

BEST BUY CO., INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
CONTINUING OPERATIONS

(\$ in millions, except per share amounts)
(Unaudited and subject to reclassification)

The following information provides reconciliations of non-GAAP financial measures from continuing operations to the most comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the U.S. ("GAAP"). The company has provided non-GAAP financial measures, which are not calculated or presented in accordance with GAAP, as information supplemental and in addition to the financial measures presented in the accompanying news release that are calculated and presented in accordance with GAAP. Such non-GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented in the news release. The non-GAAP financial measures in the accompanying news release may differ from similar measures used by other companies.

The following tables reconcile operating income, net earnings and diluted earnings per share for the periods presented for continuing operations (GAAP financial measures) to adjusted operating income, adjusted net earnings and adjusted diluted earnings per share for continuing operations (non-GAAP financial measures) for the periods presented.

	Three Months Ended		Three Months Ended	
	Feb 1, 2014		Feb 2, 2013	
	\$	% of Rev.	\$	% of Rev.
<u>Domestic - Continuing Operations</u>				
Gross profit	\$2,454	20.0%	\$2,796	22.3%
Restructuring charges - COGS	0	0.0%	1	0.0%
Adjusted gross profit	<u>\$2,454</u>	20.0%	<u>\$2,797</u>	22.3%
SG&A	\$1,964	16.0%	\$2,062	16.5%
Non-restructuring asset impairments - SG&A	(59)	(0.5%)	(9)	(0.1%)
Adjusted SG&A	<u>\$1,905</u>	15.5%	<u>\$2,053</u>	16.4%
Operating income	\$393	3.2%	\$650	5.2%
Restructuring charges - COGS	0	0.0%	1	0.0%
Non-restructuring asset impairments - SG&A	59	0.5%	9	0.1%
Goodwill impairment	0	0.0%	3	0.0%
Restructuring charges	97	0.8%	81	0.6%
Adjusted operating income	<u>\$549</u>	4.5%	<u>\$744</u>	5.9%
<u>International - Continuing Operations</u>				
SG&A	\$369	17.0%	\$460	19.2%
Non-restructuring asset impairments - SG&A	(6)	(0.3%)	(35)	(1.5%)
Adjusted SG&A	<u>\$363</u>	16.7%	<u>\$425</u>	17.7%
Operating income (loss)	\$76	3.5%	(\$831)	(34.6%)
Non-restructuring asset impairments - SG&A	6	0.3%	35	1.5%
Goodwill impairment	0	0.0%	819	34.1%
Restructuring charges	18	0.8%	87	3.6%
Adjusted operating income	<u>\$100</u>	4.6%	<u>\$110</u>	4.6%
<u>Consolidated - Continuing Operations</u>				
Gross profit	\$2,917	20.2%	\$3,331	22.3%
Restructuring charges - COGS	0	0.0%	1	0.0%
Adjusted gross profit	<u>\$2,917</u>	20.2%	<u>\$3,332</u>	22.3%
SG&A	\$2,333	16.1%	\$2,522	16.9%
Non-restructuring asset impairments - SG&A	(65)	(0.4%)	(44)	(0.3%)
Adjusted SG&A	<u>\$2,268</u>	15.7%	<u>\$2,478</u>	16.6%
Operating income (loss)	\$469	3.2%	(\$181)	(1.2%)
Restructuring charges - COGS	0	0.0%	1	0.0%
Non-restructuring asset impairments - SG&A	65	0.4%	44	0.3%
Goodwill impairment	0	0.0%	822	5.5%
Restructuring charges	115	0.8%	168	1.1%
Adjusted operating income	<u>\$649</u>	4.5%	<u>\$854</u>	5.7%

	Three Months Ended		Three Months Ended	
	Feb 1, 2014		Feb 2, 2013	
	\$	% of Rev.	\$	% of Rev.
Net earnings (loss)	\$310		(\$461)	
After-tax impact of restructuring charges - COGS	0		1	
After-tax impact of net LCD settlements ¹	6		0	
After-tax impact of non-restructuring asset impairments - SG&A	42		31	
After-tax impact of goodwill impairment	0		821	
After-tax impact of restructuring charges	74		107	
Income tax impact of Best Buy Europe sale ²	4		0	
Adjusted net earnings	<u>\$436</u>		<u>\$499</u>	
Diluted EPS	\$0.88		(\$1.36)	
Per share impact of restructuring charges - COGS	0.00		0.01	
Per share impact of net LCD settlements ¹	0.02		0.00	
Per share impact of non-restructuring asset impairments - SG&A	0.12		0.09	
Per share impact of goodwill impairment	0.00		2.42	
Per share impact of restructuring charges	0.21		0.31	
Per share income tax impact of Best Buy Europe sale ²	0.01		0.00	
Adjusted diluted EPS	<u>\$1.24</u>		<u>\$1.47</u>	

