CONSOLIDATED STATEMENTS OF OPERATIONS

| (In millions, except per share data) | 2019 | 2018 | 2017 |
|--|--------------|--------------|--------------|
| Total net sales | \$ 10,716 | \$ 11,664 | \$ 12,554 |
| Credit income and other | 451 | 355 | 319 |
| Total revenues | 11,167 | 12,019 | 12,873 |
| Costs and expenses/(income): | | | |
| Cost of goods sold (exclusive of depreciation and amortization shown separately below) | 7,013 | 7,870 | 8,208 |
| Selling, general and administrative (SG&A) | 3,585 | 3,596 | 3,845 |
| Depreciation and amortization | 544 | 556 | 570 |
| Real estate and other, net | (15) | (19) | (146) |
| Restructuring and management transition | 48 | 22 | 184 |
| Total costs and expenses | 11,175 | 12,025 | 12,661 |
| Operating income/(loss) | (8) | (6) | 212 |
| Other components of net periodic pension and postretirement benefit cost/(income) | (35) | (71) | 98 |
| (Gain)/loss on extinguishment of debt | (1) | 23 | 33 |
| Net interest expense | 293 | 313 | 325 |
| Income/(loss) before income taxes | (265) | (271) | (244) |
| Income tax expense/(benefit) | 3 | (16) | (126) |
| Net income/(loss) | \$ (268) | \$ (255) | \$ (118) |
| Earnings/(loss) per share: | | | |
| Basic | \$ (0.84) | \$ (0.81) | \$ (0.38) |
| Diluted | (0.84) | (0.81) | (0.38) |
| Weighted average shares – basic | 320.2 | 315.7 | 311.1 |
| Weighted average shares – diluted | 320.2 | 315.7 | 311.1 |

See the accompanying notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

| (\$ in millions) | 2019 | 2018 | 2017 |
|---|----------|----------|----------|
| Net income/(loss) | \$ (268) | \$ (255) | \$ (118) |
| Other comprehensive income/(loss), net of tax: | | | |
| Retirement benefit plans | | | |
| Net actuarial gain/(loss) arising during the period (1) | (84) | 38 | 67 |
| Reclassification of net actuarial (gain)/loss from a settlement (2) | 8 | 4 | 8 |
| Reclassification for net actuarial (gain)/loss (3) | 10 | (2) | 16 |
| Reclassification for amortization of prior service (credit)/cost (4) | 7 | 4 | 4 |
| Reclassification of prior service (credit)/cost from a curtailment(5) | _ | _ | 3 |
| Cash flow hedges | | | |
| Gain/(loss) on interest rate swaps (6) | (48) | (9) | 6 |
| Reclassification for periodic settlements (7) | (5) | (2) | 7 |
| Foreign currency translation | | | |
| Unrealized gain/(loss) | _ | (1) | 2 |
| Total other comprehensive income/(loss), net of tax | (112) | 32 | 113 |
| Total comprehensive income/(loss), net of tax | \$ (380) | \$ (223) | \$ (5) |

- (1) Net of \$22 million of tax in 2019 offset by a deferred tax valuation allowance of \$(22) million, \$(10) million of tax in 2018 and \$(36) million of tax in 2017. For 2017, the amount includes a \$27 million pre-tax gain related to curtailment.
- (2) Net of \$(2) million of tax in 2019 offset by a deferred tax valuation allowance of \$2 million, \$(3) million of tax in 2018 and \$(5) million of tax in 2017. Pre-tax amounts of \$8 million, \$7 million and \$13 million were recognized in Other components of net periodic pension and postretirement benefit cost/(income) in the Consolidated Statement of Operations in 2019, 2018 and 2017. respectively.
- (3) Net of \$(2) million of tax in 2019 offset by a deferred tax valuation allowance of \$2 million, \$1 million of tax in 2018 and \$(9) million of tax in 2017. Pre-tax amounts of \$10 million in 2019, \$(3) million in 2018 and \$25 million in 2017 were recognized in Other components of net periodic pension and postretirement benefit cost/(income) in the Consolidated Statement of Operations.
