

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2009		
	13 Weeks Ended May 2, 2009		
	As Reported	Merger and Integration Costs	Non-GAAP Total
Net sales	\$ 959,662	\$ -	\$ 959,662
Cost of goods sold, including occupancy and distribution costs	709,239	-	709,239
GROSS PROFIT	250,423	-	250,423
Selling, general and administrative expenses	226,123	-	226,123
Merger and integration costs	4,354	(4,354)	-
Pre-opening expenses	3,029	-	3,029
INCOME FROM OPERATIONS	16,917	4,354	21,271
Interest expense	1,706	-	1,706
Other income	(115)	-	(115)
INCOME BEFORE INCOME TAXES	15,326	4,354	19,680
Provision for income taxes	5,105	(1,742)	6,847
NET INCOME	<u>\$ 10,221</u>	<u>\$ 2,612</u>	<u>\$ 12,833</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 0.09		\$ 0.11
Diluted	\$ 0.09		\$ 0.11
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	112,359		112,359
Diluted	116,220		116,220

EBITDA

EBITDA should not be considered as an alternative to net income or any other generally accepted accounting principles measure of performance or liquidity. EBITDA, as the Company has calculated it, may not be comparable to similarly titled measures reported by other companies. 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.

<u>EBITDA</u>	13 Weeks Ended	
	May 1, 2010	May 2, 2009
	(dollars in thousands)	
Net income	\$ 26,209	\$ 10,221
Provision for income taxes	17,963	5,105
Interest expense	3,508	1,706
Depreciation and amortization	25,866	25,096
Less: Depreciation and amortization (merger integration)	-	(188)
Add: Merger and integration costs	-	4,354
EBITDA	<u>\$ 73,546</u>	<u>\$ 46,294</u>
% increase in EBITDA	59%	

Reconciliation of Gross Capital Expenditures to 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 1, 2010	May 2, 2009
	(dollars in thousands)	
Gross capital expenditures	\$ (24,300)	\$ (29,352)
Proceeds from sale-leaseback transactions	-	11,502
Changes in deferred construction allowances	762	3,611
Construction allowance receipts	-	7,022
Net capital expenditures	<u>\$ (23,538)</u>	<u>\$ (7,217)</u>