

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2013		
	13 Weeks Ended August 3, 2013		
	As Reported	Asset Impairment Charge	Non-GAAP Total
Net sales	\$ 1,531,431	\$ -	\$ 1,531,431
Cost of goods sold, including occupancy and distribution costs	1,052,101	-	1,052,101
GROSS PROFIT	479,330	-	479,330
Selling, general and administrative expenses	336,950	(7,881)	329,069
Pre-opening expenses	5,285	-	5,285
INCOME FROM OPERATIONS	137,095	7,881	144,976
Interest expense	716	-	716
Other income	(1,735)	-	(1,735)
INCOME BEFORE INCOME TAXES	138,114	7,881	145,995
Provision for income taxes	53,951	3,152	57,103
NET INCOME	<u>\$ 84,163</u>	<u>\$ 4,729</u>	<u>\$ 88,892</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 0.68		\$ 0.72
Diluted	\$ 0.67		\$ 0.71
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	122,901		122,901
Diluted	125,593		125,593

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 2013 26 Weeks Ended August 3, 2013			
	As Reported	Recovery of Previously Impaired Asset	Asset Impairment Charge	Non-GAAP Total
Net sales	\$ 2,865,132	\$ -	\$ -	\$ 2,865,132
Cost of goods sold, including occupancy and distribution costs	1,974,149	-	-	1,974,149
GROSS PROFIT	890,983	-	-	890,983
Selling, general and administrative expenses	649,658	-	(7,881)	641,777
Pre-opening expenses	6,614	-	-	6,614
INCOME FROM OPERATIONS	234,711	-	7,881	242,592
Interest expense	1,385	-	-	1,385
Other income	(7,940)	4,342	-	(3,598)
INCOME BEFORE INCOME TAXES	241,266	(4,342)	7,881	244,805
Provision for income taxes	92,282	-	3,152	95,434
NET INCOME	<u>\$ 148,984</u>	<u>\$ (4,342)</u>	<u>\$ 4,729</u>	<u>\$ 149,371</u>
EARNINGS PER COMMON SHARE:				
Basic	\$ 1.21			\$ 1.22
Diluted	\$ 1.18			\$ 1.19
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	122,802			122,802
Diluted	125,728			125,728

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		
	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 of 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	\$ 53,663	\$ 27,636	\$ 81,299
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.

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2012		
	26 Weeks Ended July 28, 2012		
	As Reported	Impairment of Investments	Non-GAAP Total
Net sales	\$ 2,718,745	\$ -	\$ 2,718,745
Cost of goods sold, including occupancy and distribution costs	1,876,358	-	1,876,358
GROSS PROFIT	842,387	-	842,387
Selling, general and administrative expenses	606,995	-	606,995
Pre-opening expenses	5,017	-	5,017
INCOME FROM OPERATIONS	230,375	-	230,375
Impairment of available-for-sale investments	32,370	(32,370)	-
Interest expense	4,449	-	4,449
Other income	(1,811)	-	(1,811)
INCOME BEFORE INCOME TAXES	195,367	32,370	227,737
Provision for income taxes	84,547	4,734	89,281
NET INCOME	\$ 110,820	\$ 27,636	\$ 138,456
EARNINGS PER COMMON SHARE:			
Basic	\$ 0.92		\$ 1.15
Diluted	\$ 0.88		\$ 1.10
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	120,721		120,721
Diluted	125,768		125,768

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	
	August 3, 2013	July 28, 2012
	(dollars in thousands)	
Net income	\$ 84,163	\$ 53,663
Provision for income taxes	53,951	47,553
Interest expense	716	1,000
Depreciation and amortization	43,506	30,444
EBITDA	<u>\$ 182,336</u>	<u>\$ 132,660</u>
Add: Impairment of available-for-sale investments	-	32,370
Adjusted EBITDA, as defined	<u>\$ 182,336</u>	<u>\$ 165,030</u>
% increase in adjusted EBITDA	10%	

	26 Weeks Ended	
	August 3, 2013	July 28, 2012
	(dollars in thousands)	
Net income	\$ 148,984	\$ 110,820
Provision for income taxes	92,282	84,547
Interest expense	1,385	4,449
Depreciation and amortization	76,314	58,100
EBITDA	<u>\$ 318,965</u>	<u>\$ 257,916</u>
Add: Impairment of available-for-sale investments	-	32,370
Less: Recovery of previously impaired asset	(4,342)	-
Adjusted EBITDA, as defined	<u>\$ 314,623</u>	<u>\$ 290,286</u>
% increase in adjusted EBITDA	8%	

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 3, 2013	July 28, 2012
	(dollars in thousands)	
Gross capital expenditures	\$ (95,479)	\$ (95,158)
Proceeds from sale-leaseback transactions	-	-
Deferred construction allowances	12,756	12,191
Construction allowance receipts	-	-
Net capital expenditures	<u>\$ (82,723)</u>	<u>\$ (82,967)</u>