 (Adjusted) ¹

	Fiscal 2012	Add: Impairment of available- for-sale investments	Results adjusted for impairment of available- for-sale investments
Net income	\$ 290,709	\$ 27,636	\$ 318,345
Provision for income taxes	199,116	4,734	203,850
Interest expense	6,034	-	6,034
Depreciation and amortization	125,096	-	125,096
EBITDA	<u>\$ 620,955</u>	<u>\$ 32,370</u>	<u>\$ 653,325</u>

¹ Presents EBITDA adjusted for an impairment of available-for-sale investments.

EBITDA Fiscal 2011 (Adjusted) ²

	Fiscal 2011	Less: Gain on sale of investment	Less: Litigation settlement	Results adjusted for gain on sale of investment and litigation settlement
Net income	\$ 263,906	\$ (8,738)	\$ (1,289)	\$ 253,879
Provision for income taxes	168,120	(5,162)	(859)	162,099
Interest expense	13,868	-	-	13,868
Depreciation and amortization	116,581	-	-	116,581
EBITDA	<u>\$ 562,475</u>	<u>\$ (13,900)</u>	<u>\$ (2,148)</u>	<u>\$ 546,427</u>

² Presents EBITDA adjusted for a gain on sale of investment and a partial reversal of litigation settlement costs previously accrued during fiscal 2010.

EBITDA Fiscal 2010 (Adjusted) ³

	Fiscal 2010	Add: Golf Galaxy store closing costs	Add: Litigation settlement charge	Results adjusted for Golf Galaxy store closing costs and litigation settlement charge
Net income	\$ 182,077	\$ 9,826	\$ 6,493	\$ 198,396
Provision for income taxes	115,434	6,550	4,328	126,312
Interest expense	14,016	-	-	14,016
Depreciation and amortization	110,394	-	-	110,394
EBITDA	<u>\$ 421,921</u>	<u>\$ 16,376</u>	<u>\$ 10,821</u>	<u>\$ 449,118</u>

³ Presents EBITDA adjusted for Golf Galaxy store closing costs and a litigation settlement charge.

Return On Invested Capital (ROIC)

(Dollars in thousands)

	2012	2011	2010	2009	2008	2007
Net income (loss)	\$ 290,709	\$ 263,906	\$ 182,077	\$ 135,359	\$ (39,865)	\$ 150,566
Impairment of goodwill and other intangible assets, after tax	-	-	-	-	143,888	-
Impairment of store assets, after tax	-	-	-	-	17,774	-
Merger and integration costs, after tax	-	-	-	6,068	12,341	-
Gain on sale of asset, after tax	-	-	-	-	(1,414)	-
Golf Galaxy store closing costs, after tax	-	-	9,826	-	-	-
Litigation settlement charge, after tax	-	(1,289)	6,493	-	-	-
Gain on sale of investment, after tax	-	(8,738)	-	-	-	-
Impairment of available-for-sale investments, after tax	27,636	-	-	-	-	-
Adjusted net income	318,345	253,879	198,396	141,427	132,724	150,566
Net income for ROIC calculation	318,345	253,879	198,396	141,427	132,724	150,566
Interest expense, after tax	3,620	8,321	8,410	2,726	10,458	12,483
Rent expense, net, after tax	233,010	216,201	208,411	203,984	191,538	161,045
Net income for ROIC after adjustments (numerator)	\$ 554,975	\$ 478,401	\$ 415,217	\$ 348,137	\$ 334,720	\$ 324,094
Total stockholders' equity	\$ 1,587,324	\$ 1,632,745	\$ 1,363,581	\$ 1,083,227	\$ 893,577	\$ 894,303
Total debt including capital and financing lease obligations	16,275	159,022	140,841	142,243	181,543	173,558
Operating leases capitalized at 8x annual rent expense	3,106,794	2,882,682	2,778,812	2,719,789	2,553,843	2,140,138
Total debt and operating leases capitalized at 8x annual rent expense	3,123,069	3,041,704	2,919,653	2,862,032	2,735,386	2,313,696
Total capital (total stockholders' equity + total debt and operating leases capitalized at 8x annual rent expense)	4,710,393	4,674,449	4,283,234	3,945,259	3,628,963	3,207,999
Average total capital (denominator) ¹	\$ 4,692,421	\$ 4,478,841	\$ 4,114,246	\$ 3,787,111	\$ 3,418,481	\$ 2,826,247
ROIC	11.8%	10.7%	10.1%	9.2%	9.8%	11.5%
ROIC using GAAP amounts ²	11.2%	10.9%	9.7%	9.0%	4.7%	11.5%

¹ Average total capital is calculated as the sum of the current and prior year ending total capital divided by two.