- (4) Net of \$(3) million of tax in 2019 offset by a deferred tax valuation allowance of \$3 million, \$(3) million of tax in 2018 and \$(3) million of tax in 2017. Pre-tax amounts of \$7 million in 2019, 2018 and 2017 were recognized in Other components of net periodic pension and postretirement benefit cost/(income) in the Consolidated Statement of Operations.
- (5) Net of \$(1) million of tax in 2017. Pre-tax prior service cost of \$5 million related to the curtailment is included in Other components of net periodic pension and postretirement benefit cost/(income) in the Consolidated Statements of Operations in 2017.
- (6) Net of \$12 million of tax in 2019 offset by a deferred tax valuation allowance of \$(12) million, \$4 million of tax in 2018 and \$(3) million of tax in 2017.
- (7) Net of \$1 million of tax in 2019 offset by a deferred tax valuation allowance of \$(1) million, \$0 million of tax in 2018 and \$(3) million of tax in 2017. Pre-tax amounts of \$(5) million in 2019, \$(2) million in 2018 and \$10 million in 2017 were recognized in Net interest expense in the Consolidated Statement of Operations.

See the accompanying notes to the Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

| Current assers: S 108 \$ 108 \$ 108 \$ 128 224 Cash short-term investments 278 224 224 Cash and eash equivalents 386 333 333 Merchandise inventory 2,166 2,437 189 2,437 189 2,166 2,939 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,729 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,726 2,959 2,959 2,959 2,959 2,959 2,959 2,959 2,959 2,952 2,752 2,252 2,252 2,252 2,252 2,252 2,252 2,252 2,25 | (\$ in millions, except per share data) | 20 | 19 | 2018 |
|--|--|----|----------|---------|
| Cash in banks and in transit \$ 108 \$ 100 Cash short-term investments 278 224 Cash and cash equivalents 386 333 Merchandise inventory 2,166 2,437 Prepaid expenses and other 171 189 Total current assets 2,726 2,598 Operating lease assets 988 3,988 Operating lease assets 998 | Assets | | | |
| Cash short-term investments 278 224 Cash and cash equivalents 336 333 Merchandise inventory 2,166 2,437 Prepaid expenses and other 174 18 Total current assets 2,726 2,959 Operating leases sheets 988 3,938 Operating lease assets 989 98 Prepaid pension 120 147 Other assets 657 677 Total Assets 657 677 Total Assets 557 677 Total Children Stockholders' Futive 887 788 Current flatibilities 578 847 Other accounts payable and accrued expenses 931 955 Current portion of finance leases and note payable 67 6 Current porting lease liabilities 17 9 Current porting finance leases and note payable 1932 1942 Current porting lease liabilities 1,02 1,02 Consumer to porting lease liabilities 1,03 3,574 3,714 <td>Current assets:</td> <td></td> <td></td> <td></td> | Current assets: | | | |
| Cash and cash equivalents 386 333 Merchandise inventory 2,166 2,437 Prepaid expenses and other 174 189 Total current assets 2,766 2,959 Properly and equipment, net 3,488 3,938 Operating lease assets 657 677 Other assets 657 677 Total Assets 57,989 7,721 Labilities and Stockholder's Equity 87,989 7,721 Labilities and Stockholder's Equity 931 995 Current labilities 5786 847 Other accounts payable 5786 847 Other accounts payable and accrued expenses 931 995 Current portion of finance leases and note payable 17 9 Current portion of finance leases and note payable 1,79 9 Current portion of finance leases and note payable 1,93 1,94 Current portion per liabilities 1,93 1,94 Current portion of finance leases and note payable 3,57 3,71 Long-term finance leases a | Cash in banks and in transit | \$ | 108 \$ | 109 |
