

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2014		
	13 Weeks Ended May 3, 2014		
	As Reported	Gain on Sale of Asset	Non-GAAP Total
Net sales	\$ 1,438,908	\$ -	\$ 1,438,908
Cost of goods sold, including occupancy and distribution costs	998,025	-	998,025
GROSS PROFIT	440,883	-	440,883
Selling, general and administrative expenses	322,589	14,428	337,017
Pre-opening expenses	6,206	-	6,206
INCOME FROM OPERATIONS	112,088	(14,428)	97,660
Interest expense	610	-	610
Other income	(2,364)	-	(2,364)
INCOME BEFORE INCOME TAXES	113,842	(14,428)	99,414
Provision for income taxes	43,858	(5,771)	38,087
NET INCOME	\$ 69,984	\$ (8,657)	\$ 61,327
EARNINGS PER COMMON SHARE:			
Basic	\$ 0.58		\$ 0.51
Diluted	\$ 0.57		\$ 0.50
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	121,138		121,138
Diluted	123,360		123,360

During the first quarter of 2014, the Company recorded a pre-tax \$14.4 million gain on sale of a corporate aircraft. 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		
	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	1,186,334	(2,405)	1,183,929
GROSS PROFIT	502,556	2,405	504,961
Selling, general and administrative expenses	383,054	(17,960)	365,094
Pre-opening expenses	7,940	-	7,940
INCOME FROM OPERATIONS	111,562	20,365	131,927
Interest expense	763	-	763
Other income	(2,013)	-	(2,013)
INCOME BEFORE INCOME TAXES	112,812	20,365	133,177
Provision for income taxes	43,345	8,146	51,491
NET INCOME	\$ 69,467	\$ 12,219	\$ 81,686
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	<u>\$ 139,450</u>	<u>\$ (8,657)</u>	<u>\$ 12,219</u>	<u>\$ 143,012</u>
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 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.