

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2014		
	13 Weeks Ended August 2, 2014		
	As Reported	Golf Restructuring Charges	Non-GAAP Total
Net sales	\$ 1,688,890	\$ -	\$ 1,688,890
Cost of goods sold, including occupancy and distribution costs	<u>1,186,334</u>	<u>(2,405)</u>	<u>1,183,929</u>
GROSS PROFIT	502,556	2,405	504,961
Selling, general and administrative expenses	383,054	(17,960)	365,094
Pre-opening expenses	<u>7,940</u>	<u>-</u>	<u>7,940</u>
INCOME FROM OPERATIONS	111,562	20,365	131,927
Interest expense	763	-	763
Other income	<u>(2,013)</u>	<u>-</u>	<u>(2,013)</u>
INCOME BEFORE INCOME TAXES	112,812	20,365	133,177
Provision for income taxes	<u>43,345</u>	<u>8,146</u>	<u>51,491</u>
NET INCOME	<u>\$ 69,467</u>	<u>\$ 12,219</u>	<u>\$ 81,686</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 0.58		\$ 0.68
Diluted	\$ 0.57		\$ 0.67
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	119,950		119,950
Diluted	121,840		121,840

During the second quarter of 2014, the Company recorded pre-tax restructuring charges of \$20.4 million including a \$14.3 million non-cash impairment of trademarks and store assets, severance charges of \$3.7 million resulting from the elimination of specific staff in the golf area of its DICK'S stores and consolidation of DICK'S golf and Golf Galaxy corporate and administrative functions, and a \$2.4 million write-down of excess golf inventories. 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):

	Fiscal 2014			
	26 Weeks Ended August 2, 2014			
	As Reported	Gain on Sale of Asset	Golf Restructuring Charges	Non-GAAP Total
Net sales	\$ 3,127,798	\$ -	\$ -	\$ 3,127,798
Cost of goods sold, including occupancy and distribution costs	2,184,359	-	(2,405)	2,181,954
GROSS PROFIT	943,439	-	2,405	945,844
Selling, general and administrative expenses	705,643	14,428	(17,960)	702,111
Pre-opening expenses	14,146	-	-	14,146
INCOME FROM OPERATIONS	223,650	(14,428)	20,365	229,587
Interest expense	1,372	-	-	1,372
Other income	(4,377)	-	-	(4,377)
INCOME BEFORE INCOME TAXES	226,655	(14,428)	20,365	232,592
Provision for income taxes	87,205	(5,771)	8,146	89,580
NET INCOME	\$ 139,450	\$ (8,657)	\$ 12,219	\$ 143,012
EARNINGS PER COMMON SHARE:				
Basic	\$ 1.16			\$ 1.19
Diluted	\$ 1.14			\$ 1.17
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	120,544			120,544
Diluted	122,600			122,600

During the first quarter of 2014, the Company recorded a pre-tax \$14.4 million gain on sale of a Gulfstream G650 corporate aircraft. During the second quarter of 2014, the Company recorded pre-tax restructuring charges of \$20.4 million including a \$14.3 million non-cash impairment of trademarks and store assets, severance charges of \$3.7 million resulting from the elimination of specific staff in the golf area of its DICK'S stores and consolidation of DICK'S golf and Golf Galaxy corporate and administrative functions, and a \$2.4 million write-down of excess golf inventories. 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):

	Fiscal 2014			
	52 Weeks Ended January 31, 2015			
	As Reported	Gain on Sale of Asset	Golf Restructuring Charges	Non-GAAP Total
Net sales	\$ 6,814,479	\$ -	\$ -	\$ 6,814,479
Cost of goods sold, including occupancy and distribution costs	4,727,813	-	(2,405)	4,725,408
GROSS PROFIT	2,086,666	-	2,405	2,089,071
Selling, general and administrative expenses	1,502,089	14,428	(17,960)	1,498,557
Pre-opening expenses	30,518	-	-	30,518
INCOME FROM OPERATIONS	554,059	(14,428)	20,365	559,996
Interest expense	3,215	-	-	3,215
Other income	(5,170)	-	-	(5,170)
INCOME BEFORE INCOME TAXES	556,014	(14,428)	20,365	561,951
Provision for income taxes	211,816	(5,771)	8,146	214,191
NET INCOME	<u>\$ 344,198</u>	<u>\$ (8,657)</u>	<u>\$ 12,219</u>	<u>\$ 347,760</u>
EARNINGS PER COMMON SHARE:				
Basic	\$ 2.89			\$ 2.92
Diluted	\$ 2.84			\$ 2.87
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	119,244			119,244
Diluted	121,238			121,238

During the first quarter of 2014, the Company recorded a pre-tax \$14.4 million gain on sale of a Gulfstream G650 corporate aircraft. During the second quarter of 2014, the Company recorded pre-tax restructuring charges of \$20.4 million including a \$14.3 million non-cash impairment of trademarks and store assets, severance charges of \$3.7 million resulting from the elimination of specific staff in the golf area of its DICK'S stores and consolidation of DICK'S golf and Golf Galaxy corporate and administrative functions, and a \$2.4 million write-down of excess golf inventories. The provision for income taxes for the aforementioned adjustments were calculated at 40%, which approximates the Company's blended tax rate.

Adjusted EBITDA

Adjusted EBITDA should not be considered as an alternative to net income or any other generally accepted accounting principles measure of performance or liquidity. Adjusted EBITDA, as the Company has calculated it, may not be comparable to similarly titled measures reported by other companies. Adjusted 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, capital investments and certain non-recurring, infrequent or unusual items.

	13 Weeks Ended	
	August 1, 2015	August 2, 2014
	(dollars in thousands)	
Net income	\$ 90,839	\$ 69,467
Provision for income taxes	56,575	43,345
Interest expense	840	763
Depreciation and amortization	48,020	52,912
EBITDA	<u>\$ 196,274</u>	<u>\$ 166,487</u>
Add: Golf restructuring charges	-	6,043
Adjusted EBITDA, as defined	<u>\$ 196,274</u>	<u>\$ 172,530</u>
% increase in adjusted EBITDA		14%

	26 Weeks Ended	
	August 1, 2015	August 2, 2014
	(dollars in thousands)	
Net income	\$ 154,184	\$ 139,450
Provision for income taxes	96,657	87,205
Interest expense	1,474	1,372
Depreciation and amortization	90,596	89,771
EBITDA	<u>\$ 342,911</u>	<u>\$ 317,798</u>
Less: Gain on sale of asset	-	(14,428)
Add: Golf restructuring charges	-	6,043
Adjusted EBITDA, as defined	<u>\$ 342,911</u>	<u>\$ 309,413</u>
% increase in adjusted EBITDA		11%

Reconciliation of Gross Capital Expenditures to Net Capital Expenditures

The following table represents a reconciliation of the Company's gross capital expenditures to its capital expenditures, net of tenant allowances.

	26 Weeks Ended	
	August 1, 2015	August 2, 2014
	(dollars in thousands)	
Gross capital expenditures	\$ (154,785)	\$ (150,382)
Proceeds from sale-leaseback transactions	-	-
Deferred construction allowances	75,082	44,934
Construction allowance receipts	-	-
Net capital expenditures	<u>\$ (79,703)</u>	<u>\$ (105,448)</u>