| Merchandise inventory 2,166 2,437 Prepaid expenses and other 174 189 Total current assets 2,726 2,959 Prepaid equipment, net 3,488 3,938 Operating lease assets 998 — Prepaid pension 120 147 Other assets 5,799 7,721 Libilities 5,799 7,721 Libilities and Stockholders' Equity 5,789 7,721 Current liabilities 361 8,847 Other ascounts payable and accrued expenses 931 995 Current operating lease liabilities 67 — Current portion of finance leases and note payable 1 8 — Current auturities of long-term debt 1,932 1,942 — Current portion of finance leases and note payable 1,932 1,942 — Cong-term finance leases and note payable 3,574 3,716 — Long-term finance leases and note payable 3,574 3,716 — Long-term finance leases and note payable | Cash short-term investments | | 278 | 224 |
| Prepaid expenses and other 174 189 Total current assets 2,756 2,959 Operating lease assets 98 — Perpaid pension 120 147 Other assets 5,759 5,759 Total Assets 5,759 5,759 Total Labilities 8,750 8,847 Understandis accounts payable 5,768 8,847 Other accounts payable and accrued expenses 93 9,95 Current operating lease liabilities 6 7 6 Current portion of finance leases and note payable 11 8 6 Current portion of finance leases and note payable 14 9 9 Current portion of finance leases and note payable 1,932 1,942 9 Current portion of finance leases and note payable 1,108 — — Current instricties of long-term debt 1,108 — — — 2 1,04 1,04 1,04 1,04 1,04 1,04 1,04 1,04 1,04 1,04 1,04 <td>Cash and cash equivalents</td> <td></td> <td>386</td> <td>333</td> | Cash and cash equivalents | | 386 | 333 |
| Total current assets 2,756 2,959 Property and equipment, net 3,488 3,938 Operating lease assets 998 — Prepaid pension 657 617 Other assets 657 677 Total Asset 5,789 7,722 Libilities and Stockholders' Equity 87 88 847 Other accounts payable 931 995 Current operating lease liabilities 67 — Current operating lease liabilities 14 92 Current operating lease liabilities 14 92 Total current liabilities 1,132 1,942 Voncurent operating lease liabilities 1,352 1,942 Current operating lease liabilities 1,352 1,942 Voncurent operating lease liabilities 1,352 1,942 Voncurent operating lease liabilities 3,574 3,716 Long-term finance leases and note payable 1,352 3,716 Long-term finance lease labilities 3,574 3,716 Deferred taxes 1,65 | Merchandise inventory | | 2,166 | 2,437 |
| Property and equipment, net 3,488 3,938 Operating lease assets 998 — Prepaid pension 120 147 Other assets 657 677 Total Assets 5,798 7,721 Liabilities and Stockholders' Equity Total Liabilities 8 7,721 Uncert liabilities 5 786 8 47 95 Other accounts payable 5 786 8 47 95 Current operating lease liabilities 67 9 95 Current portion of finance leases and note payable 11 8 9 Current porting lease liabilities 17 92 92 Total current liabilities 1,108 92 1,108 92 Long-term debt 3,574 3,716 | Prepaid expenses and other | | 174 | 189 |
| Operating lease assets 998 — Prepaid pension 120 147 Other assets 657 677 Total Assets 5 79,99 7,721 Liabilities and Stockholders' Equity Urrent liabilities: Merchandise accounts payable 8 786 8 487 Other accounts payable and accrued expenses 931 995 Current porting lease liabilities 67 — Current operating leases and note payable 11 8 Current porting lease liabilities 147 92 Total current liabilities 132 1,942 Noncurrent operating lease liabilities 1,932 1,942 Noncurrent operating lease liabilities 1,042 2,042 Long-term debt 3,574 3,176 3,176 Ober recent daxes 116 131 3,176 3,176 Other liabilities 430 5,581 3,176 3,176 3,176 3,176 3,176 3,176 3,176 3,176 3,176 3,176 | Total current assets | | 2,726 | 2,959 |