	Twelve Months Ended		Twelve Months Ended	
	Feb 1, 2014		Feb 2, 2013	
	\$	% of Rev.	\$	% of Rev.
<u>Domestic - Continuing Operations</u>				
Gross profit	\$8,274	23.1%	\$8,741	23.8%
Restructuring charges - COGS	0	0.0%	1	0.0%
LCD settlements ³	<u>(264)</u>	(0.7%)	<u>0</u>	0.0%
Adjusted gross profit	<u>\$8,010</u>	22.4%	<u>\$8,742</u>	23.8%
SG&A	\$7,006	19.6%	\$7,365	20.1%
Non-restructuring asset impairments - SG&A	(84)	(0.2%)	(23)	(0.1%)
LCD settlement legal fees ³	<u>(35)</u>	(0.1%)	<u>0</u>	0.0%
Adjusted SG&A	<u>\$6,887</u>	19.2%	<u>\$7,342</u>	20.0%
Operating income	\$1,145	3.2%	\$1,040	2.8%
Restructuring charges - COGS	0	0.0%	1	0.0%
Net LCD settlements ³	(229)	(0.6%)	0	0.0%
Non-restructuring asset impairments - SG&A	84	0.2%	23	0.1%
Goodwill impairment	0	0.0%	3	0.0%
Restructuring charges	<u>123</u>	0.3%	<u>333</u>	0.9%
Adjusted operating income	<u>\$1,123</u>	3.1%	<u>\$1,400</u>	3.8%
<u>International - Continuing Operations</u>				
SG&A	\$1,385	21.1%	\$1,589	22.1%
Non-restructuring asset impairments - SG&A	<u>(17)</u>	(0.3%)	<u>(37)</u>	(0.5%)
Adjusted SG&A	<u>\$1,368</u>	20.8%	<u>\$1,552</u>	21.6%
Operating loss	(\$5)	(0.1%)	(\$871)	(12.1%)
Non-restructuring asset impairments - SG&A	17	0.3%	37	0.5%
Goodwill impairment	0	0.0%	819	11.4%
Restructuring charges	<u>36</u>	0.5%	<u>87</u>	1.2%
Adjusted operating income	<u>\$48</u>	0.7%	<u>\$72</u>	1.0%

	Twelve Months Ended		Twelve Months Ended	
	Feb 1, 2014		Feb 2, 2013	
	\$	% of Rev.	\$	% of Rev.
<u>Consolidated - Continuing Operations</u>				
Gross profit	\$9,690	22.8%	\$10,365	23.6%
Restructuring charges - COGS	0	0.0%	1	0.0%
LCD settlements ³	(264)	(0.6%)	0	0.0%
Adjusted gross profit	<u>\$9,426</u>	22.2%	<u>\$10,366</u>	23.6%
SG&A	\$8,391	19.8%	\$8,954	20.4%
Non-restructuring asset impairments - SG&A	(101)	(0.2%)	(60)	(0.1%)
LCD settlement legal fees ³	(35)	(0.1%)	0	0.0%
Adjusted SG&A	<u>\$8,255</u>	19.5%	<u>\$8,894</u>	20.3%
Operating income	\$1,140	2.7%	\$169	0.4%
Restructuring charges - COGS	0	0.0%	1	0.0%
Net LCD settlements ³	(229)	(0.5%)	0	0.0%
Non-restructuring asset impairments - SG&A	101	0.2%	60	0.1%
Goodwill impairment	0	0.0%	822	1.9%
Restructuring charges	159	0.4%	420	1.0%
Adjusted operating income	<u>\$1,171</u>	2.8%	<u>\$1,472</u>	3.4%
Net earnings (loss)	\$687		(\$271)	
After-tax impact of restructuring charges - COGS	0		1	
After-tax impact of net LCD settlements ³	(142)		0	
After-tax impact of non-restructuring asset impairments - SG&A	67		41	
After-tax impact of goodwill impairment	0		821	
After-tax impact of restructuring charges	104		271	
After-tax impact of gain on sale of investments	(12)		0	
Income tax impact of Best Buy Europe sale ²	18		0	
Adjusted net earnings	<u>\$722</u>		<u>\$863</u>	
Diluted EPS	\$1.98		(\$0.80)	
Per share impact of net LCD settlements ³	(0.41)		0.00	
Per share impact of non-restructuring asset impairments - SG&A	0.19		0.12	
Per share impact of goodwill impairment	0.00		2.42	
Per share impact of restructuring charges	0.30		0.80	
Per share impact of gain on sale of investments	(0.04)		0.00	
Per share income tax impact of Best Buy Europe sale ²	0.05		0.00	
Adjusted diluted EPS	<u>\$2.07</u>		<u>\$2.54</u>	

(1) Represents interim period tax reporting impact of Q2 FY14 LCD-related legal settlements.

