

Consolidated Balance Sheets

Dollars in Thousands

	January 28, 2017	January 30, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 346,985	\$ 202,869
Accounts receivable	48,230	47,138
Merchandise inventories	1,406,403	1,374,505
Other current assets	36,303	44,371
Total current assets	1,837,921	1,668,883
Property and equipment:		
Land and land improvements	64,313	64,313
Buildings and leasehold improvements	3,106,481	3,106,014
Furniture, fixtures and equipment	1,065,291	1,130,471
Buildings under construction	9,024	398
Buildings and equipment under capital leases	23,648	23,648
Less accumulated depreciation and amortization	(2,478,490)	(2,385,012)
	1,790,267	1,939,832
Other assets	259,948	255,186
Total assets	\$ 3,888,136	\$ 3,863,901
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable and accrued expenses	\$ 839,305	\$ 691,310
Current portion of long-term debt	87,201	—
Current portion of capital lease obligations	3,281	3,284
Federal and state income taxes	46,730	56,622
Total current liabilities	976,517	751,216
Long-term debt	526,106	613,061
Capital lease obligations	3,988	7,269
Other liabilities	238,424	238,980
Deferred income taxes	225,684	258,070
Subordinated debentures	200,000	200,000
Commitments and contingencies		
Stockholders' equity:		
Common stock, Class A—119,814,702 and 119,767,148 shares issued; 28,147,158 and 31,909,989 shares outstanding	1,198	1,198
Common stock, Class B (convertible)—4,010,401 and 4,010,401 shares issued and outstanding	40	40
Additional paid-in capital	943,467	940,796
Accumulated other comprehensive loss	(11,137)	(17,118)
Retained earnings	4,153,844	3,994,211
Less treasury stock, at cost, Class A—91,667,544 and 87,857,159 shares	(3,369,995)	(3,123,822)
Total stockholders' equity	1,717,417	1,795,305
Total liabilities and stockholders' equity	\$ 3,888,136	\$ 3,863,901

See notes to consolidated financial statements.

Consolidated Statements of Income
Dollars in Thousands, Except Per Share Data

	Years Ended		
	January 28, 2017	January 30, 2016	January 31, 2015
Net sales	\$ 6,256,971	\$ 6,595,626	\$ 6,621,054
Service charges and other income	161,038	158,919	159,075
	<u>6,418,009</u>	<u>6,754,545</u>	<u>6,780,129</u>
Cost of sales	4,166,411	4,350,805	4,272,605
Selling, general and administrative expenses	1,655,658	1,669,916	1,663,859
Depreciation and amortization	243,657	250,011	250,683
Rentals	25,954	26,732	26,977
Interest and debt expense, net	63,059	60,923	61,306
Gain on disposal of assets	(905)	(12,626)	(6,069)
Asset impairment and store closing charges	6,500	—	—
Income before income taxes and income on and equity in losses of joint ventures	257,675	408,784	510,768
Income taxes	88,500	140,770	179,480
Income on and equity in losses of joint ventures	45	1,356	565
Net income	<u>\$ 169,220</u>	<u>\$ 269,370</u>	<u>\$ 331,853</u>
Earnings per common share:			
Basic	\$ 4.93	\$ 6.91	\$ 7.79
Diluted	4.93	6.91	7.79

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Dollars in Thousands

	Years Ended		
	January 28, 2017	January 30, 2016	January 31, 2015
Operating activities:			
Net income	\$ 169,220	\$ 269,370	\$ 331,853
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of property and other deferred cost	245,923	252,147	252,334
Deferred income taxes	(35,703)	(35,975)	(30,927)
Gain on disposal of assets	(905)	(12,626)	(6,069)
Proceeds from insurance	3,173	—	—
Gain from insurance proceeds	(1,635)	—	—
Asset impairment and store closing charges	6,500	—	—
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(1,092)	9,372	(25,670)
Increase in merchandise inventories	(33,436)	(24)	(29,160)
Decrease in other current assets	8,981	2,911	1,406
Decrease in other assets	5,844	2,939	1,031
Increase (decrease) in trade accounts payable and accrued expenses and other liabilities	156,342	(33,702)	104,923
(Decrease) increase in income taxes payable	(6,205)	(4,186)	11,868
Net cash provided by operating activities	517,007	450,226	611,589
Investing activities:			
Purchase of property and equipment	(104,824)	(165,788)	(151,888)
Proceeds from disposal of assets	1,150	25,503	14,767
Proceeds from insurance	1,525	—	—
Decrease (increase) in restricted cash	—	7,346	(7,346)
Investment in joint venture	(20,000)	—	—
Distribution from joint venture	2,500	—	1,055
Net cash used in investing activities	(119,649)	(132,939)	(143,412)
Financing activities:			
Principal payments on long-term debt and capital lease obligations	(3,284)	(5,299)	(784)
Cash dividends paid	(9,787)	(10,008)	(10,367)
Purchase of treasury stock	(240,171)	(500,000)	(290,408)
Issuance cost of line of credit	—	(2,863)	—
Net cash used in financing activities	(253,242)	(518,170)	(301,559)
Increase (decrease) in cash and cash equivalents	144,116	(200,883)	166,618
Cash and cash equivalents, beginning of year	202,869	403,752	237,134
Cash and cash equivalents, end of year	\$ 346,985	\$ 202,869	\$ 403,752
Non-cash transactions:			
Accrued capital expenditures	\$ 3,453	\$ 10,909	\$ 12,051
Stock awards	2,671	2,803	2,785
Capital lease transactions	—	9,093	—
Accrued purchases of treasury stock	6,002	—	—

See notes to consolidated financial statements.