| Prepaid pension 120 147 Other assets 657 677 Total Assets \$ 7,89 \$ 7,721 Liabilities and Stockholders' Equity Urient liabilities: Merchandise accounts payable \$ 786 \$ 847 Other accounts payable and accrued expenses 931 995 Current operating lease liabilities 67 — Current portion of finance leases and note payable 117 92 Current perating lease liabilities 147 92 Total current liabilities 1,108 — Noncurrent operating lease liabilities 1,108 — Noncurrent operating lease liabilities 1,108 — Long-term flance leases and note payable 1,108 — Long-term flance leases and note payable 3,574 3,716 Deferred taxes 116 131 Deferred taxes 116 131 Deferred taxes 17 6,551 Stockholders' Equit 160 158 Additional paid-in capital 4 | Property and equipment, net | | 3,488 | 3,938 |
| Other assets 657 677 Total Assets 8 7,989 8 7,720 Libilities and Stockholders' Equity 8 7,808 8 8,47 Current liabilities: Merchandisea actorated expenses 931 995 Other accounts payable and accrued expenses 931 995 Current operating lease liabilities 67 — Current portion of finance leases and note payable 11 8 Current maturities of long-term debt 1,108 — Current porting lease liabilities 1,108 — Conservent injudical lease liabilities 1,108 — Conservent finance leases and note payable 1,108 — Long-term finance leases and note payable 3,574 3,716 Long-term finance leases and note payable 3,574 3,716 </td <td>Operating lease assets</td> <td></td> <td>998</td> <td>_</td> | Operating lease assets | | 998 | _ |
| Total Assets \$ 7,989 \$ 7,721 Liabilities and Stockholders' Equity Unrent liabilities: Current liabilities: Section 19 payable \$ 786 \$ 847 Other accounts payable and accrued expenses 931 995 Current operating lease liabilities 1 8 Current operating lease liabilities 147 92 Total current liabilities 1,932 1,942 Noncyrent operating lease liabilities 1,932 1,942 Noncyrent finance leases and note payable 1,932 1,942 Noncyrent debt 3,574 3,716 Long-term finance leases and note payable - 204 Long-term finance leases and note payable - 204 Long-term finance leases and note payable - 204 Long-term finance leases and note payable 3,514 3,716 Long-term finance leases and note payable - 204 Long-term finance leases and note payable - 204 Long-term finance lease and note payable - 3,716 Long-term fi | Prepaid pension | | 120 | 147 |
| Liabilities and Stockholders' Equity Current liabilities: Merchandise accounts payable \$ 786 \$ 847 Other accounts payable and accrued expenses 931 995 Current operating lease liabilities 67 — Current portion of finance leases and note payable 11 8 Current maturities of long-term debt 147 92 Total current liabilities 1,108 — Long-term finance leases and note payable 1,108 — Long-term debt 3,574 3,716 Deferred taxes 116 131 Deferred taxes 116 131 Other liabilities 430 558 Total Liabilities 450 6,51 Stockholders' Equity 160 158 Additional paid-in capital 4,723 4,713 Accumulated other comprehensive income/(loss) 382 1,170 Total Stockholders' Equity 829 1,170 | Other assets | | 657 | 677 |
| Current liabilities: Table 1 8 847 Other accounts payable and accrued expenses 931 995 Current operating lease liabilities 67 — Current portion of finance leases and note payable 1 8 Current maturities of long-term debt 147 92 Total current liabilities 1,932 1,942 Noncurrent operating lease liabilities 1,108 — Cong-term debt 3,574 3,716 Deferred taxes 116 131 Other liabilities 430 558 Total Liabilities 7,160 6,551 Stockcholders' Equity 160 158 Additional paid-in capital 4,723 4,713 Accumulated other comprehensive income/(loss) (3,87) (3,873) Accumulated other comprehensive income/(loss) 382 1,170 | Total Assets | \$ | 7,989 \$ | 7,721 |
