

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2013		
	13 Weeks Ended May 4, 2013		
	As Reported	Recovery of Previously Impaired Asset	Non-GAAP Total
Net sales	\$ 1,333,701	\$ -	\$ 1,333,701
Cost of goods sold, including occupancy and distribution costs	922,047	-	922,047
GROSS PROFIT	411,654	-	411,654
Selling, general and administrative expenses	312,708	-	312,708
Pre-opening expenses	1,329	-	1,329
INCOME FROM OPERATIONS	97,617	-	97,617
Interest expense	669	-	669
Other income	(6,204)	4,342	(1,862)
INCOME BEFORE INCOME TAXES	103,152	(4,342)	98,810
Provision for income taxes	38,331	-	38,331
NET INCOME	<u>\$ 64,821</u>	<u>\$ (4,342)</u>	<u>\$ 60,479</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 0.53		\$ 0.49
Diluted	\$ 0.52		\$ 0.48
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	122,702		122,702
Diluted	125,862		125,862

During the first quarter of 2013, the Company determined that it would recover \$4.3 million of its investment in JJB Sports, which it had previously fully impaired. There is no related tax expense as the Company reversed a portion of the deferred tax valuation allowance it had previously recorded for net capital loss carryforwards it did not expect to realize at the time its investment in JJB Sports was fully impaired.

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2012 53 Weeks Ended February 2, 2013		
	As Reported	Impairment of Investments	Non-GAAP Total
Net sales	\$ 5,836,119	\$ -	\$ 5,836,119
Cost of goods sold, including occupancy and distribution costs	3,998,956	-	3,998,956
GROSS PROFIT	1,837,163	-	1,837,163
Selling, general and administrative expenses	1,297,413	-	1,297,413
Pre-opening expenses	16,076	-	16,076
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	(4,555)	-	(4,555)
INCOME BEFORE INCOME TAXES	489,825	32,370	522,195
Provision for income taxes	199,116	4,734	203,850
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

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):

	Fiscal 2012 13 Weeks Ended July 28, 2012		
	As Reported	Impairment of Investments	Non-GAAP Total
Net sales	\$ 1,437,041	\$ -	\$ 1,437,041
Cost of goods sold, including occupancy and distribution costs	989,261	-	989,261
GROSS PROFIT	447,780	-	447,780
Selling, general and administrative expenses	310,864	-	310,864
Pre-opening expenses	2,276	-	2,276
INCOME FROM OPERATIONS	134,640	-	134,640
Impairment on available-for-sale investments	32,370	(32,370)	-
Interest expense	1,000	-	1,000
Other expense	54	-	54
INCOME BEFORE INCOME TAXES	101,216	32,370	133,586
Provision for income taxes	47,553	4,734	52,287
NET INCOME	<u>\$ 53,663</u>	<u>\$ 27,636</u>	<u>\$ 81,299</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 0.45		\$ 0.68
Diluted	\$ 0.43		\$ 0.65
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	119,928		119,928
Diluted	124,533		124,533

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.

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 and capital investments.

	13 Weeks Ended	
	May 4, 2013	April 28, 2012
	(dollars in thousands)	
Net income	\$ 64,821	\$ 57,157
Provision for income taxes	38,331	36,994
Interest expense	669	3,449
Depreciation and amortization	32,808	27,656
EBITDA	<u>\$ 136,629</u>	<u>\$ 125,256</u>
Less: Recovery of previously impaired asset	<u>(4,342)</u>	<u>-</u>
Adjusted EBITDA, as defined	<u>\$ 132,287</u>	<u>\$ 125,256</u>
% increase in EBITDA		6%

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.

	13 Weeks Ended	
	May 4, 2013	April 28, 2012
	(dollars in thousands)	
Gross capital expenditures	\$ (33,954)	\$ (41,251)
Proceeds from sale-leaseback transactions	-	-
Deferred construction allowances	7,095	8,192
Construction allowance receipts	-	-
Net capital expenditures	<u>\$ (26,859)</u>	<u>\$ (33,059)</u>