

## Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2015 52 Weeks Ended January 30, 2016		
	As Reported	Litigation Settlement Charge	Non-GAAP Total
Net sales	\$ 7,270,965	\$ -	\$ 7,270,965
Cost of goods sold, including occupancy and distribution costs	5,088,078	-	5,088,078
<b>GROSS PROFIT</b>	<b>2,182,887</b>	<b>-</b>	<b>2,182,887</b>
Selling, general and administrative expenses	1,613,075	(7,884)	1,605,191
Pre-opening expenses	34,620	-	34,620
<b>INCOME FROM OPERATIONS</b>	<b>535,192</b>	<b>7,884</b>	<b>543,076</b>
Interest expense	4,012	-	4,012
Other expense	305	-	305
<b>INCOME BEFORE INCOME TAXES</b>	<b>530,875</b>	<b>7,884</b>	<b>538,759</b>
Provision for income taxes	200,484	3,154	203,638
<b>NET INCOME</b>	<b>\$ 330,391</b>	<b>\$ 4,730</b>	<b>\$ 335,121</b>
<b>EARNINGS PER COMMON SHARE:</b>			
Basic	\$ 2.87		\$ 2.91
Diluted	\$ 2.83		\$ 2.87
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>			
Basic	115,230		115,230
Diluted	116,794		116,794

During the third quarter of 2015, the Company recorded a pre-tax litigation settlement charge of \$7.9 million. The provision for income taxes was calculated at 40%, which approximates the Company's blended tax rate.

## **EBITDA**

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

	<b>13 Weeks Ended</b>	
	<b>April 30, 2016</b>	<b>May 2, 2015</b>
	<b>(dollars in thousands)</b>	
Net income	\$ 56,877	\$ 63,345
Provision for income taxes	34,770	40,083
Interest expense	1,131	634
Depreciation and amortization	47,990	42,576
EBITDA	<u>\$ 140,768</u>	<u>\$ 146,638</u>
% decrease in EBITDA		(4%)

### 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.

	<b>13 Weeks Ended</b>	
	<b>April 30, 2016</b>	<b>May 2, 2015</b>
	<b>(dollars in thousands)</b>	
Gross capital expenditures	\$ (88,834)	\$ (65,724)
Proceeds from sale-leaseback transactions	-	-
Deferred construction allowances	16,202	40,579
Construction allowance receipts	-	-
Net capital expenditures	<u>\$ (72,632)</u>	<u>\$ (25,145)</u>