| Merchandise accounts payable \$ 786 \$ 847 Other accounts payable and accrued expenses 931 995 Current operating lease liabilities 67 — Current portion of finance leases and note payable 1 8 Current maturities of long-term debt 147 92 Total current liabilities 1,932 1,942 Noncyrent operating lease liabilities 1,108 — Long-term finance leases and note payable — 204 Long-term finance leases and note payable — 204 Long-term finance leases and note payable — 204 Long-term debt 3,574 3,716 Deferred taxes 116 131 Other liabilities 430 558 Total Liabilities 7,160 6,551 Stockholders' Equity 160 158 Additional paid-in capital 4,723 4,713 Accumulated other comprehensive income/(loss) (3,87) (3,87) Accumulated other comprehensive income/(loss) (387) (3,87) Total Sto | Liabilities and Stockholders' Equity | | | |
| Other accounts payable and accrued expenses 931 995 Current operating lease liabilities 67 — Current portion of finance leases and note payable 1 8 Current maturities of long-term debt 147 92 Total current liabilities 1,932 1,942 Noncurrent operating lease liabilities 1,108 — Long-term finance leases and note payable — 204 Long-term debt 3,574 3,716 Deferred taxes 116 131 Other liabilities 430 558 Total Liabilities 7,160 6,551 Stockholders' Equity 160 158 Additional paid-in capital 4,723 4,713 Accumulated other comprehensive income/(loss) (387) (387) Accumulated other comprehensive income/(loss) 382 1,170 | Current liabilities: | | | |
| Current operating lease liabilities 67 — Current portion of finance leases and note payable 1 8 Current maturities of long-term debt 147 92 Total current liabilities 1,932 1,942 Noncurrent operating lease liabilities 1,108 — Long-term finance leases and note payable — 204 Long-term debt 3,574 3,716 Deferred taxes 116 131 Other liabilities 430 558 Total Liabilities 7,160 6,551 Stockholders' Equity 160 158 Additional paid-in capital 4,723 4,713 Accumulated other comprehensive income/(loss) (3,867) (3,373) Accumulated other comprehensive income/(loss) (387) (328 Total Stockholders' Equity 829 1,170 | Merchandise accounts payable | \$ | 786 \$ | 847 |
| Current portion of finance leases and note payable 1 8 Current maturities of long-term debt 147 92 Total current liabilities 1,932 1,942 Noncurrent operating lease liabilities 1,108 — Long-term finance leases and note payable — 204 Long-term debt 3,574 3,716 Deferred taxes 116 131 Other liabilities 7,160 6,551 Stockholders' Equity 160 158 Additional paid-in capital 4,723 4,713 Accumulated other comprehensive income/(loss) (3,667) (3,373) Accumulated other comprehensive income/(loss) (387) (328) Total Stockholders' Equity 829 1,170 | Other accounts payable and accrued expenses | | 931 | 995 |
| Current maturities of long-term debt 147 92 Total current liabilities 1,932 1,942 Noncurrent operating lease liabilities 1,108 — Long-term finance leases and note payable — 204 Long-term debt 3,574 3,716 Deferred taxes 116 131 Other liabilities 7,160 6,551 Stockholders' Equity 160 158 Additional paid-in capital 4,723 4,713 Accumulated other comprehensive income/(loss) 387 328 Total Stockholders' Equity 829 1,170 | Current operating lease liabilities | | 67 | _ |
| Total current liabilities 1,932 1,942 Noncurrent operating lease liabilities 1,108 — Long-term finance leases and note payable — 204 Long-term debt 3,574 3,716 Deferred taxes 116 131 Other liabilities 7,160 6,551 Stockholders' Equity 558 Common stock (1) 160 158 Additional paid-in capital 4,723 4,713 Reinvested earnings/(accumulated deficit) (3,667) (3,373) Accumulated other comprehensive income/(loss) (387) (328 Total Stockholders' Equity 829 1,170 | Current portion of finance leases and note payable | | 1 | 8 |