(2) Tax impact of Best Buy Europe sale and resulting required tax allocation between continuing and discontinued operations.

(3) Includes settlements reached in Q2 FY14. Settlements reached prior to Q2 FY14 are not included.

BEST BUY CO., INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(\$ in millions)

(Unaudited and subject to reclassification)

The following information provides a reconciliation of a non-GAAP financial measure to the most comparable financial measure calculated and presented in accordance with GAAP. The company has provided the non-GAAP financial measure, which is not calculated or presented in accordance with GAAP, as information supplemental and in addition to the financial measure that is calculated and presented in accordance with GAAP. Such non-GAAP financial measure should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial measure. The non-GAAP financial measure in the accompanying news release may differ from similar measures used by other companies.

The following table includes the calculation of Adjusted ROIC for total operations, which includes both continuing and discontinued operations (non-GAAP financial measures), along with a reconciliation to the calculation of return on total assets ("ROA") (GAAP financial measure) for the periods presented.

Calculation of Return on Invested Capital¹

	<u>Feb 1, 2014²</u>	<u>Feb 2, 2013²</u>
<u>Net Operating Profit After Taxes (NOPAT)</u>		
Operating income - continuing operations	\$ 1,140	\$ 169
Operating loss - discontinued operations	(206)	(14)
Total operating income	934	155
Add: Operating lease interest ³	517	587
Add: Investment income	33	32
Less: Net (earnings) loss attributable to noncontrolling interest (NCI)	9	(16)
Less: Income taxes ⁴	(629)	(763)
NOPAT	\$ 864	\$ (5)
Add: Restructuring charges and impairments ⁵	256	1,340
Add: NCI impact of BBYM profit share buyout, restructuring charges and impairments	(38)	(3)
Adjusted NOPAT	\$ 1,082	\$ 1,332
<u>Average Invested Capital</u>		
Total assets	\$ 14,174	\$ 16,551
Less: Excess Cash ⁶	(1,564)	(554)
Add: Capitalized operating lease obligations ⁷	8,272	9,397
Total liabilities	(10,453)	(12,485)
Exclude: Debt ⁸	1,674	2,140
Less: Noncontrolling interests	(160)	(627)
Average invested capital	\$ 11,943	\$ 14,422
Adjusted return on invested capital (ROIC)	9.1%	9.2%

Calculation of Return on Assets¹

	<u>Feb 1, 2014²</u>	<u>Feb 2, 2013²</u>
Net earnings (loss) including noncontrolling interests	\$ 523	\$ (233)
Total assets	14,174	16,551
Return on assets (ROA)	3.7%	(1.4%)

(1) The calculations of Return on Invested Capital and Return on Assets use total operations, which includes both continuing and discontinued operations.

(2) Income statement accounts represent the activity for the 12 months ended as of each of the balance sheet dates. Balance sheet accounts represent the average account balances for the 4 quarters ended as of each of the balance sheet dates.

(3) Operating lease interest represents the add-back to operating income driven by our capitalized lease obligations and represents fifty percent of our annual rental expense which is the multiple used for the retail sector by one of the nationally recognized credit rating agencies that rates our creditworthiness, and we consider it to be an appropriate multiple for our lease portfolio.

(4) Income taxes are calculated using a blended statutory rate at the enterprise level based on statutory rates from the countries we do business in.

(5) Includes all restructuring charges in costs of goods sold and operating expenses, goodwill and tradename impairments, non-restructuring impairments, and the BBE transaction costs.

(6) Cash and cash equivalents and short-term investments are capped at the greater of 1% of revenue or actual amounts on hand. The cash and cash equivalents and short-term investments in excess of the cap are subtracted from our calculation of average invested capital to show their exclusion from total assets.

(7) The multiple of eight times annual rental expense in the calculation of our capitalized operating lease obligations is the multiple used for the retail sector by one of the nationally recognized credit rating agencies that rates our creditworthiness, and we consider it to be an appropriate multiple for our lease portfolio.

(8) Debt includes short-term debt, current portion of long-term debt and long-term debt and is added back to our calculation of average invested capital to show its exclusion from total liabilities.