

## Fiscal 2017 Results Compared With Fiscal 2016

Consolidated revenue of \$39.4 billion in fiscal 2017 decreased 0.3% compared to fiscal 2016. The components of the 0.3% revenue decrease in fiscal 2017 were as follows:

Impact of foreign currency exchange rate fluctuations	(0.2)%
Non-comparable sales <sup>(1)</sup>	(0.3)%
Comparable sales impact	0.2 %
Total revenue decrease	(0.3)%

(1) Non-comparable sales reflects the impact of revenue in our International segment for the first through third quarters of fiscal 2017, net store opening and closing activity, as well as, the impact of revenue streams not included within our comparable sales calculation, such as profit share revenue, certain credit card revenue, gift card breakage and sales of merchandise to wholesalers and dealers, as applicable.

Our gross profit rate increased 0.7% of revenue in fiscal 2017 . Our Domestic segment contributed a rate increase of 0.5% of revenue, while our International segment contributed 0.2%. For further discussion of each segment's gross profit rate changes, see *Segment Performance Summary* , below.

The SG&A rate remained flat on a year-over-year basis with both our Domestic and International segments contributing flat year-over-year SG&A as a percentage of revenue. For further discussion of each segment's SG&A rate changes, see *Segment Performance Summary*, below.

SG&A restructuring charges decreased from \$198 million in fiscal 2016 to \$39 million in fiscal 2017. The fiscal 2017 activity primarily related to our Domestic segment, while our fiscal 2016 activity was driven by our International segment. For further discussion of each segment's SG&A restructuring charges, see *Segment Performance Summary*, below.

Our operating income increased \$479 million , and our operating income as a percent of revenue increased to 4.7% of revenue in fiscal 2017 , compared to operating income of 3.5% of revenue in fiscal 2016 . The increase in our operating income was primarily due to an increase in our gross profit rate and a decrease in our restructuring activity.

## Fiscal 2016 Results Compared With Fiscal 2015

The components of the 2.0% revenue decrease in fiscal 2016 were as follows:

Impact of foreign currency exchange rate fluctuations	(1.3)%
Non-comparable sales <sup>(1)</sup>	(1.1)%
Comparable sales impact	0.4 %
Total revenue decrease	(2.0)%

(1) Non-comparable sales reflects the impact of revenue in our International segment, net store opening and closing activity, as well as, the impact of revenue streams not included within our comparable sales calculation, such as profit share revenue, certain credit card revenue, gift card breakage and sales of merchandise to wholesalers and dealers, as applicable.

Our gross profit rate increased 0.9% of revenue in fiscal 2016 . Our Domestic segment contributed a rate increase of 0.9% of revenue and there was no change in our International segment. For further discussion of each segment's gross profit rate changes, see *Segment Performance Summary* , below.

The SG&A rate increased 0.5% of revenue in fiscal 2016 . Our Domestic segment contributed a rate increase of 0.5% of revenue and there was no change in our International segment. For further discussion of each segment's SG&A rate changes, see *Segment Performance Summary*, below.

SG&A restructuring charges increased from \$5 million in fiscal 2015 to \$198 million in fiscal 2016. Our International segment drove this increase. For further discussion of each segment's SG&A restructuring charges, see *Segment Performance Summary* , below.

Our operating income decreased \$75 million, and our operating income as a percent of revenue decreased to 3.5% of revenue in fiscal 2016 , compared to operating income of 3.6% of revenue in fiscal 2015 . The decrease in our operating income was primarily due to an increase in restructuring charges partially offset by net CRT/LCD legal settlement proceeds received in fiscal 2016.