| Noncurrent operating lease liabilities 1,108 — Long-term finance leases and note payable — 204 Long-term debt 3,574 3,716 Deferred taxes 116 131 Other liabilities 430 558 Total Liabilities 7,160 6,551 Stockholders' Equity Common stock (1) 160 158 Additional paid-in capital 4,723 4,713 Reinvested earnings/(accumulated deficit) (3,667) (3,373) Accumulated other comprehensive income/(loss) (387) (328) Total Stockholders' Equity 829 1,170 | Current maturities of long-term debt | | 147 | 92 |
| Long-term finance leases and note payable — 204 Long-term debt 3,574 3,716 Deferred taxes 116 131 Other liabilities 430 558 Total Liabilities 7,160 6,551 Stockholders' Equity 550 Common stock(1) 160 158 Additional paid-in capital 4,723 4,713 Accumulated other comprehensive income/(loss) (3,667) (3,373) Accumulated other comprehensive income/(loss) (387) (328) Total Stockholders' Equity 829 1,170 | Total current liabilities | | 1,932 | 1,942 |
| Long-term debt 3,574 3,716 Deferred taxes 116 131 Other liabilities 430 558 Total Liabilities 7,160 6,551 Stockholders' Equity 8 160 158 Additional paid-in capital 4,723 4,713 Reinvested earnings/(accumulated deficit) (3,667) (3,373) Accumulated other comprehensive income/(loss) (387) (328) Total Stockholders' Equity 829 1,170 | Noncurrent operating lease liabilities | | 1,108 | _ |
| Deferred taxes 116 131 Other liabilities 430 558 Total Liabilities 7,160 6,551 Stockholders' Equity 8 158 160 158 Additional paid-in capital 4,723 4,713 | Long-term finance leases and note payable | | _ | 204 |
| Other liabilities 430 558 Total Liabilities 7,160 6,551 Stockholders' Equity 8 550 6,551 6,551 7,160 1,551 7,160 1,551 1,551 1,552 1,552 1,552 1,552 1,552 1,552 1,552 1,752 1 | Long-term debt | | 3,574 | 3,716 |
| Total Liabilities 7,160 6,551 Stockholders' Equity Common stock (1) 160 158 Additional paid-in capital 4,723 4,713 Reinvested earnings/(accumulated deficit) (3,667) (3,373) Accumulated other comprehensive income/(loss) (387) (328) Total Stockholders' Equity 829 1,170 | Deferred taxes | | 116 | 131 |
| Stockholders' Equity 160 158 Common stock (1) 4,723 4,713 Additional paid-in capital 4,723 4,713 Reinvested earnings/(accumulated deficit) (3,667) (3,373 Accumulated other comprehensive income/(loss) (387) (328 Total Stockholders' Equity 829 1,170 | Other liabilities | | 430 | 558 |
| Common stock (1) 160 158 Additional paid-in capital 4,723 4,713 Reinvested earnings/(accumulated deficit) (3,667) (3,373 Accumulated other comprehensive income/(loss) (387) (328 Total Stockholders' Equity 829 1,170 | Total Liabilities | | 7,160 | 6,551 |
| Additional paid-in capital 4,723 4,713 Reinvested earnings/(accumulated deficit) (3,667) (3,373 Accumulated other comprehensive income/(loss) (387) (328 Total Stockholders' Equity 829 1,170 | Stockholders' Equity | | | |
| Reinvested earnings/(accumulated deficit) (3,667) (3,373) Accumulated other comprehensive income/(loss) (387) (328) Total Stockholders' Equity 829 1,170 | Common stock (1) | | 160 | 158 |
| Accumulated other comprehensive income/(loss) (387) (328) Total Stockholders' Equity 829 1,170 | Additional paid-in capital | | 4,723 | 4,713 |
| Total Stockholders' Equity 829 1,170 | Reinvested earnings/(accumulated deficit) | | (3,667) | (3,373) |
| | Accumulated other comprehensive income/(loss) | | (387) | (328) |
| Total Liabilities and Stockholders' Equity \$ 7,989 \$ 7,721 | Total Stockholders' Equity | | 829 | 1,170 |
| | Total Liabilities and Stockholders' Equity | \$ | 7,989 \$ | 7,721 |

^{(1) 1.25} billion shares of common stock are authorized with a par value of \$0.50 per share. The total shares issued and outstanding were 320.5 million and 316.1 million as of February 1, 2020 and February 2, 2019, respectively.

