

Non-GAAP Net Income and Earnings Per Share Reconciliation

(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 income	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.

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2015		
	39 Weeks Ended October 31, 2015		
	As Reported	Litigation Settlement Charge	Non-GAAP Total
Net sales	\$ 5,030,914	\$ -	\$ 5,030,914
Cost of goods sold, including occupancy and distribution costs	3,519,993	-	3,519,993
GROSS PROFIT	1,510,921	-	1,510,921
Selling, general and administrative expenses	1,151,686	(7,884)	1,143,802
Pre-opening expenses	31,836	-	31,836
INCOME FROM OPERATIONS	327,399	7,884	335,283
Interest expense	2,550	-	2,550
Other income	(812)	-	(812)
INCOME BEFORE INCOME TAXES	325,661	7,884	333,545
Provision for income taxes	124,262	3,154	127,416
NET INCOME	<u>\$ 201,399</u>	<u>\$ 4,730</u>	<u>\$ 206,129</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 1.73		\$ 1.78
Diluted	\$ 1.71		\$ 1.75
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	116,101		116,101
Diluted	117,739		117,739

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.

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2014			
	39 Weeks Ended November 1, 2014			
	As Reported	Gain on Sale of Asset	Golf Restructuring Charges	Non-GAAP Total
Net sales	\$ 4,654,473	\$ -	\$ -	\$ 4,654,473
Cost of goods sold, including occupancy and distribution costs	3,259,063	-	(2,405)	3,256,658
GROSS PROFIT	1,395,410	-	2,405	1,397,815
Selling, general and administrative expenses	1,063,351	14,428	(17,960)	1,059,819
Pre-opening expenses	28,480	-	-	28,480
INCOME FROM OPERATIONS	303,579	(14,428)	20,365	309,516
Interest expense	2,230	-	-	2,230
Other income	(4,863)	-	-	(4,863)
INCOME BEFORE INCOME TAXES	306,212	(14,428)	20,365	312,149
Provision for income taxes	117,550	(5,771)	8,146	119,925
NET INCOME	<u>\$ 188,662</u>	<u>\$ (8,657)</u>	<u>\$ 12,219</u>	<u>\$ 192,224</u>
EARNINGS PER COMMON SHARE:				
Basic	\$ 1.58			\$ 1.61
Diluted	\$ 1.55			\$ 1.58
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	119,743			119,743
Diluted	121,734			121,734

During the first quarter of 2014, the Company recorded a pre-tax \$14.4 million gain on sale of a Gulfstream G650 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.

Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	Fiscal 2014			
	52 Weeks Ended January 31, 2015			
	As Reported	Gain on Sale of Asset	Golf Restructuring Charges	Non-GAAP Total
Net sales	\$ 6,814,479	\$ -	\$ -	\$ 6,814,479
Cost of goods sold, including occupancy and distribution costs	4,727,813	-	(2,405)	4,725,408
GROSS PROFIT	2,086,666	-	2,405	2,089,071
Selling, general and administrative expenses	1,502,089	14,428	(17,960)	1,498,557
Pre-opening expenses	30,518	-	-	30,518
INCOME FROM OPERATIONS	554,059	(14,428)	20,365	559,996
Interest expense	3,215	-	-	3,215
Other income	(5,170)	-	-	(5,170)
INCOME BEFORE INCOME TAXES	556,014	(14,428)	20,365	561,951
Provision for income taxes	211,816	(5,771)	8,146	214,191
NET INCOME	<u>\$ 344,198</u>	<u>\$ (8,657)</u>	<u>\$ 12,219</u>	<u>\$ 347,760</u>
EARNINGS PER COMMON SHARE:				
Basic	\$ 2.89			\$ 2.92
Diluted	\$ 2.84			\$ 2.87
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	119,244			119,244
Diluted	121,238			121,238

During the first quarter of 2014, the Company recorded a pre-tax \$14.4 million gain on sale of a Gulfstream G650 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.

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, capital investments and certain non-recurring, infrequent or unusual items.

	13 Weeks Ended	
	October 31, 2015	November 1, 2014
	(dollars in thousands)	
Net income	\$ 47,215	\$ 49,211
Provision for income taxes	27,605	30,347
Interest expense	1,076	858
Depreciation and amortization	46,087	41,229
EBITDA	<u>\$ 121,983</u>	<u>\$ 121,645</u>
Add: Litigation settlement charge	<u>7,884</u>	<u>-</u>
Adjusted EBITDA, as defined	<u>\$ 129,867</u>	<u>\$ 121,645</u>
% increase in adjusted EBITDA		7%

	39 Weeks Ended	
	October 31, 2015	November 1, 2014
	(dollars in thousands)	
Net income	\$ 201,399	\$ 188,662
Provision for income taxes	124,262	117,550
Interest expense	2,550	2,230
Depreciation and amortization	136,683	131,000
EBITDA	<u>\$ 464,894</u>	<u>\$ 439,442</u>
Add: Litigation settlement charge	<u>7,884</u>	<u>-</u>
Less: Gain on sale of asset	<u>-</u>	<u>(14,428)</u>
Add: Golf restructuring charges	<u>-</u>	<u>6,043</u>
Adjusted EBITDA, as defined	<u>\$ 472,778</u>	<u>\$ 431,057</u>
% increase in adjusted EBITDA		10%

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.

	39 Weeks Ended	
	October 31, 2015	November 1, 2014
	(dollars in thousands)	
Gross capital expenditures	\$ (273,962)	\$ (271,257)
Proceeds from sale-leaseback transactions	-	-
Deferred construction allowances	118,647	87,898
Construction allowance receipts	-	-
Net capital expenditures	<u>\$ (155,315)</u>	<u>\$ (183,359)</u>