

**Dick's Sporting Goods, Inc.**  
**Reconciliation of As Reported Financial Information to Non-GAAP Financial Information**  
**13 Weeks Ended July 30, 2011 (In thousands)**

|   | <u>13 Weeks Ended July 30, 2011</u> |  |                           |
|---|-------------------------------------|--|---------------------------|
|   | <u>As<br/>Reported</u>              | <u>Gain on Sale<br/>of Investment <sup>1</sup></u> | <u>Non-GAAP<br/>Total</u> |
| Net sales   | \$ 1,306,695                        | \$ -   | \$ 1,306,695              |
| Cost of goods sold, including occupancy<br>and distribution costs | <u>905,620</u>                      | <u>-</u>   | <u>905,620</u>            |
| GROSS PROFIT  | 401,075                             | -  | 401,075                   |
| Selling, general and administrative expenses                      | 285,729                             | -  | 285,729                   |
| Pre-opening expenses  | <u>3,655</u>                        | <u>-</u>   | <u>3,655</u>              |
| INCOME FROM OPERATIONS  | 111,691                             | -  | 111,691                   |
| Gain on sale of investment  | (13,900)                            | 13,900   | -                         |
| Interest expense  | 3,480                               | -  | 3,480                     |
| Other expense   | <u>517</u>                          | <u>-</u>   | <u>517</u>                |
| INCOME BEFORE INCOME TAXES  | 121,594                             | (13,900)   | 107,694                   |
| Provision for income taxes  | <u>47,746</u>                       | <u>(5,162)</u>                                     | <u>42,584</u>             |
| NET INCOME  | <u>\$ 73,848</u>                    | <u>\$ (8,738)</u>                                  | <u>\$ 65,110</u>          |
| EARNINGS PER COMMON SHARE:  |                                     |  |                           |
| Basic   | \$ 0.61                             |  | \$ 0.54                   |
| Diluted   | \$ 0.59                             |  | \$ 0.52                   |
| WEIGHTED AVERAGE COMMON SHARES<br>OUTSTANDING:                    |                                     |  |                           |
| Basic   | 120,207                             |  | 120,207                   |
| Diluted   | 125,836                             |  | 125,836                   |

<sup>1</sup> During the second quarter of 2011, the Company recorded a pre-tax gain of \$13.9 million relating to the sale of available-for-sale securities.

**Dick's Sporting Goods, Inc.**  
**Reconciliation of As Reported Financial Information to Non-GAAP Financial Information**  
**Fiscal 2010 (In thousands)**

|   | <u>Year Ended January 29, 2011</u> |   |  |                           |
|---|------------------------------------|---|--|---------------------------|
|   | <u>As<br/>Reported</u>             | <u>Golf Galaxy<br/>Store Closing<br/>Costs <sup>1</sup></u> | <u>Litigation<br/>Settlement<br/>Charge <sup>2</sup></u> | <u>Non-GAAP<br/>Total</u> |
| Net sales   | \$ 4,871,492                       | \$ -  | \$ -   | \$ 4,871,492              |
| Cost of goods sold, including occupancy<br>and distribution costs | 3,422,462                          | -   | -  | 3,422,462                 |
| GROSS PROFIT  | 1,449,030                          | -   | -  | 1,449,030                 |
| Selling, general and administrative expenses                      | 1,129,293                          | (16,376)  | (10,821)   | 1,102,096                 |
| Pre-opening expenses  | 10,488                             | -   | -  | 10,488                    |
| INCOME FROM OPERATIONS  | 309,249                            | 16,376  | 10,821   | 336,446                   |
| Interest expense  | 14,016                             | -   | -  | 14,016                    |
| Other income  | (2,278)                            | -   | -  | (2,278)                   |
| INCOME BEFORE INCOME TAXES  | 297,511                            | 16,376  | 10,821   | 324,708                   |
| Provision for income taxes  | 115,434                            | 6,550   | 4,328  | 126,312                   |
| NET INCOME  | <u>\$ 182,077</u>                  | <u>\$ 9,826</u>   | <u>\$ 6,493</u>  | <u>\$ 198,396</u>         |

<sup>1</sup> Golf Galaxy store closing costs include the Company's lease exposure relating to the closure of 12 underperforming Golf Galaxy stores in the third quarter of 2010.

<sup>2</sup> During the fourth quarter of 2010, the Company recorded a pre-tax charge of \$10.8 million relating to a litigation settlement.

The provision for income taxes for the aforementioned adjustments were calculated at 40%, which approximates the Company's blended tax rate.