See the accompanying notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

| (in millions) | Number of Common Shares | (| Common Stock | Additional id-in Capital | Reinvested Earnings/ (Accumulated Deficit) | Accumulated Other Comprehensive Income/(Loss) | To | otal Stockholders' Equity |
|---|-------------------------------|----|-----------------|-----------------------------|---|---|----|------------------------------|
| January 28, 2017 | 308.3 | \$ | 154 | \$ 4,679 | \$ (3,000) | \$ (473) | \$ | 1,360 |
| Net income/(loss) | _ | | _ | _ | (118) | _ | | (118) |
| Other comprehensive income/(loss) | _ | | _ | _ | _ | 113 | | 113 |
| Stock-based compensation | 3.7 | | 2 | 26 | _ | _ | | 28 |
| February 3, 2018 | 312.0 | \$ | 156 | \$ 4,705 | \$ (3,118) | \$ (360) | \$ | 1,383 |
| Net income/(loss) | _ | | _ | _ | (255) | _ | | (255) |
| Other comprehensive income/(loss) | _ | | _ | _ | _ | 32 | | 32 |
| Stock-based compensation and other | 4.1 | | 2 | 8 | _ | _ | | 10 |
| February 2, 2019 | 316.1 | \$ | 158 | \$ 4,713 | \$ (3,373) | \$ (328) | \$ | 1,170 |
| ASU 2016-02 (Leases) and ASU 2018-02 (Stranded Taxes) adoption (See Note 3) | _ | | _ | _ | (26) | 53 | | 27 |
| Net income/(loss) | _ | | _ | _ | (268) | _ | | (268) |
| Other comprehensive income/(loss) | _ | | _ | _ | _ | (112) | | (112) |
| Stock-based compensation and other | 4.4 | | 2 | 10 | _ | _ | | 12 |
| February 1, 2020 | 320.5 | \$ | 160 | \$ 4,723 | \$ (3,667) | \$ (387) | \$ | 829 |

See the accompanying notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

| Cash Invos from operating activities S (268) \$ (255) \$ (188) Net income/(loss) \$ (268) \$ (255) \$ (188) Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities — 566 66 Restructuring and management transition — 566 66 Assast innepriments and often changes — 56 66 Net gain on sale of operating assets (B) (B) (199) (Gain) loss on extinguishment of debt (B) (B) (B) (Gain) loss on extinguishment of debt (B) (B) (B) (Gain) loss on extinguishment of debt (B) (B) (B) (Gain) loss on extinguishment of debt (B) (B) (B) (B) Bescrift plans (B) | (\$ in millions) | 2019 | 2018 | 2017 |
|--|--|----------|----------|----------|
| Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities: Restructuring and management transition 23 3 3 74 Asset impariments and other charges — 56 6 Rot gain on sale of one-operating assets (1) — — — — — — — — — — — — — — — — — — | Cash flows from operating activities | | | |
| Restructuring and management transition 23 (3) 74 Asset impairments and other charges — 56 6 Net gain on sale of non-operating assets (8) (67) (119) Net gain on sale of operating assets (8) (67) (119) (Gain) loss on extinguishment of debt (1) 23 33 Depreciation and amortization 544 556 570 Benefit plans (37) (65) 100 Stock-based compensation 111 (60) 25 Other comprehensive income tax benefits — (11) (60) Deferred taxes 6 (3) (3) (63) Change in eash from: ************************************ | Net income/(loss) | \$ (268) | \$ (255) | \$ (118) |
| Asset impairments and other charges — 56 6 Nte gain on sale of one-operating assets (1) — — Nte gain on sale of operating assets (8) (67) (19) Gianjuloss on extinguishment of debt (1) 23 33 Depreciation and anotization 544 556 570 Benefit plans (37) (65) 106 Stock-based compensation 11 10 25 Other complexes with come tax benefits (6) (13) (63) Other complexes with come tax benefits (6) (13) (63) Clarge in cash from: 271 366 93 Prepaid expenses and other assets (9) 1 (15) Merchandise accounts payable (61) (126) (4) Income taxes — — — (12 Acarned expenses and other 3(3) (113) (62) Net cash provided by(used in) operating activities 428 359 454 Cash flows from insula of operating assets | Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities: | | | |
