

**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, internal management reporting also includes non-GAAP measures. Generally, presented 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 investors. These non-GAAP financial measures should be considered in addition to, and not superior to or as a substitute for the GAAP financial measures presented in this earnings release and the company's financial statements and other publicly filed reports. 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.

	Three Months Ended July 30, 2016		Three Months Ended August 1, 2015	
	\$	% of Rev.	\$	% of Rev.
<u>Domestic - Continuing Operations</u>				
Gross profit	\$1,895	24.0%	\$1,946	24.7%
CRT settlements ¹	0	0.0%	(10)	(0.1%)
Non-GAAP gross profit	<u>\$1,895</u>	24.0%	<u>\$1,936</u>	24.6%
SG&A	\$1,608	20.4%	\$1,636	20.8%
CRT settlement legal fees and costs ¹	0	0.0%	(2)	(0.0%)
Non-restructuring asset impairments - SG&A	(3)	(0.0%)	(11)	(0.1%)
Non-GAAP SG&A	<u>\$1,605</u>	20.3%	<u>\$1,623</u>	20.6%
Operating income	\$289	3.7%	\$309	3.9%
Net CRT settlements ¹	0	0.0%	(8)	(0.1%)
Non-restructuring asset impairments - SG&A	3	0.0%	11	0.1%
Restructuring charges	(2)	(0.0%)	1	0.0%
Non-GAAP operating income	<u>\$290</u>	3.7%	<u>\$313</u>	4.0%
<u>International - Continuing Operations</u>				
Gross profit	\$167	25.9%	\$152	23.4%
Restructuring charges - COGS	0	0.0%	(3)	(0.5%)
Non-GAAP gross profit	<u>\$167</u>	25.9%	<u>\$149</u>	22.9%
SG&A	\$165	25.6%	\$175	26.9%
Other Canada brand consolidation charges - SG&A ²	(1)	(0.2%)	(2)	(0.3%)
Non-restructuring asset impairments - SG&A	0	0.0%	(3)	(0.5%)
Non-GAAP SG&A	<u>\$164</u>	25.5%	<u>\$170</u>	26.2%

Operating income (loss)	\$0	0.0%	(\$21)	(3.2%)
Restructuring charges - COGS	0	0.0%	(3)	(0.5%)
Other Canada brand consolidation charges - SG&A ²	1	0.2%	2	0.3%
Non-restructuring asset impairments - SG&A	0	0.0%	3	0.5%
Restructuring charges	2	0.3%	(2)	(0.3%)
Non-GAAP operating income (loss)	<u>\$3</u>	0.5%	<u>(\$21)</u>	(3.2%)

Consolidated - Continuing Operations

Gross profit	\$2,062	24.2%	\$2,098	24.6%
CRT settlements ¹	0	0.0%	(10)	(0.1%)
Restructuring charges – COGS	0	0.0%	(3)	(0.0%)
Non-GAAP gross profit	<u>\$2,062</u>	24.2%	<u>\$2,085</u>	24.4%

SG&A	\$1,773	20.8%	\$1,811	21.2%
CRT settlement legal fees and costs ¹	0	0.0%	(2)	(0.0%)
Other Canada brand consolidation charges - SG&A ²	(1)	(0.0%)	(2)	(0.0%)
Non-restructuring asset impairments - SG&A	(3)	(0.0%)	(14)	(0.2%)
Non-GAAP SG&A	<u>\$1,769</u>	20.7%	<u>\$1,793</u>	21.0%

Operating income	\$289	3.4%	\$288	3.4%
Net CRT settlements ¹	0	0.0%	(8)	(0.1%)
Restructuring charges - COGS	0	0.0%	(3)	(0.0%)
Other Canada brand consolidation charges - SG&A ²	1	0.0%	2	0.0%
Non-restructuring asset impairments - SG&A	3	0.0%	14	0.2%
Restructuring charges	0	0.0%	(1)	(0.0%)
Non-GAAP operating income	<u>\$293</u>	3.4%	<u>\$292</u>	3.4%

Income tax expense	\$97		\$108	
Effective tax rate	34.8%		39.8%	
Income tax impact of non-GAAP adjustments ³	\$1		(\$6)	
Non-GAAP Income tax expense	<u>\$98</u>		<u>\$102</u>	
Non-GAAP Effective tax rate	34.7%		37.1%	

Net earnings	\$182		\$164	
Net CRT settlements ¹	0		(8)	
Restructuring charges - COGS	0		(3)	
Other Canada brand consolidation charges - SG&A ²	1		2	
Non-restructuring asset impairments - SG&A	3		14	
Restructuring charges	0		(1)	
Income tax impact of non-GAAP adjustments ³	(1)		6	
Non-GAAP net earnings	<u>\$185</u>		<u>\$174</u>	

Diluted EPS	\$0.56		\$0.46	
Per share impact of net CRT settlements ¹	0.00		(0.02)	
Per share impact of restructuring charges - COGS	0.00		(0.01)	
Per share impact of other Canada brand consolidation charges - SG&A ²	0.00		0.00	
Per share impact of non-restructuring asset impairments - SG&A	0.01		0.04	
Per share impact of restructuring charges	0.00		0.00	
Per share income tax impact of non-GAAP adjustments ³	0.00		0.02	
Non-GAAP diluted EPS	<u>\$0.57</u>		<u>\$0.49</u>	