**Dick's Sporting Goods, Inc.**  
**Reconciliation of As Reported Financial Information to Non-GAAP Financial Information**  
**Fiscal 2009 (In thousands)**

|   | <b>Year Ended January 30, 2010</b> |  |                           |
|---|------------------------------------|--|---------------------------|
|   | <b>As<br/>Reported</b>             | <b>Merger and<br/>Integration<br/>Costs <sup>1</sup></b> | <b>Non-GAAP<br/>Total</b> |
| Net sales   | \$ 4,412,835                       | \$ -   | \$ 4,412,835              |
| Cost of goods sold, including occupancy<br>and distribution costs | 3,195,899                          | -  | 3,195,899                 |
| GROSS PROFIT  | 1,216,936                          | -  | 1,216,936                 |
| Selling, general and administrative expenses                      | 972,025                            | -  | 972,025                   |
| Merger and integration costs                                      | 10,113                             | (10,113)   | -                         |
| Pre-opening expenses  | 9,227                              | -  | 9,227                     |
| INCOME FROM OPERATIONS  | 225,571                            | 10,113   | 235,684                   |
| Interest expense  | 4,543                              | -  | 4,543                     |
| Other income  | (2,148)                            | -  | (2,148)                   |
| INCOME BEFORE INCOME TAXES  | 223,176                            | 10,113   | 233,289                   |
| Provision for income taxes  | 87,817                             | 4,045  | 91,862                    |
| NET INCOME  | <u>\$ 135,359</u>                  | <u>\$ 6,068</u>  | <u>\$ 141,427</u>         |

<sup>1</sup> Costs related to the integration of Chick's Sporting Goods' operations and include duplicative administrative costs, management, advertising and severance expenses associated with the conversions from Chick's Sporting Goods stores to Dick's Sporting Goods stores. The provision for income taxes was calculated at 40%, which approximates the Company's blended tax rate.

**Dick's Sporting Goods, Inc.**  
**Reconciliation of As Reported Financial Information to Non-GAAP Financial Information**  
**Fiscal 2008 (In thousands)**

|  | Year Ended January 31, 2009 |   |                    |   |  |                   |
|--|-----------------------------|---|--------------------|---|--|-------------------|
|  | As<br>Reported              | Convertible<br>Note Interest <sup>1</sup> | GAAP<br>Total      | Merger and<br>Integration<br>Costs <sup>2</sup> | Non-cash<br>Impairment<br>Charges <sup>3</sup> | Non-GAAP<br>Total |
| Net sales  | \$ 4,130,128                | \$ -                                      | \$ 4,130,128       | \$ -  | \$ -   | \$ 4,130,128      |
| Cost of goods sold, including occupancy<br>and distribution costs                                | 2,946,079                   | -   | 2,946,079          | -   | -  | 2,946,079         |
| <b>GROSS PROFIT</b>  | <b>1,184,049</b>            | <b>-</b>                                  | <b>1,184,049</b>   | <b>-</b>  | <b>-</b>                                       | <b>1,184,049</b>  |
| Selling, general and administrative expenses   | 928,170                     | -   | 928,170            | -   | -  | 928,170           |
| Impairment of goodwill and other intangible assets   | 164,255                     | -   | 164,255            | -   | (164,255)                                      | -                 |
| Impairment of store assets   | 29,095                      | -   | 29,095             | -   | (29,095)                                       | -                 |
| Merger and integration costs   | 15,877                      | -   | 15,877             | (15,877)  | -  | -                 |
| Pre-opening expenses   | 16,272                      | -   | 16,272             | -   | -  | 16,272            |
| <b>INCOME FROM OPERATIONS</b>  | <b>30,380</b>               | <b>-</b>                                  | <b>30,380</b>      | <b>15,877</b>                                   | <b>193,350</b>                                 | <b>239,607</b>    |
| Gain on sale of asset  | (2,356)                     | -   | (2,356)            | -   | -  | (2,356)           |
| Interest expense   | 9,478                       | 7,952                                     | 17,430             | -   | -  | 17,430            |
| Other expense  | 1,485                       | -   | 1,485              | -   | -  | 1,485             |
| <b>INCOME BEFORE INCOME TAXES</b>  | <b>21,773</b>               | <b>(7,952)</b>                            | <b>13,821</b>      | <b>15,877</b>                                   | <b>193,350</b>                                 | <b>223,048</b>    |
| Provision for income taxes, excluding tax impact of non-deductible<br>executive separation costs | 54,362                      | (3,181)                                   | 51,181             | 6,041   | 31,688   | 88,910            |
| Tax impact of non-deductible executive separation costs  | 2,505                       | -   | 2,505              | (2,505)   | -  | -                 |
| Provision for income taxes   | 56,867                      | (3,181)                                   | 53,686             | 3,536   | 31,688   | 88,910            |
| <b>NET (LOSS) INCOME</b>   | <b>\$ (35,094)</b>          | <b>\$ (4,771)</b>                         | <b>\$ (39,865)</b> | <b>\$ 12,341</b>                                | <b>\$ 161,662</b>                              | <b>\$ 134,138</b> |