| Net gain on sale of non-operating assets (1) — — (Gain) loss sale of operating assets (8) (67) (119) (Gain) loss on extinguishment of debt (1) (23) 33 Depreciation and amortization 544 556 570 Benefit plans (37) (65) 100 Stock-based compensation 11 10 25 Other comprehensive income tax benefits — (11) (60) Deferred taxes 6 (3) (68) Change in eash from: — (11) (60) Change in eash from: — (11) (60) Prepaid expenses and other assets 9 1 (15) (49) Merchandise accounts payable (61) (126) (4) Income taxes — — (12 Accrued expenses and other (30) (113) (62) Act ash provided by/(ascel in) operating activities 3(30) (13) (45) Cash (assert maniferature) 3(3) (392) | Restructuring and management transition | 23 | (3) | 74 |
| Net gain on sale of operating assets (8) (67) (119) (Gain) foss on extinguishment of debt (1) 23 33 Deprecation and amortization 544 556 570 Benefit plans (37) (65) 106 Stock-based compensation 11 10 25 Other comprehensive income tax benefits — (11) (60) Deferred taxes (6) (13) (63) Change in cash from: — (11) (15) Inventory 271 366 93 Prepaid expenses and other assets (9) 1 (15) Mcrehandise accounts payable (6) (126) (4) Income taxes — — (12) Actacated expenses and other assets 30 (13) (62) Net cash provided by/(used in) operating activities 309 (392) (395) Proceeds from silc of non-operating assets 1 — — Capital expenditures (309) (392) (395) | Asset impairments and other charges | _ | 56 | 6 |
| (Gain) loss on extinguishment of debt (1) 23 33 Depecication and amortization 544 556 570 Benefit plans (37) (65) 106 Stock-based compensation 11 10 25 Other comprehensive income tax benefits — (11) (60) 30 (63) Deferred taxes (6) (13) (63) (63) (63) (61) (126) 48 Inventory 271 366 93 98 98 98 98 98 98 98 99 1 (15) (61) (126) (41) (61) (126) (41) (61) (126) (41) (61) (126) (42) (40) (40 (40 (40 (40 <td>Net gain on sale of non-operating assets</td> <td>(1)</td> <td>_</td> <td>_</td> | Net gain on sale of non-operating assets | (1) | _ | _ |
| Depreciation and amortization 544 556 570 Benefit plans 37) (65) 106 Stock-based compensation 11 10 25 Other comprehensive income tax benefits — (11) (60) Deferred taxes (6) (13) (63) Change in cash form: — 71 366 93 Prepaid expenses and other assets (9) 1 (15) Merchandias accounts payable (61) (126) (44) Income taxes — — (12) Accrued expenses and other assets 30 (113) (62) Accrued expenses and other assets 30 (113) (62) Accrued expenses and other assets 30 (113) (62) Act ash provided by/(used in) operating activities 30 (13) (62) Act ash flows from investing activities 1 — — Capital expenditures (309) (392) (395) Proceeds from sale of on-origing assets 1 — </td <td>Net gain on sale of operating assets</td> <td>(8)</td> <td>(67)</td> <td>(119)</td> | Net gain on sale of operating assets | (8) | (67) | (119) |
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| Stock-based compensation 11 10 25 Other comprehensive income tax benefits — (11) (60) Deferred taxes (6) (13) (63) Change in cash from: Use of the property of the pr | Depreciation and amortization | 544 | 556 | 570 |
| Other comprehensive income tax benefits — (11) (60) Deferred taxes (6) (13) (63) Change in cash from: Inventory 271 366 93 Prepaid expenses and other assets (9) 1 (15) Merchandise accounts payable (61) (126) (49) Income taxes — — (12) (2) Accrued expenses and other (30) (113) (62) Accrued expenses and other assets — — (12) Accrued expenses and other assets — — (12) Act cash provided by/(used in) operating activities (30) (32) (395) Proceeds from sale of non-operating activities — — — — <th< td=""><td>Benefit plans</td><td>(37)</td><td>(65)</td><td>106</td></th<> | Benefit plans | (37) | (65) | 106 |
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| Net increase/(decrease) in cash and cash equivalents53(125)(429)Cash and cash equivalents at beginning of period333458887 | Tax withholding payments for vested restricted stock | (1) | (3) | (5) |
| Cash and cash equivalents at beginning of period 333 458 887 | Net cash provided by/(used in) financing activities | (99) | (240) | (654) |
| | Net increase/(decrease) in cash and cash equivalents | 53 | (125) | (429) |
| Cash and cash equivalents at end of period \$ 386 \$ 333 \$ 458 | Cash and cash equivalents at beginning of period | 333 | 458 | 887 |
| | Cash and cash equivalents at end of period | \$ 386 | \$ 333 | \$ 458 |

 $See \ the \ accompanying \ notes \ to \ the \ Consolidated \ Financial \ Statements.$