

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

(in thousands, except per share data):

	Fiscal 2013 39 Weeks Ended November 2, 2013			
	As Reported	Recovery of Previously Impaired Asset	Asset Impairment Charge	Non-GAAP Total
Net sales	\$ 4,265,755	\$ -	\$ -	\$ 4,265,755
Cost of goods sold, including occupancy and distribution costs	2,949,872	-	-	2,949,872
GROSS PROFIT	1,315,883	-	-	1,315,883
Selling, general and administrative expenses	983,382	-	(7,881)	975,501
Pre-opening expenses	18,736	-	-	18,736
INCOME FROM OPERATIONS	313,765	-	7,881	321,646
Interest expense	2,081	-	-	2,081
Other income	(10,675)	4,342	-	(6,333)
INCOME BEFORE INCOME TAXES	322,359	(4,342)	7,881	325,898
Provision for income taxes	123,398	-	3,152	126,550
NET INCOME	<u>\$ 198,961</u>	<u>\$ (4,342)</u>	<u>\$ 4,729</u>	<u>\$ 199,348</u>
EARNINGS PER COMMON SHARE:				
Basic	\$ 1.62			\$ 1.62
Diluted	\$ 1.58			\$ 1.59
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	122,942			122,942
Diluted	125,766			125,766

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. During the second quarter of 2013, the Company recorded a pre-tax \$7.9 million non-cash impairment charge to reduce the carrying value of a corporate aircraft held for sale to fair market value. 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 2012 39 Weeks Ended October 27, 2012		
	As Reported	Impairment of Investments	Non-GAAP Total
Net sales	\$ 4,030,818	\$ -	\$ 4,030,818
Cost of goods sold, including occupancy and distribution costs	2,782,306	-	2,782,306
GROSS PROFIT	1,248,512	-	1,248,512
Selling, general and administrative expenses	921,631	-	921,631
Pre-opening expenses	14,311	-	14,311
INCOME FROM OPERATIONS	312,570	-	312,570
Impairment of available-for-sale investments	32,370	(32,370)	-
Interest expense	5,309	-	5,309
Other income	(2,923)	-	(2,923)
INCOME BEFORE INCOME TAXES	277,814	32,370	310,184
Provision for income taxes	116,855	4,734	121,589
NET INCOME	<u>\$ 160,959</u>	<u>\$ 27,636</u>	<u>\$ 188,595</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 1.33		\$ 1.56
Diluted	\$ 1.28		\$ 1.50
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	121,181		121,181
Diluted	125,825		125,825

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.

	<b>13 Weeks Ended</b>	
	<b>November 2, 2013</b>	<b>October 27, 2012</b>
	<b>(dollars in thousands)</b>	
Net income	\$ 49,977	\$ 50,139
Provision for income taxes	31,115	32,307
Interest expense	696	860
Depreciation and amortization	37,123	30,527
EBITDA	<u>\$ 118,911</u>	<u>\$ 113,833</u>
% increase in EBITDA	4%	

	<b>39 Weeks Ended</b>	
	<b>November 2, 2013</b>	<b>October 27, 2012</b>
	<b>(dollars in thousands)</b>	
Net income	\$ 198,961	\$ 160,959
Provision for income taxes	123,398	116,855
Interest expense	2,081	5,309
Depreciation and amortization	113,437	88,627
EBITDA	<u>\$ 437,877</u>	<u>\$ 371,750</u>
Add: Impairment of available-for-sale investments	-	32,370
Less: Recovery of previously impaired asset	(4,342)	-
Adjusted EBITDA, as defined	<u>\$ 433,535</u>	<u>\$ 404,120</u>
% increase in adjusted EBITDA	7%	

### **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>39 Weeks Ended</b>	
	<b>November 2, 2013</b>	<b>October 27, 2012</b>
	<b>(dollars in thousands)</b>	
Gross capital expenditures	\$ (196,862)	\$ (157,448)
Proceeds from sale-leaseback transactions	-	-
Deferred construction allowances	37,125	21,744
Construction allowance receipts	-	-
Net capital expenditures	<u>\$ (159,737)</u>	<u>\$ (135,704)</u>