



FOR IMMEDIATE RELEASE

DICK'S Sporting Goods Reports Second Quarter Results; Exceeds Earnings Expectations and Raises Full Year Guidance

- Consolidated earnings per diluted share totaled \$0.82 during the second quarter of 2016, exceeding guidance of \$0.62 to 0.72
- Consolidated same store sales for the second quarter increased 2.8%
- Company raises its full year 2016 earnings per diluted share guidance to \$2.90 to 3.05
- Company repurchased \$57 million of common stock and also declared a \$0.15125 per share quarterly dividend

PITTSBURGH, August 16, 2016 - DICK'S Sporting Goods, Inc. (NYSE: DKS), the largest U.S. based full-line omni-channel sporting goods retailer, today reported sales and earnings results for the second quarter ended July 30, 2016.

Second Quarter Results

The Company reported consolidated net income for the second quarter ended July 30, 2016 of \$91.4 million, or \$0.82 per diluted share, compared to the Company's expectations provided on May 19, 2016 of \$0.62 to 0.72 per diluted share. For the second quarter ended August 1, 2015, the Company reported consolidated net income of \$90.8 million, or \$0.77 per diluted share.

Net sales for the second quarter of 2016 increased 7.9% to approximately \$2.0 billion. Consolidated same store sales increased 2.8%, compared to the Company's guidance of negative 4.0% to negative 1.0%. Same store sales for DICK'S Sporting Goods increased 3.0%, while Golf Galaxy decreased 4.3%. Second quarter 2015 consolidated same store sales increased 1.2%.

"We are pleased with our second quarter results, particularly in light of the liquidation activity in the market," said Edward W. Stack, Chairman and CEO. "Looking ahead, we are focused on capturing the displaced market share and remain confident in our ability to strengthen our leadership position."

Omni-channel Development

eCommerce penetration for the second quarter of 2016 was 8.5% of total net sales, compared to 7.3% during the second quarter of 2015.

In the second quarter, the Company opened five new DICK'S Sporting Goods stores. The Company also relocated two DICK'S Sporting Goods stores. Additionally, the Company closed three DICK'S Sporting Goods stores and one Golf Galaxy store. As of July 30, 2016, the Company operated 649 DICK'S Sporting Goods stores in 47 states, with approximately 34.6 million square feet, 72 Golf Galaxy stores in 29 states, with approximately 1.3 million square feet, and 21 Field & Stream stores in ten states, with approximately 1.1 million square feet.

Store count, square footage and new stores are listed in a table later in the release under the heading "Store Count and Square Footage."

Balance Sheet

The Company ended the second quarter of 2016 with approximately \$112 million in cash and cash equivalents and approximately \$152 million in outstanding borrowings under its revolving credit facility. Over the course of the last 12 months, the Company continued to invest in omni-channel growth, while returning over \$380 million to shareholders through share repurchases and quarterly dividends.

Total inventory increased 6.2% at the end of the second quarter of 2016 as compared to the end of the second quarter of 2015. This increase includes the impact of cold-weather merchandise from fiscal 2015 being held for the 2016 winter season.

Year-to-Date Results

The Company reported consolidated net income for the 26 weeks ended July 30, 2016 of \$148.3 million, or \$1.32 per diluted share. For the 26 weeks ended August 1, 2015, the Company reported consolidated net income of \$154.2 million, or \$1.30 per diluted share.

Net sales for the 26 weeks ended July 30, 2016 increased 7.1% from last year's period to approximately \$3.6 billion, reflecting the growth of our store network and a 1.7% increase in consolidated same store sales.

Capital Allocation

On August 11, 2016, the Company's Board of Directors authorized and declared a quarterly dividend in the amount of \$0.15125 per share on the Company's Common Stock and Class B Common Stock. The dividend is payable in cash on September 30, 2016 to stockholders of record at the close of business on September 9, 2016.

