

**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 the most comparable financial measures from continuing operations calculated and presented in accordance with accounting principles generally accepted in the U.S. ("GAAP") to presented non-GAAP financial measures. The company believes that non-GAAP financial measures, when reviewed in conjunction with GAAP financial measures, can provide more information to assist investors in evaluating current period performance and in assessing future performance. For these reasons, our internal management reporting also includes non-GAAP measures. On a consistent basis, non-GAAP measures include adjustments for items such as restructuring charges, goodwill impairments, non-restructuring asset impairments and gains or losses on investments. In addition, certain other items may be excluded from non-GAAP financial measures when the company believes this provides greater clarity to management and our investors. The company strongly encourages investors and shareholders to review its financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. Non-GAAP measures as presented herein may not be comparable to similarly titled measures used by other companies.

The following tables reconcile gross profit, SG&A, operating income, effective tax rate, net earnings and diluted earnings per share for the periods presented for continuing operations (GAAP financial measures) to non-GAAP gross profit, non-GAAP SG&A, non-GAAP operating income, non-GAAP effective tax rate, non-GAAP net earnings and non-GAAP diluted earnings per share for continuing operations (non-GAAP financial measures) for the periods presented.

	<u>Three Months Ended</u>		<u>Three Months Ended</u>	
	<u>April 30, 2016</u>		<u>May 2, 2015</u>	
	\$	% of Rev.	\$	% of Rev.
<b><u>Domestic - Continuing Operations</u></b>				
Gross Profit	\$1,986	25.4%	\$1,886	23.9%
CRT settlements <sup>1</sup>	(183)	(2.3%)	(78)	(1.0%)
Non-GAAP gross profit	<u>\$1,803</u>	23.0%	<u>\$1,808</u>	22.9%
SG&A	\$1,587	20.3%	\$1,584	20.1%
CRT settlement legal fees and costs <sup>1</sup>	(22)	(0.3%)	(11)	(0.1%)
Non-restructuring asset impairments - SG&A	(4)	(0.1%)	(11)	(0.1%)
Non-GAAP SG&A	<u>\$1,561</u>	19.9%	<u>\$1,562</u>	19.8%
Operating income	\$372	4.8%	\$304	3.9%
Net CRT settlements <sup>1</sup>	(161)	(2.1%)	(67)	(0.8%)
Non-restructuring asset impairments - SG&A	4	0.1%	11	0.1%
Restructuring charges	27	0.3%	(2)	(0.0%)
Non-GAAP operating income	<u>\$242</u>	3.1%	<u>\$246</u>	3.1%
<b><u>International - Continuing Operations</u></b>				
Gross profit	\$159	25.9%	\$144	21.6%
Restructuring charges - COGS	0	0.0%	8	1.2%
Non-GAAP gross profit	<u>\$159</u>	25.9%	<u>\$152</u>	22.8%
SG&A	\$157	25.6%	\$182	27.2%
Other Canadian brand consolidation charges - SG&A <sup>2</sup>	0	0.0%	(3)	(0.4%)
Non-restructuring asset impairments - SG&A	(1)	(0.2%)	0	0.0%
Non-GAAP SG&A	<u>\$156</u>	25.4%	<u>\$179</u>	26.8%
Operating income (loss)	\$0	0.0%	(\$218)	(32.6%)
Restructuring charges - COGS	0	0.0%	8	1.2%
Other Canadian brand consolidation charges - SG&A <sup>2</sup>	0	0.0%	3	0.4%
Non-restructuring asset impairments - SG&A	1	0.2%	0	0.0%
Restructuring charges	2	0.3%	180	26.9%
Non-GAAP operating income / (loss)	<u>\$3</u>	0.5%	<u>(\$27)</u>	(4.0%)

**Consolidated - Continuing Operations**

Gross profit	\$2,145	25.4%	\$2,030	23.7%
CRT settlements <sup>1</sup>	(183)	(2.2%)	(78)	(0.9%)
Restructuring charges - COGS	0	0.0%	8	0.1%
Non-GAAP gross profit	<u>\$1,962</u>	23.2%	<u>\$1,960</u>	22.9%
SG&A	\$1,744	20.7%	\$1,766	20.6%
CRT settlement legal fees and costs <sup>1</sup>	(22)	(0.3%)	(11)	(0.1%)
Other Canadian brand consolidation charges - SG&A <sup>2</sup>	0	0.0%	(3)	0.0%
Non-restructuring asset impairments - SG&A	(5)	(0.1%)	(11)	(0.1%)
Non-GAAP SG&A	<u>\$1,717</u>	20.3%	<u>\$1,741</u>	20.3%
Operating income	\$372	4.4%	\$86	1.0%
Net CRT settlements <sup>1</sup>	(161)	(1.9%)	(67)	(0.8%)
Restructuring charges - COGS	0	0.0%	8	0.1%
Other Canadian brand consolidation charges - SG&A <sup>2</sup>	0	0.0%	3	0.0%
Non-restructuring asset impairments - SG&A	5	0.1%	11	0.1%
Restructuring charges	29	0.3%	178	2.1%
Non-GAAP operating income	<u>\$245</u>	2.9%	<u>\$219</u>	2.6%
Income tax expense	\$134		\$38	
Effective tax rate	37.3%		50.3%	
Income tax impact of non-GAAP adjustments <sup>3</sup>	(47)		37	
Non-GAAP Income tax expense	<u>\$87</u>		<u>\$75</u>	
Non-GAAP Effective tax rate	37.7%		36.4%	
Net earnings	\$226		\$37	
Net CRT settlements <sup>1</sup>	(161)		(67)	
Restructuring charges - COGS	0		8	
Other Canadian brand consolidation charges - SG&A <sup>2</sup>	0		3	
Non-restructuring asset impairments - SG&A	5		11	
Restructuring charges	29		178	
(Gain) loss on investments, net	(2)		(2)	
Income tax impact of non-GAAP adjustments <sup>3</sup>	47		(37)	
Non-GAAP net earnings	<u>\$144</u>		<u>\$131</u>	
Diluted EPS	\$0.69		\$0.10	
Per share impact of net CRT settlements <sup>1</sup>	(0.49)		(0.19)	
Per share impact of restructuring charges - COGS	0.00		0.02	
Per share impact of other Canada brand consolidation charges - SG&A <sup>2</sup>	0.00		0.01	
Per share impact of non-restructuring asset impairments - SG&A	0.02		0.03	
Per share impact of restructuring charges	0.09		0.50	
Per share impact of (gain) loss on investments, net	(0.01)		0.00	
Per share income tax impact of non-GAAP adjustments <sup>3</sup>	0.14		(0.10)	
Non-GAAP diluted EPS	<u>\$0.44</u>		<u>\$0.37</u>	

(1) Represents cathode ray tube (CRT) litigation settlements reached, net of related legal fees and costs. Settlements relate to products purchased and sold in prior fiscal years. Refer to Note 12, *Contingencies and Commitments*, in the Notes to Consolidated Financial Statements included in the company's Annual Report on Form 10-K for the fiscal year ended January 30, 2016, for additional information.

(2) Represents charges related to the Canadian brand consolidation initiated in Q1 FY16, primarily due to retention bonuses and other store-related costs that were a direct result of the consolidation but did not qualify as restructuring charges.

(3) Income tax impact of non-GAAP adjustments is the summation of the calculated income tax charge related to each non-GAAP non-income tax adjustment. Income tax charge is calculated using the estimated annual effective tax rate in effect during the period of the related non-GAAP adjustment.