<sup>1</sup> Convertible note interest adjustment is included to reconcile the previously reported financial amounts to GAAP amounts, following the Company's adoption of a new accounting standard in the first quarter of fiscal 2009 which required the Company to retroactively recognize additional non-cash interest expense based on the market rate for similar debt instruments without the conversion feature.

<sup>2</sup> Costs related to the Golf Galaxy and Chick's Sporting Goods integration total \$18.4 million, which includes \$15.9 million of pre tax "merger and integration costs" and \$2.5 million included in the Company's provision for income taxes reflecting the "tax impact of non-deductible executive separation costs". The net income impact of merger and integration costs equals \$12.3 million, which includes \$9.8 million for the after tax amount of "merger and integration costs" and the \$2.5 million included in the Company's provision for income taxes reflecting the "tax impact of non-deductible executive separation costs."

<sup>3</sup> The goodwill impairment charge of \$111,312 is not deductible for tax purposes.

The provision for income taxes for the aforementioned adjustments were calculated at 40%, which approximates the Company's blended tax rate, excluding the impact of the goodwill impairment charge of \$111,312. Additionally, the provision for income taxes relating to merger and integration costs includes \$2.5 million reflecting the "tax impact of non-deductible executive separation costs" discussed above.

**Dick's Sporting Goods, Inc.**  
**Reconciliation of As Reported Financial Information to GAAP Financial Information**  
**Fiscal 2007 (In thousands)**

|   | <u>Year Ended February 2, 2008</u> |   |                       |
|---|------------------------------------|---|-----------------------|
|   | <u>As<br/>Reported</u>             | <u>Convertible<br/>Note Interest <sup>1</sup></u> | <u>GAAP<br/>Total</u> |
| Net sales   | \$ 3,888,422                       | \$ -  | \$ 3,888,422          |
| Cost of goods sold, including occupancy<br>and distribution costs | <u>2,730,359</u>                   | <u>-</u>  | <u>2,730,359</u>      |
| GROSS PROFIT  | 1,158,063                          | -   | 1,158,063             |
| Selling, general and administrative expenses                      | 870,415                            | -   | 870,415               |
| Pre-opening expenses  | <u>18,831</u>                      | <u>-</u>  | <u>18,831</u>         |
| INCOME FROM OPERATIONS  | 268,817                            | -   | 268,817               |
| Interest expense  | 13,355                             | 7,450   | 20,805                |
| Other income  | <u>(2,065)</u>                     | <u>-</u>  | <u>(2,065)</u>        |
| INCOME BEFORE INCOME TAXES  | 257,527                            | (7,450)   | 250,077               |
| Provision for income taxes  | <u>102,491</u>                     | <u>(2,980)</u>                                    | <u>99,511</u>         |
| NET INCOME  | <u>\$ 155,036</u>                  | <u>\$ (4,470)</u>                                 | <u>\$ 150,566</u>     |

<sup>1</sup> Convertible note interest adjustment is included to reconcile the previously reported financial amounts to GAAP amounts, following the Company's adoption of a new accounting standard in the first quarter of fiscal 2009 which required the Company to retroactively recognize additional non-cash interest expense based on the market rate for similar debt instruments without the conversion feature. The provision for income taxes was calculated at 40%, which approximates the Company's blended tax rate.