During the second quarter of 2016, the Company repurchased approximately 1.3 million shares of its common stock at an average cost of \$42.60 per share, for a total cost of \$57 million. During the current fiscal year, the Company has repurchased approximately 2.4 million shares of its common stock at an average cost of \$44.47 per share, for a total cost of \$107 million. Since the beginning of fiscal 2013, the Company has repurchased approximately \$920 million of its common stock, and has approximately \$1.1 billion remaining under its authorizations that extend through 2021.

Current 2016 Outlook

The Company's current outlook for 2016 is based on current expectations and includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as described later in this release. Although the Company believes that the expectations and other comments reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations or comments will prove to be correct.

❖ Full Year 2016

- Based on an estimated 111 to 112 million diluted shares outstanding, the Company currently anticipates reporting consolidated earnings per diluted share in the range of \$2.90 to 3.05, excluding costs the Company expects to incur to convert former The Sports Authority ("TSA") stores to DICK'S Sporting Goods stores. These costs will be known once the Company determines which TSA store leases it will retain or reject. The Company's consolidated earnings per diluted share guidance includes the expectation of approximately \$100 to 200 million of share repurchases in 2016. The Company reported consolidated earnings per diluted share of \$2.83 for the 52 weeks ended January 30, 2016. On a non-GAAP basis, the Company reported consolidated earnings per diluted share of \$2.87, excluding a litigation settlement charge, for the 52 weeks ended January 30, 2016.
- Consolidated same store sales are currently expected to increase approximately 2 to 3%, compared to a 0.2% decrease in fiscal 2015.
- The Company expects to open approximately 36 new DICK'S Sporting Goods stores and relocate approximately nine DICK'S Sporting Goods stores in 2016. The Company also expects to open approximately nine new Field & Stream stores and two new Golf Galaxy stores in 2016, largely adjacent to new or relocated DICK'S Sporting Goods stores.

❖ Third Quarter 2016

- Based on an estimated 111 million diluted shares outstanding, the Company currently anticipates reporting consolidated earnings per diluted share in the range of \$0.39 to 0.42 in the third quarter of 2016, excluding costs the Company expects to incur to convert former TSA stores to DICK'S Sporting Goods stores. These costs will be known once the Company determines which TSA store leases it will retain or reject. This is compared to consolidated earnings per diluted share of \$0.41 in the third quarter of 2015. On a non-GAAP basis, the Company reported consolidated earnings per diluted share of \$0.45, excluding a litigation settlement charge, for the 13 weeks ended October 31, 2015.
- Consolidated same store sales are currently expected to increase approximately 2 to 3% in the third quarter of 2016, as compared to a 0.4% increase in the third quarter of 2015.
- The Company expects to open approximately 25 new DICK'S Sporting Goods stores and relocate four DICK'S Sporting Goods stores in the third quarter of 2016. The Company also expects to open approximately seven new Field & Stream stores and two new Golf Galaxy stores in the third quarter of 2016, largely adjacent to new or relocated DICK'S Sporting Goods stores.

❖ Capital Expenditures

- In 2016, the Company anticipates capital expenditures to be approximately \$275 million on a net basis and approximately \$450 million on a gross basis. In 2015, capital expenditures were \$204 million on a net basis and \$370 million on a gross basis.

Conference Call Info

The Company will host a conference call today at 10:00 a.m. Eastern Time to discuss the second quarter results. Investors will have the opportunity to listen to the earnings conference call over the internet through the Company's website located at investors.DICKS.com. To listen to the live call, please go to the website at least fifteen minutes early to register, download and install any necessary audio software.

In addition to the webcast, the call can be accessed by dialing (877) 443-5743 (domestic callers) or (412) 902-6617 (international callers) and requesting the "DICK'S Sporting Goods Earnings Call".

For those who cannot listen to the live webcast, it will be archived on the Company's website for approximately 30 days. In addition, a dial-in replay of the call will be available. To listen to the replay, investors should dial (877) 344-7529 (domestic callers) or (412) 317-0088 (international callers) and enter confirmation code 10090075. The dial-in replay will be available for approximately 30 days following the live call.