	Six Months Ended		Six Months Ended	
	July 30, 2016		August 1, 2015	
	\$	% of Rev.	\$	% of Rev.
<u>Domestic - Continuing Operations</u>				
Gross profit	\$3,881	24.7%	\$3,832	24.3%
CRT settlements ¹	(183)	(1.2%)	(88)	(0.6%)
Non-GAAP gross profit	<u>\$3,698</u>	23.5%	<u>\$3,744</u>	23.7%
SG&A	\$3,195	20.3%	\$3,220	20.4%
CRT settlement legal fees and costs ¹	(22)	(0.1%)	(13)	(0.1%)
Non-restructuring asset impairments - SG&A	(7)	(0.0%)	(22)	(0.1%)
Non-GAAP SG&A	<u>\$3,166</u>	20.1%	<u>\$3,185</u>	20.2%
Operating income	\$661	4.2%	\$613	3.9%
Net CRT settlements ¹	(161)	(1.0%)	(75)	(0.5%)
Non-restructuring asset impairments - SG&A	7	0.0%	22	0.1%
Restructuring charges	25	0.2%	(1)	(0.0%)
Non-GAAP operating income	<u>\$532</u>	3.4%	<u>\$559</u>	3.5%
<u>International - Continuing Operations</u>				
Gross profit	\$326	25.9%	\$296	22.5%
Restructuring charges - COGS	0	0.0%	5	0.4%
Non-GAAP gross profit	<u>\$326</u>	25.9%	<u>\$301</u>	22.8%
SG&A	\$322	25.6%	\$357	27.1%
Other Canada brand consolidation charges - SG&A ²	(1)	(0.1%)	(5)	(0.4%)
Non-restructuring asset impairments - SG&A	(1)	(0.1%)	(3)	(0.2%)
Non-GAAP SG&A	<u>\$320</u>	25.4%	<u>\$349</u>	26.5%
Operating income (loss)	\$0	0.0%	(\$239)	(18.1%)
Restructuring charges - COGS	0	0.0%	5	0.4%
Other Canada brand consolidation charges - SG&A ²	1	0.1%	5	0.4%
Non-restructuring asset impairments - SG&A	1	0.1%	3	0.2%
Restructuring charges	4	0.3%	178	13.5%
Non-GAAP operating income (loss)	<u>\$6</u>	0.5%	<u>(\$48)</u>	(3.6%)
<u>Consolidated - Continuing Operations</u>				
Gross profit	\$4,207	24.8%	\$4,128	24.2%
CRT settlements ¹	(183)	(1.1%)	(88)	(0.5%)
Restructuring charges – COGS	0	0.0%	5	0.0%
Non-GAAP gross profit	<u>\$4,024</u>	23.7%	<u>\$4,045</u>	23.7%
SG&A	\$3,517	20.7%	\$3,577	20.9%
CRT settlement legal fees and costs ¹	(22)	(0.1%)	(13)	(0.1%)
Other Canada brand consolidation charges - SG&A ²	(1)	(0.0%)	(5)	(0.0%)
Non-restructuring asset impairments - SG&A	(8)	(0.0%)	(25)	(0.1%)
Non-GAAP SG&A	<u>\$3,486</u>	20.5%	<u>\$3,534</u>	20.7%

Operating income	\$661	3.9%	\$374	2.2%
Net CRT settlements ¹	(161)	(0.9%)	(75)	(0.4%)
Restructuring charges – COGS	0	0.0%	5	0.0%
Other Canada brand consolidation charges - SG&A ²	1	0.0%	5	0.0%
Non-restructuring asset impairments - SG&A	8	0.0%	25	0.1%
Restructuring charges	29	0.2%	177	1.0%
Non-GAAP operating income	<u>\$538</u>	3.2%	<u>\$511</u>	3.0%
Income tax expense	\$231		\$146	
Effective tax rate	36.2%		42.1%	
Income tax impact of non-GAAP adjustments ³	<u>\$(46)</u>		<u>\$31</u>	
Non-GAAP Income tax expense	<u>\$185</u>		<u>\$177</u>	
Non-GAAP Effective tax rate	36.1%		36.8%	
Net earnings	\$408		\$201	
Net CRT settlements ¹	(161)		(75)	
Restructuring charges - COGS	0		5	
Other Canada brand consolidation charges - SG&A ²	1		5	
Non-restructuring asset impairments - SG&A	8		25	
Restructuring charges	29		177	
Gain on investments	(2)		(2)	
Income tax impact of non-GAAP adjustments ³	46		(31)	
Non-GAAP net earnings	<u>\$329</u>		<u>\$305</u>	
Diluted EPS	\$1.26		\$0.57	
Per share impact of net CRT settlements ¹	(0.50)		(0.21)	
Per share impact of restructuring charges - COGS	0.00		0.01	
Per share impact of other Canada brand consolidation charges - SG&A ²	0.00		0.01	
Per share impact of non-restructuring asset impairments - SG&A	0.03		0.07	
Per share impact of restructuring charges	0.09		0.50	
Per share impact of gain on investments	(0.01)		0.00	
Per share income tax impact of non-GAAP adjustments ³	0.14		(0.09)	
Non-GAAP diluted EPS	<u>\$1.01</u>		<u>\$0.86</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. The non-GAAP adjustments relate primarily to adjustments in the United States and Canada. As such, the income tax charge is calculated using the statutory tax rates of 38% for the United States and 26.4% for Canada, applied to the non-GAAP adjustments of each country, which are detailed in the Domestic and International segment reconciliations above, respectively.