**Dick's Sporting Goods, Inc.**  
**Reconciliation of As Reported Financial Information to GAAP Financial Information**  
**Fiscal 2006 (In thousands)**

|   | <u>Year Ended February 3, 2007</u> |   |                       |
|---|------------------------------------|---|-----------------------|
|   | <u>As<br/>Reported</u>             | <u>Convertible<br/>Note Interest <sup>1</sup></u> | <u>GAAP<br/>Total</u> |
| Net sales   | \$ 3,114,162                       | \$ -  | \$ 3,114,162          |
| Cost of goods sold, including occupancy<br>and distribution costs | <u>2,217,463</u>                   | <u>-</u>  | <u>2,217,463</u>      |
| GROSS PROFIT  | 896,699                            | -   | 896,699               |
| Selling, general and administrative expenses                      | 682,625                            | -   | 682,625               |
| Pre-opening expenses  | <u>16,364</u>                      | <u>-</u>  | <u>16,364</u>         |
| INCOME FROM OPERATIONS  | 197,710                            | -   | 197,710               |
| Interest expense  | 10,956                             | 6,896   | 17,852                |
| Other income  | <u>(931)</u>                       | <u>-</u>  | <u>(931)</u>          |
| INCOME BEFORE INCOME TAXES  | 187,685                            | (6,896)   | 180,789               |
| Provision for income taxes  | <u>75,074</u>                      | <u>(2,758)</u>                                    | <u>72,316</u>         |
| NET INCOME  | <u>\$ 112,611</u>                  | <u>\$ (4,138)</u>                                 | <u>\$ 108,473</u>     |

<sup>1</sup> Convertible note interest adjustment is included to reconcile the previously reported financial amounts to GAAP amounts, following the Company's adoption of a new accounting standard in the first quarter of fiscal 2009 which required the Company to retroactively recognize additional non-cash interest expense based on the market rate for similar debt instruments without the conversion feature. The provision for income taxes was calculated at 40%, which approximates the Company's blended tax rate.

**Dick's Sporting Goods, Inc.**  
**Reconciliation of As Reported Financial Information to Non-GAAP Financial Information**  
**Fiscal 2005 (In thousands)**

|   | Year Ended January 28, 2006 |   |                  |   |                                 |                                      |                   |
|---|-----------------------------|---|------------------|---|---------------------------------|--------------------------------------|-------------------|
|   | As<br>Reported              | Convertible<br>Note Interest <sup>1</sup> | GAAP<br>Total    | Merger and<br>Integration<br>Costs <sup>2</sup> | Investment<br>Gain <sup>3</sup> | Stock Option<br>Expense <sup>4</sup> | Non-GAAP<br>Total |
| Net sales   | \$ 2,624,987                | \$ -                                      | \$ 2,624,987     | \$ -  | \$ -                            | \$ -                                 | \$ 2,624,987      |
| Cost of goods sold, including occupancy<br>and distribution costs | 1,887,347                   | -   | 1,887,347        | -   | -                               | -                                    | 1,887,347         |
| <b>GROSS PROFIT</b>   | <b>737,640</b>              | <b>-</b>                                  | <b>737,640</b>   | <b>-</b>  | <b>-</b>                        | <b>-</b>                             | <b>737,640</b>    |
| Selling, general and administrative expenses                      | 556,320                     | -   | 556,320          | -   | -                               | 22,473                               | 578,793           |
| Merger and integration costs                                      | 37,790                      | -   | 37,790           | (37,790)  | -                               | -                                    | -                 |
| Pre-opening expenses  | 10,781                      | -   | 10,781           | -   | -                               | -                                    | 10,781            |
| <b>INCOME FROM OPERATIONS</b>                                     | <b>132,749</b>              | <b>-</b>                                  | <b>132,749</b>   | <b>37,790</b>                                   | <b>-</b>                        | <b>(22,473)</b>                      | <b>148,066</b>    |
| Gain on sale of investment  | (1,844)                     | -   | (1,844)          | -   | 1,844                           | -                                    | -                 |
| Interest expense, net   | 12,959                      | 6,543                                     | 19,502           | -   | -                               | -                                    | 19,502            |
| <b>INCOME BEFORE INCOME TAXES</b>                                 | <b>121,634</b>              | <b>(6,543)</b>                            | <b>115,091</b>   | <b>37,790</b>                                   | <b>(1,844)</b>                  | <b>(22,473)</b>                      | <b>128,564</b>    |
| Provision for income taxes  | 48,654                      | (2,617)                                   | 46,037           | 15,116  | (738)                           | (9,004)                              | 51,411            |
| <b>NET INCOME</b>   | <b>\$ 72,980</b>            | <b>\$ (3,926)</b>                         | <b>\$ 69,054</b> | <b>\$ 22,674</b>                                | <b>\$ (1,106)</b>               | <b>\$ (13,469)</b>                   | <b>\$ 77,153</b>  |

<sup>1</sup> Convertible note interest adjustment is included to reconcile the previously reported financial amounts to GAAP amounts, following the Company's adoption of a new accounting standard in the first quarter of fiscal 2009 which required the Company to retroactively recognize additional non-cash interest expense based on the market rate for similar debt instruments without the conversion feature.