Forward-Looking Statements Involving Known and Unknown Risks and Uncertainties

This release contains forward-looking statements within the meaning of the securities laws. These forward-looking statements are subject to risks and uncertainties and change based on various important factors, many of which may be beyond our control. Our future performance and actual results may differ materially from those expressed or implied in such forward-looking statements. Forward-looking statements should not be relied upon by investors as a prediction of actual results. Forward-looking statements include statements regarding, among other things, the Company's future performance, capturing market share, strengthening the Company's leadership position, capital expenditures, outstanding borrowings in future periods and share repurchases.

Factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements include, but are not limited to: impact of recent liquidation sales on customer demand; the weather; changes in consumer discretionary spending; our development of an eCommerce platform; success of our transition to our own eCommerce platform; inventory turn; changes in the competitive market and competition amongst retailers; changes in consumer demand or shopping patterns and our ability to identify new trends and have the right trending products in our stores and on our website; limitations on the availability of attractive retail store sites; omni-channel growth; unauthorized disclosure of sensitive or confidential customer information; risks relating to our private brand offerings and new retail concepts; disruptions with our eCommerce service provider or our information systems; factors affecting our vendors, including supply chain and currency risks; talent needs and the loss of Edward W. Stack, our Chairman and Chief Executive Officer; disruptions of our information systems; developments with sports leagues, professional athletes or sports superstars; weather-related disruptions and seasonality of our business; and risks associated with being a controlled company.

For additional information on these and other factors that could affect our actual results, see our risk factors, which may be amended from time to time, set forth in our filings with the SEC, including our most recent Annual Report filed with the Securities and Exchange Commission on March 25, 2016. The Company disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release, except as required by applicable law or regulation. Forward-looking statements included in this release are made as of the date of this release.

About DICK'S Sporting Goods, Inc.

Founded in 1948, DICK'S Sporting Goods, Inc. is a leading omni-channel sporting goods retailer offering an extensive assortment of authentic, high-quality sports equipment, apparel, footwear and accessories. As of July 30, 2016, the Company operated more than 645 DICK'S Sporting Goods locations across the United States, serving and inspiring athletes and outdoor enthusiasts to achieve their personal best through a blend of dedicated associates, in-store services and unique specialty shop-in-shops dedicated to Team Sports, Athletic Apparel, Golf, Lodge/Outdoor, Fitness and Footwear.

Headquartered in Pittsburgh, PA, DICK'S also owns and operates Golf Galaxy, Field & Stream, True Runner and Chelsea Collective specialty stores. DICK'S offers its products through a content-rich eCommerce platform that is integrated with its store network and provides customers with the convenience and expertise of a 24-hour storefront. For more information, visit the Press Room or Investor Relations pages at DICKS.com.

Contacts:

Investor Relations:

Nate Gilch, Director of Investor Relations

DICK'S Sporting Goods, Inc.

investors@dcsq.com

(724) 273-3400

Media Relations:

(724) 273-5552 or press@dcsq.com

###

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED
(In thousands, except per share data)

| | 13 Weeks Ended | | | |
|--|------------------|------------------------------|-------------------|------------------------------|
| | July 30, 2016 | % of Sales ⁽¹⁾ | August 1, 2015 | % of Sales ⁽¹⁾ |
| Net sales | \$ 1,967,857 | 100.00% | \$ 1,822,979 | 100.00% |
| Cost of goods sold, including occupancy and distribution costs | 1,370,479 | 69.64 | 1,269,421 | 69.63 |
| GROSS PROFIT | 597,378 | 30.36 | 553,558 | 30.37 |
| Selling, general and administrative expenses | 441,721 | 22.45 | 395,935 | 21.72 |
| Pre-opening expenses | 8,487 | 0.43 | 9,216 | 0.51 |
| INCOME FROM OPERATIONS | 147,170 | 7.48 | 148,407 | 8.14 |
| Interest expense | 1,618 | 0.08 | 840 | 0.05 |
| Other (income) expense | (1,930) | (0.10) | 153 | 0.01 |
| INCOME BEFORE INCOME TAXES | 147,482 | 7.49 | 147,414 | 8.09 |
| Provision for income taxes | 56,065 | 2.85 | 56,575 | 3.10 |
| NET INCOME | \$ 91,417 | 4.65% | \$ 90,839 | 4.98% |
| EARNINGS PER COMMON SHARE: | | | | |
| Basic | \$ 0.82 | | \$ 0.78 | |
| Diluted | \$ 0.82 | | \$ 0.77 | |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: | | | | |
| Basic | 111,272 | | 116,281 | |
| Diluted | 112,118 | | 117,805 | |
| Cash dividend declared per share | \$ 0.15125 | | \$ 0.13750 | |