² ROIC using GAAP amounts was derived as the quotient of GAAP Net income (loss) for ROIC not adjusted (numerator) and average total capital.

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	<u>Year Ended February 2, 2013</u>		
	<u>As Reported</u>	<u>Impairment of Investments ¹</u>	<u>Non-GAAP Total</u>
Net sales	\$ 5,836,119	\$ -	\$ 5,836,119
Cost of goods sold, including occupancy and distribution costs	<u>3,998,956</u>	<u>-</u>	<u>3,998,956</u>
GROSS PROFIT	1,837,163	-	1,837,163
Selling, general and administrative expenses	1,297,413	-	1,297,413
Pre-opening expenses	<u>16,076</u>	<u>-</u>	<u>16,076</u>
INCOME FROM OPERATIONS	523,674	-	523,674
Impairment of available-for-sale investments	32,370	(32,370)	-
Interest expense	6,034	-	6,034
Other income	<u>(4,555)</u>	<u>-</u>	<u>(4,555)</u>
INCOME BEFORE INCOME TAXES	489,825	32,370	522,195
Provision for income taxes	<u>199,116</u>	<u>4,734</u>	<u>203,850</u>
NET INCOME	<u>\$ 290,709</u>	<u>\$ 27,636</u>	<u>\$ 318,345</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 2.39		\$ 2.62
Diluted	\$ 2.31		\$ 2.53
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	121,629		121,629
Diluted	125,995		125,995

¹ During the second quarter of 2012, the Company fully impaired its investment in JJB Sports and recorded a pre-tax charge of \$32.4 million. The Company recorded a deferred tax asset valuation allowance of approximately \$7.9 million for a portion of the \$32.4 million net capital loss carryforward that it expects not to realize as a result of the impairment of its investment in JJB Sports.

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Year Ended January 28, 2012			
	As Reported	Gain on Sale of Investment ¹	Litigation Settlement ²	Non-GAAP Total
Net sales	\$ 5,211,802	\$ -	\$ -	\$ 5,211,802
Cost of goods sold, including occupancy and distribution costs	3,616,921	-	-	3,616,921
GROSS PROFIT	1,594,881	-	-	1,594,881
Selling, general and administrative expenses	1,148,268	-	2,148	1,150,416
Pre-opening expenses	14,593	-	-	14,593
INCOME FROM OPERATIONS	432,020	-	(2,148)	429,872
Gain on sale of investment	(13,900)	13,900	-	-
Interest expense	13,868	-	-	13,868
Other expense	26	-	-	26
INCOME BEFORE INCOME TAXES	432,026	(13,900)	(2,148)	415,978
Provision for income taxes	168,120	(5,162)	(859)	162,099
NET INCOME	<u>\$ 263,906</u>	<u>\$ (8,738)</u>	<u>\$ (1,289)</u>	<u>\$ 253,879</u>
EARNINGS PER COMMON SHARE:				
Basic	\$ 2.19			\$ 2.11
Diluted	\$ 2.10			\$ 2.02
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	120,232			120,232
Diluted	125,768			125,768

¹ During the second quarter of 2011, the Company recorded a pre-tax gain of \$13.9 million relating to the sale of available-for-sale securities.

² During the third quarter of 2011, the Company funded claims submitted by class members of wage and hour class action lawsuits as part of a court approved settlement. The settlement funding was \$2.1 million lower than the previous estimate of \$10.8 million, recognized in the fourth quarter of 2010.

The provision for income taxes for the litigation settlement was calculated at 40%, which approximates the Company's blended tax rate.

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Year Ended January 29, 2011			
	As Reported	Golf Galaxy Store Closing Costs ¹	Litigation Settlement Charge ²	Non-GAAP Total
Net sales	\$ 4,871,492	\$ -	\$ -	\$ 4,871,492
Cost of goods sold, including occupancy and distribution costs	3,422,462	-	-	3,422,462
GROSS PROFIT	1,449,030	-	-	1,449,030
Selling, general and administrative expenses	1,129,293	(16,376)	(10,821)	1,102,096
Pre-opening expenses	10,488	-	-	10,488
INCOME FROM OPERATIONS	309,249	16,376	10,821	336,446
Interest expense	14,016	-	-	14,016
Other income	(2,278)	-	-	(2,278)
INCOME BEFORE INCOME TAXES	297,511	16,376	10,821	324,708
Provision for income taxes	115,434	6,550	4,328	126,312
NET INCOME	<u>\$ 182,077</u>	<u>\$ 9,826</u>	<u>\$ 6,493</u>	<u>\$ 198,396</u>
EARNINGS PER COMMON SHARE:				
Basic	\$ 1.57			\$ 1.71
Diluted	\$ 1.50			\$ 1.63
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	116,236			116,236
Diluted	121,724			121,724

¹ Golf Galaxy store closing costs include the Company's lease exposure relating to the closure of 12 underperforming Golf Galaxy stores in the third quarter of 2010.