<sup>2</sup> Merger integration and store closing costs pertain to the Galyan's acquisition and include the expense of closing Dick's stores in overlapping markets, advertising the re-branding of Galyan's stores, duplicative administrative costs, recruiting and system conversion costs.

<sup>3</sup> Gain on sale of investment resulted from the sale of a portion of the Company's non-cash investment in its third-party internet commerce provider.

<sup>4</sup> Reflects the effect of expensing stock options as if we had applied "Accounting for Stock-Based Compensation", in fiscal 2005.

The provision for income taxes for the aforementioned adjustments were calculated at 40%, which approximates the Company's blended tax rate.

**Dick's Sporting Goods, Inc.**  
**Reconciliation of As Reported Financial Information to Non-GAAP Financial Information**  
**Fiscal 2004 (In thousands)**

|   | Year Ended January 29, 2005 |   |                  |   |                                 |                                      |                   |
|---|-----------------------------|---|------------------|---|---------------------------------|--------------------------------------|-------------------|
|   | As<br>Reported              | Convertible<br>Note Interest <sup>1</sup> | GAAP<br>Total    | Merger and<br>Integration<br>Costs <sup>2</sup> | Investment<br>Gain <sup>3</sup> | Stock Option<br>Expense <sup>4</sup> | Non-GAAP<br>Total |
| Net sales   | \$ 2,109,399                | \$ -                                      | \$ 2,109,399     | \$ -  | \$ -                            | \$ -                                 | \$ 2,109,399      |
| Cost of goods sold, including occupancy<br>and distribution costs | 1,522,873                   | -   | 1,522,873        | -   | -                               | -                                    | 1,522,873         |
| <b>GROSS PROFIT</b>   | <b>586,526</b>              | <b>-</b>                                  | <b>586,526</b>   | <b>-</b>  | <b>-</b>                        | <b>-</b>                             | <b>586,526</b>    |
| Selling, general and administrative expenses                      | 443,776                     | -   | 443,776          | -   | -                               | 19,602                               | 463,378           |
| Merger and integration costs                                      | 20,336                      | -   | 20,336           | (20,336)  | -                               | -                                    | -                 |
| Pre-opening expenses  | 11,545                      | -   | 11,545           | -   | -                               | -                                    | 11,545            |
| <b>INCOME FROM OPERATIONS</b>                                     | <b>110,869</b>              | <b>-</b>                                  | <b>110,869</b>   | <b>20,336</b>                                   | <b>-</b>                        | <b>(19,602)</b>                      | <b>111,603</b>    |
| Gain on sale of investment  | (10,981)                    | -   | (10,981)         | -   | 10,981                          | -                                    | -                 |
| Interest expense, net   | 8,009                       | 5,899                                     | 13,908           | -   | -                               | -                                    | 13,908            |
| Other income  | (1,000)                     | -   | (1,000)          | -   | -                               | -                                    | (1,000)           |
| <b>INCOME BEFORE INCOME TAXES</b>                                 | <b>114,841</b>              | <b>(5,899)</b>                            | <b>108,942</b>   | <b>20,336</b>                                   | <b>(10,981)</b>                 | <b>(19,602)</b>                      | <b>98,695</b>     |
| Provision for income taxes  | 45,936                      | (2,360)                                   | 43,576           | 8,134   | (4,392)                         | (7,841)                              | 39,477            |
| <b>NET INCOME</b>   | <b>\$ 68,905</b>            | <b>\$ (3,539)</b>                         | <b>\$ 65,366</b> | <b>\$ 12,202</b>                                | <b>\$ (6,589)</b>               | <b>\$ (11,761)</b>                   | <b>\$ 59,218</b>  |

<sup>1</sup> Convertible note interest adjustment is included to reconcile the previously reported financial amounts to GAAP amounts, following the Company's adoption of a new accounting standard in the first quarter of fiscal 2009 which required the Company to retroactively recognize additional non-cash interest expense based on the market rate for similar debt instruments without the conversion feature.

<sup>2</sup> Merger integration and store closing costs pertain to the Galyan's acquisition and include the expense of closing Dick's stores in overlapping markets, advertising the re-branding of Galyan's stores, duplicative administrative costs, recruiting and system conversion costs.

<sup>3</sup> Gain on sale of investment resulted from the sale of a portion of the Company's non-cash investment in its third-party internet commerce provider.