⁽¹⁾ Column does not add due to rounding

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED
(In thousands, except per share data)

| | 26 Weeks Ended | | | |
|--|--------------------------|-----------------------|---------------------------|-------------------------------------|
| | July 30, 2016 | % of Sales | August 1, 2015 | % of Sales⁽¹⁾ |
| Net sales | \$ 3,628,200 | 100.00% | \$ 3,388,287 | 100.00% |
| Cost of goods sold, including occupancy and distribution costs | 2,535,025 | 69.87 | 2,365,741 | 69.82 |
| GROSS PROFIT | 1,093,175 | 30.13 | 1,022,546 | 30.18 |
| Selling, general and administrative expenses | 840,289 | 23.16 | 756,671 | 22.33 |
| Pre-opening expenses | 15,006 | 0.41 | 15,557 | 0.46 |
| INCOME FROM OPERATIONS | 237,880 | 6.56 | 250,318 | 7.39 |
| Interest expense | 2,749 | 0.08 | 1,474 | 0.04 |
| Other income | (3,997) | (0.11) | (1,997) | (0.06) |
| INCOME BEFORE INCOME TAXES | 239,128 | 6.59 | 250,841 | 7.40 |
| Provision for income taxes | 90,834 | 2.50 | 96,657 | 2.85 |
| NET INCOME | <u>\$ 148,294</u> | <u>4.09%</u> | <u>\$ 154,184</u> | <u>4.55%</u> |
| EARNINGS PER COMMON SHARE: | | | | |
| Basic | \$ 1.33 | | \$ 1.32 | |
| Diluted | \$ 1.32 | | \$ 1.30 | |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: | | | | |
| Basic | 111,688 | | 116,662 | |
| Diluted | 112,697 | | 118,356 | |
| Cash dividends declared per share | \$ 0.3025 | | \$ 0.2750 | |

⁽¹⁾ Column does not add due to rounding

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS - UNAUDITED
(Dollars in thousands)

| | July 30, 2016 | August 1, 2015 | January 30, 2016 |
|---|---------------------|---------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | \$ 112,325 | \$ 123,220 | \$ 118,936 |
| Accounts receivable, net | 144,458 | 106,753 | 61,395 |
| Income taxes receivable | 2,187 | 4,652 | 5,432 |
| Inventories, net | 1,715,530 | 1,615,722 | 1,527,187 |
| Prepaid expenses and other current assets | 110,269 | 99,882 | 99,740 |
| Total current assets | <u>2,084,769</u> | <u>1,950,229</u> | <u>1,812,690</u> |
| Property and equipment, net | 1,475,797 | 1,297,302 | 1,347,885 |
| Intangible assets, net | 130,062 | 108,240 | 109,440 |
| Goodwill | 200,594 | 200,594 | 200,594 |
| Other assets: | | | |
| Deferred income taxes | 4,805 | 10,273 | 6,165 |
| Other | 91,639 | 72,453 | 82,562 |
| Total other assets | <u>96,444</u> | <u>82,726</u> | <u>88,727</u> |
| TOTAL ASSETS | <u>\$ 3,987,666</u> | <u>\$ 3,639,091</u> | <u>\$ 3,559,336</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payable | \$ 790,217 | \$ 783,722 | \$ 677,864 |
| Accrued expenses | 359,607 | 336,597 | 289,001 |
| Deferred revenue and other liabilities | 153,926 | 142,083 | 184,386 |
| Income taxes payable | 11,249 | 19,131 | 39,835 |
| Current portion of other long-term debt and leasing obligations | 612 | 560 | 589 |
| Total current liabilities | <u>1,315,611</u> | <u>1,282,093</u> | <u>1,191,675</u> |
| LONG-TERM LIABILITIES: | | | |
| Revolving credit borrowings | 152,000 | — | — |
| Other long-term debt and leasing obligations | 5,013 | 5,627 | 5,324 |
| Deferred income taxes | 14,486 | — | 6,454 |
| Deferred revenue and other liabilities | 670,956 | 517,873 | 566,696 |
| Total long-term liabilities | <u>842,455</u> | <u>523,500</u> | <u>578,474</u> |
| COMMITMENTS AND CONTINGENCIES | | | |
| STOCKHOLDERS' EQUITY: | | | |
| Common stock | 857 | 914 | 869 |
| Class B common stock | 249 | 249 | 249 |
| Additional paid-in capital | 1,097,205 | 1,045,084 | 1,063,705 |
| Retained earnings | 1,851,064 | 1,592,803 | 1,737,214 |
| Accumulated other comprehensive loss | (125) | (109) | (179) |
| Treasury stock, at cost | (1,119,650) | (805,443) | (1,012,671) |
| Total stockholders' equity | <u>1,829,600</u> | <u>1,833,498</u> | <u>1,789,187</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$ 3,987,666</u> | <u>\$ 3,639,091</u> | <u>\$ 3,559,336</u> |