² During the fourth quarter of 2010, the Company recorded a pre-tax charge of \$10.8 million relating to a litigation settlement.

The provision for income taxes for the aforementioned adjustments were calculated at 40%, which approximates the Company's blended tax rate.

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Year Ended January 30, 2010		
	As Reported	Merger and Integration Costs ¹	Non-GAAP Total
Net sales	\$ 4,412,835	\$ -	\$ 4,412,835
Cost of goods sold, including occupancy and distribution costs	3,195,899	-	3,195,899
GROSS PROFIT	1,216,936	-	1,216,936
Selling, general and administrative expenses	972,025	-	972,025
Merger and integration costs	10,113	(10,113)	-
Pre-opening expenses	9,227	-	9,227
INCOME FROM OPERATIONS	225,571	10,113	235,684
Interest expense	4,543	-	4,543
Other income	(2,148)	-	(2,148)
INCOME BEFORE INCOME TAXES	223,176	10,113	233,289
Provision for income taxes	87,817	4,045	91,862
NET INCOME	\$ 135,359	\$ 6,068	\$ 141,427
EARNINGS PER COMMON SHARE:			
Basic	\$ 1.20		\$ 1.25
Diluted	\$ 1.15		\$ 1.20
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	113,184		113,184
Diluted	117,955		117,955

¹ Costs related to the integration of Chick's Sporting Goods' operations and include duplicative administrative costs, management, advertising and severance expenses associated with the conversions from Chick's Sporting Goods stores to Dick's Sporting Goods stores. The provision for income taxes was calculated at 40%, which approximates the Company's blended tax rate.

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Year Ended January 31, 2009			Non-GAAP Total
	As Reported	Merger and Integration Costs ¹	Non-cash Impairment Charges ²	
Net sales	\$ 4,130,128	\$ -	\$ -	\$ 4,130,128
Cost of goods sold, including occupancy and distribution costs	2,946,079	-	-	2,946,079
GROSS PROFIT	1,184,049	-	-	1,184,049
Selling, general and administrative expenses	928,170	-	-	928,170
Impairment of goodwill and other intangible assets	164,255	-	(164,255)	-
Impairment of store assets	29,095	-	(29,095)	-
Merger and integration costs	15,877	(15,877)	-	-
Pre-opening expenses	16,272	-	-	16,272
INCOME FROM OPERATIONS	30,380	15,877	193,350	239,607
Gain on sale of asset	(2,356)	-	-	(2,356)
Interest expense	17,430	-	-	17,430
Other expense	1,485	-	-	1,485
INCOME BEFORE INCOME TAXES	13,821	15,877	193,350	223,048
Provision for income taxes, excluding tax impact of non-deductible executive separation costs	51,181	6,041	31,688	88,910
Tax impact of non-deductible executive separation costs	2,505	(2,505)	-	-
Provision for income taxes	53,686	3,536	31,688	88,910
NET (LOSS) INCOME	\$ (39,865)	\$ 12,341	\$ 161,662	\$ 134,138
EARNINGS (LOSS) PER COMMON SHARE:				
Basic	\$ (0.36)			\$ 1.20
Diluted ³	\$ (0.36)			\$ 1.15
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	111,662			111,662
Diluted	111,662			116,650

¹ Costs related to the Golf Galaxy and Chick's Sporting Goods integration total \$18.4 million, which includes \$15.9 million of pre-tax "merger and integration costs" and \$2.5 million included in the Company's provision for income taxes reflecting the "tax impact of non-deductible executive separation costs". The net income impact of merger and integration costs equals \$12.3 million, which includes \$9.8 million for the after tax amount of "merger and integration costs" and the \$2.5 million included in the Company's provision for income taxes reflecting the "tax impact of non-deductible executive separation costs."

² The goodwill impairment charge of \$111,312 is not deductible for tax purposes.

³ Due to the net loss, as reported diluted earnings per share is calculated using basic weighted average common shares outstanding.

The provision for income taxes for the aforementioned adjustments were calculated at 40%, which approximates the Company's blended tax rate, excluding the impact of the goodwill impairment charge of \$111,312. Additionally, the provision for income taxes relating to merger and integration costs includes \$2.5 million reflecting the "tax impact of non-deductible executive separation costs" discussed above.