<sup>4</sup> Reflects the effect of expensing stock options as if we had applied "Accounting for Stock-Based Compensation", in fiscal 2004.

The provision for income taxes for the aforementioned adjustments were calculated at 40%, which approximates the Company's blended tax rate.



**Dick's Sporting Goods, Inc.**  
**Reconciliation of As Reported Financial Information to Non-GAAP Financial Information**  
**Fiscal 2003 (In thousands)**

|   | <u>Year Ended January 21, 2004</u> |   |  |                           |
|---|------------------------------------|---|--|---------------------------|
|   | <u>GAAP<br/>Total</u>              | <u>Investment<br/>Gain <sup>1</sup></u> | <u>Stock Option<br/>Expense <sup>2</sup></u> | <u>Non-GAAP<br/>Total</u> |
| Net sales   | \$ 1,470,845                       | \$ -                                    | \$ -   | \$ 1,470,845              |
| Cost of goods sold, including occupancy<br>and distribution costs | <u>1,062,820</u>                   | <u>-</u>                                | <u>-</u>                                     | <u>1,062,820</u>          |
| GROSS PROFIT  | 408,025                            | -                                       | -  | 408,025                   |
| Selling, general and administrative expenses                      | 314,885                            | -                                       | 6,513  | 321,398                   |
| Pre-opening expenses  | <u>7,499</u>                       | <u>-</u>                                | <u>-</u>                                     | <u>7,499</u>              |
| INCOME FROM OPERATIONS  | 85,641                             | -                                       | (6,513)                                      | 79,128                    |
| Gain on sale of investment  | (3,536)                            | 3,536                                   | -  | -                         |
| Interest expense, net   | <u>1,831</u>                       | <u>-</u>                                | <u>-</u>                                     | <u>1,831</u>              |
| INCOME BEFORE INCOME TAXES  | 87,346                             | (3,536)                                 | (6,513)                                      | 77,297                    |
| Provision for income taxes  | <u>34,938</u>                      | <u>(1,414)</u>                          | <u>(2,605)</u>                               | <u>30,918</u>             |
| NET INCOME  | <u>\$ 52,408</u>                   | <u>\$ (2,122)</u>                       | <u>\$ (3,908)</u>                            | <u>\$ 46,378</u>          |

<sup>1</sup> Gain on sale of investment resulted from the sale of a portion of the Company's non-cash investment in its third-party internet commerce provider.

<sup>2</sup> Reflects the effect of expensing stock options as if we had applied "Accounting for Stock-Based Compensation", in fiscal 2003.

The provision for income taxes for the aforementioned adjustments were calculated at 40%, which approximates the Company's blended tax rate.

**Dick's Sporting Goods, Inc.**  
**Reconciliation of As Reported Financial Information to Non-GAAP Financial Information**  
**Fiscal 2002 (In thousands)**

|   | <u>Year Ended February 1, 2003</u> |  |                           |
|---|------------------------------------|--|---------------------------|
|   | <u>As<br/>Reported</u>             | <u>Stock Option<br/>Expense <sup>1</sup></u> | <u>Non-GAAP<br/>Total</u> |
| Net sales   | \$ 1,272,584                       | \$ -   | \$ 1,272,584              |
| Cost of goods sold, including occupancy<br>and distribution costs | <u>934,956</u>                     | <u>-</u>                                     | <u>934,956</u>            |
| GROSS PROFIT  | 337,628                            | -  | 337,628                   |
| Selling, general and administrative expenses                      | 262,755                            | 3,042  | 265,797                   |
| Pre-opening expenses  | <u>6,000</u>                       | <u>-</u>                                     | <u>6,000</u>              |
| INCOME FROM OPERATIONS  | 68,873                             | (3,042)                                      | 65,831                    |
| Loss on write-down of non-cash investment                         | 2,447                              | -  | 2,447                     |
| Interest expense, net   | <u>2,864</u>                       | <u>-</u>                                     | <u>2,864</u>              |
| INCOME BEFORE INCOME TAXES  | 63,562                             | (3,042)                                      | 60,520                    |
| Provision for income taxes  | <u>25,425</u>                      | <u>(1,267)</u>                               | <u>24,158</u>             |
| NET INCOME  | <u>\$ 38,137</u>                   | <u>\$ (1,775)</u>                            | <u>\$ 36,362</u>          |

<sup>1</sup> Reflects the effect of expensing stock options as if we had applied "Accounting for Stock-Based Compensation", in fiscal 2002. The provision for income taxes was calculated at 40%, which approximates the Company's effective tax rate.