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED
(Dollars in thousands)

| | 26 Weeks Ended | |
|--|--------------------------|---------------------------|
| | July 30, 2016 | August 1, 2015 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 148,294 | \$ 154,184 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation and amortization | 96,531 | 90,596 |
| Deferred income taxes | 9,392 | (1,319) |
| Stock-based compensation | 16,593 | 14,200 |
| Excess tax benefit from exercise of stock options | (7,698) | (5,842) |
| Other non-cash items | 361 | 265 |
| Changes in assets and liabilities: | | |
| Accounts receivable | (40,765) | (12,659) |
| Inventories | (188,343) | (224,955) |
| Prepaid expenses and other assets | (9,162) | (7,977) |
| Accounts payable | 137,362 | 147,888 |
| Accrued expenses | 33,261 | 9,638 |
| Income taxes payable / receivable | (17,781) | (13,690) |
| Deferred construction allowances | 68,311 | 75,082 |
| Deferred revenue and other liabilities | (23,427) | (22,372) |
| Net cash provided by operating activities | <u>222,929</u> | <u>203,039</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures | (208,449) | (154,785) |
| Deposits and purchases of other assets | (23,412) | (406) |
| Net cash used in investing activities | <u>(231,861)</u> | <u>(155,191)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Revolving credit borrowings | 1,183,000 | 465,600 |
| Revolving credit repayments | (1,031,000) | (465,600) |
| Payments on other long-term debt and leasing obligations | (288) | (263) |
| Construction allowance receipts | — | — |
| Proceeds from exercise of stock options | 15,978 | 17,870 |
| Excess tax benefit from exercise of stock options | 7,698 | 5,843 |
| Minimum tax withholding requirements | (6,619) | (7,619) |
| Cash paid for treasury stock | (107,003) | (150,000) |
| Cash dividends paid to stockholders | (34,490) | (33,425) |
| (Decrease) increase in bank overdraft | (25,009) | 21,323 |
| Net cash provided by (used in) financing activities | <u>2,267</u> | <u>(146,271)</u> |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | <u>54</u> | <u>(36)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (6,611) | (98,459) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | 118,936 | 221,679 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | <u>\$ 112,325</u> | <u>\$ 123,220</u> |

Store Count and Square Footage

The stores that opened during the second quarter of 2016 are as follows:

| <u>Store</u> | <u>Market</u> | <u>Concept</u> |
|-------------------|---------------|-----------------------|
| Gainesville, FL | Gainesville | DICK'S Sporting Goods |
| Quincy, IL | Quincy | DICK'S Sporting Goods |
| Union Gap, WA | Yakima | DICK'S Sporting Goods |
| Hayward, CA | San Francisco | DICK'S Sporting Goods |
| Valley Stream, NY | Long Island | DICK'S Sporting Goods |

The following represents a reconciliation of beginning and ending stores and square footage for the periods indicated:

Store Count:

| | <u>Fiscal 2016</u> | | | <u>Fiscal 2015</u> | | |
|------------------|--|---|--------------|--|---|--------------|
| | <u>DICK'S Sporting Goods⁽¹⁾</u> | <u>Specialty Store Concepts^{(1) (2)}</u> | <u>Total</u> | <u>DICK'S Sporting Goods⁽¹⁾</u> | <u>Specialty Store Concepts^{(1) (2)}</u> | <u>Total</u> |
| Beginning stores | 644 | 97 | 741 | 603 | 91 | 694 |
| Q1 New stores | 3 | 2 | 5 | 9 | 1 | 10 |
| Q2 New stores | 5 | — | 5 | 7 | 1 | 8 |
| Ending stores | 652 | 99 | 751 | 619 | 93 | 712 |
| Closed stores | 3 | 1 | 4 | — | 3 | 3 |
| Ending stores | 649 | 98 | 747 | 619 | 90 | 709 |
| Relocated stores | 5 | — | 5 | 1 | 1 | 2 |

Square Footage: (in millions)

| | <u>DICK'S Sporting Goods⁽¹⁾</u> | <u>Specialty Store Concepts^{(1) (2)}</u> | <u>Total⁽³⁾</u> |
|---------|--|---|----------------------------|
| Q1 2015 | 32.7 | 2.0 | 34.7 |
| Q2 2015 | 33.1 | 2.0 | 35.1 |
| Q3 2015 | 34.4 | 2.4 | 36.8 |
| Q4 2015 | 34.4 | 2.3 | 36.7 |
| Q1 2016 | 34.5 | 2.4 | 37.0 |
| Q2 2016 | 34.6 | 2.4 | 37.1 |

⁽¹⁾ In some markets we operate adjacent stores on the same property with a pass-through for customers. We refer to this format as a "combo store". Combo stores are reflected in both the DICK'S Sporting Goods and Specialty Store Concepts reconciliations. As of July 30, 2016, the Company operated five combo stores.

⁽²⁾ Includes the Company's Golf Galaxy, Field & Stream, and other specialty concept stores.

⁽³⁾ Column may not add due to rounding.

Non-GAAP Financial Measures

In addition to reporting the Company's financial results in accordance with generally accepted accounting principles ("GAAP"), the Company believes that certain non-GAAP financial information provides users of the Company's financial information with additional useful information in evaluating operating performance between reporting periods. These measures should be viewed as supplementing, and not as an alternative or substitute for, the Company's financial results prepared in accordance with GAAP. The methods used by the Company to calculate its non-GAAP financial measures may differ significantly from methods used by other companies to compute similar measures. As a result, any non-GAAP financial measures presented herein may not be comparable to similar measures provided by other companies. A reconciliation of the Company's non-GAAP measures to the most directly comparable GAAP financial measures are provided below and on the Company's website at investors.DICKS.com.

Non-GAAP Net Income and Earnings Per Share Reconciliations:

(in thousands, except per share data):

| | Fiscal 2015 | | |
|--|--|-------------------------------------|-----------------------|
| | 13 Weeks Ended October 31, 2015 | | |
| | As Reported | Litigation Settlement Charge | Non-GAAP Total |
| Net sales | \$ 1,642,627 | \$ — | \$ 1,642,627 |
| Cost of goods sold, including occupancy and distribution costs | 1,154,251 | — | 1,154,251 |
| GROSS PROFIT | 488,376 | — | 488,376 |
| Selling, general and administrative expenses | 395,015 | (7,884) | 387,131 |
| Pre-opening expenses | 16,280 | — | 16,280 |
| INCOME FROM OPERATIONS | 77,081 | 7,884 | 84,965 |
| Interest expense | 1,076 | — | 1,076 |
| Other expense | 1,185 | — | 1,185 |
| INCOME BEFORE INCOME TAXES | 74,820 | 7,884 | 82,704 |
| Provision for income taxes | 27,605 | 3,154 | 30,759 |
| NET INCOME | \$ 47,215 | \$ 4,730 | \$ 51,945 |
| EARNINGS PER COMMON SHARE: | | | |
| Basic | \$ 0.41 | | \$ 0.45 |
| Diluted | \$ 0.41 | | \$ 0.45 |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: | | | |
| Basic | 114,978 | | 114,978 |
| Diluted | 116,506 | | 116,506 |

During the third quarter of 2015, the Company recorded a pre-tax litigation settlement charge of \$7.9 million. The provision for income taxes was calculated at 40%, which approximates the Company's blended tax rate.

Fiscal 2015
52 Weeks Ended January 30, 2016

| | As Reported | Litigation Settlement Charge | Non-GAAP Total |
|--|--------------------|---|---------------------------|
| Net sales | \$ 7,270,965 | \$ — | \$ 7,270,965 |
| Cost of goods sold, including occupancy and distribution costs | 5,088,078 | — | 5,088,078 |
| GROSS PROFIT | 2,182,887 | — | 2,182,887 |
| Selling, general and administrative expenses | 1,613,075 | (7,884) | 1,605,191 |
| Pre-opening expenses | 34,620 | — | 34,620 |
| INCOME FROM OPERATIONS | 535,192 | 7,884 | 543,076 |
| Interest expense | 4,012 | — | 4,012 |
| Other expense | 305 | — | 305 |
| INCOME BEFORE INCOME TAXES | 530,875 | 7,884 | 538,759 |
| Provision for income taxes | 200,484 | 3,154 | 203,638 |
| NET INCOME | \$ 330,391 | \$ 4,730 | \$ 335,121 |
| EARNINGS PER COMMON SHARE: | | | |
| Basic | \$ 2.87 | | \$ 2.91 |
| Diluted | \$ 2.83 | | \$ 2.87 |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: | | | |
| Basic | 115,230 | | 115,230 |
| Diluted | 116,794 | | 116,794 |

During the third quarter of 2015, the Company recorded a pre-tax litigation settlement charge of \$7.9 million. The provision for income taxes was calculated at 40%, which approximates the Company's blended tax rate.

EBITDA

EBITDA is a key metric that provides a measurement of profitability that eliminates the effect of changes resulting from financing decisions, tax regulations and capital investments. EBITDA should not be considered as an alternative to net income or any other generally accepted accounting principles measure of performance or liquidity and may not be comparable to similarly titled measures reported by other companies.

| | 13 Weeks Ended | |
|-------------------------------|-------------------------------|---------------------------|
| | July 30, 2016 | August 1, 2015 |
| | (dollars in thousands) | |
| Net income | \$ 91,417 | \$ 90,839 |
| Provision for income taxes | 56,065 | 56,575 |
| Interest expense | 1,618 | 840 |
| Depreciation and amortization | 48,541 | 48,020 |
| EBITDA | \$ 197,641 | \$ 196,274 |
| % increase in EBITDA | 1% | |

| | 26 Weeks Ended | |
|-------------------------------|-------------------------------|---------------------------|
| | July 30, 2016 | August 1, 2015 |
| | (dollars in thousands) | |
| Net income | \$ 148,294 | \$ 154,184 |
| Provision for income taxes | 90,834 | 96,657 |
| Interest expense | 2,749 | 1,474 |
| Depreciation and amortization | 96,531 | 90,596 |
| EBITDA | \$ 338,408 | \$ 342,911 |
| % decrease in EBITDA | (1)% | |

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 | |
|---|-------------------------------|---------------------------|
| | July 30, 2016 | August 1, 2015 |
| | (dollars in thousands) | |
| Gross capital expenditures | \$ (208,449) | \$ (154,785) |
| Proceeds from sale-leaseback transactions | — | — |
| Deferred construction allowances | 68,311 | 75,082 |
| Construction allowance receipts | — | — |
| Net capital expenditures | \$ (140,138) | \$ (79,703) |