

THE HOME DEPOT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

amounts in millions, except share and per share data

	<u>January 31, 2016</u>	<u>February 1, 2015</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,216	\$ 1,723
Receivables, net	1,890	1,484
Merchandise Inventories	11,809	11,079
Other Current Assets	1,078	1,016
Total Current Assets	<u>16,993</u>	<u>15,302</u>
Property and Equipment, at cost	39,266	38,513
Less Accumulated Depreciation and Amortization	17,075	15,793
Net Property and Equipment	<u>22,191</u>	<u>22,720</u>
Goodwill	2,102	1,353
Other Assets	1,263	571
Total Assets	<u><u>\$ 42,549</u></u>	<u><u>\$ 39,946</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Short-Term Debt	\$ 350	\$ 290
Accounts Payable	6,565	5,807
Accrued Salaries and Related Expenses	1,515	1,391
Sales Taxes Payable	476	434
Deferred Revenue	1,566	1,468
Income Taxes Payable	34	35
Current Installments of Long-Term Debt	77	38
Other Accrued Expenses	1,943	1,806
Total Current Liabilities	<u>12,526</u>	<u>11,269</u>
Long-Term Debt, excluding current installments	20,888	16,869
Other Long-Term Liabilities	1,965	1,844
Deferred Income Taxes	854	642
Total Liabilities	<u>36,233</u>	<u>30,624</u>
STOCKHOLDERS' EQUITY		
Common Stock, par value \$0.05; authorized: 10 billion shares; issued: 1.772 billion shares at January 31, 2016 and 1.768 billion shares at February 1, 2015; outstanding: 1.252 billion shares at January 31, 2016 and 1.307 billion shares at February 1, 2015	88	88
Paid-In Capital	9,347	8,885
Retained Earnings	30,973	26,995
Accumulated Other Comprehensive Loss	(898)	(452)
Treasury Stock, at cost, 520 million shares at January 31, 2016 and 461 million shares at February 1, 2015	(33,194)	(26,194)
Total Stockholders' Equity	<u>6,316</u>	<u>9,322</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 42,549</u></u>	<u><u>\$ 39,946</u></u>

See accompanying Notes to Consolidated Financial Statements.

THE HOME DEPOT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

<i>amounts in millions, except per share data</i>	Fiscal Year Ended ⁽¹⁾		
	January 31, 2016	February 1, 2015	February 2, 2014
NET SALES	\$ 88,519	\$ 83,176	\$ 78,812
Cost of Sales	58,254	54,787	51,897
GROSS PROFIT	30,265	28,389	26,915
Operating Expenses:			
Selling, General and Administrative	16,801	16,280	16,122
Depreciation and Amortization	1,690	1,640	1,627
Total Operating Expenses	18,491	17,920	17,749
OPERATING INCOME	11,774	10,469	9,166
Interest and Other (Income) Expense:			
Interest and Investment Income	(166)	(337)	(12)
Interest Expense	919	830	711
Interest and Other, net	753	493	699
EARNINGS BEFORE PROVISION FOR INCOME TAXES	11,021	9,976	8,467
Provision for Income Taxes	4,012	3,631	3,082
NET EARNINGS	\$ 7,009	\$ 6,345	\$ 5,385
Weighted Average Common Shares	1,277	1,338	1,425
BASIC EARNINGS PER SHARE	\$ 5.49	\$ 4.74	\$ 3.78
Diluted Weighted Average Common Shares	1,283	1,346	1,434
DILUTED EARNINGS PER SHARE	\$ 5.46	\$ 4.71	\$ 3.76

(1) Fiscal years ended January 31, 2016, February 1, 2015 and February 2, 2014 include 52 weeks.

See accompanying Notes to Consolidated Financial Statements.

THE HOME DEPOT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>amounts in millions</i>	Fiscal Year Ended ⁽¹⁾		
	January 31, 2016	February 1, 2015	February 2, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Earnings	\$ 7,009	\$ 6,345	\$ 5,385
Reconciliation of Net Earnings to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	1,863	1,786	1,757
Stock-Based Compensation Expense	244	225	228
Gain on Sales of Investments	(144)	(323)	—
Changes in Assets and Liabilities, net of the effects of acquisitions:			
Receivables, net	(181)	(81)	(15)
Merchandise Inventories	(546)	(124)	(455)
Other Current Assets	(5)	(199)	(5)
Accounts Payable and Accrued Expenses	888	244	605
Deferred Revenue	109	146	75
Income Taxes Payable	154	168	119
Deferred Income Taxes	15	159	(31)
Other	(33)	(104)	(35)
Net Cash Provided by Operating Activities	9,373	8,242	7,628
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Expenditures, net of \$165, \$217 and \$46 of non-cash capital expenditures in fiscal 2015, 2014 and 2013, respectively	(1,503)	(1,442)	(1,389)
Proceeds from Sales of Investments	144	323	—
Payments for Businesses Acquired, net	(1,666)	(200)	(206)
Proceeds from Sales of Property and Equipment	43	48	88
Net Cash Used in Investing Activities	(2,982)	(1,271)	(1,507)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Short-Term Borrowings, net	60	290	—
Proceeds from Long-Term Borrowings, net of discounts	3,991	1,981	5,222
Repayments of Long-Term Debt	(39)	(39)	(1,289)
Repurchases of Common Stock	(7,000)	(7,000)	(8,546)
Proceeds from Sales of Common Stock	228	252	241
Cash Dividends Paid to Stockholders	(3,031)	(2,530)	(2,243)
Other Financing Activities	4	(25)	(37)
Net Cash Used in Financing Activities	(5,787)	(7,071)	(6,652)
Change in Cash and Cash Equivalents	604	(100)	(531)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(111)	(106)	(34)
Cash and Cash Equivalents at Beginning of Year	1,723	1,929	2,494
Cash and Cash Equivalents at End of Year	\$ 2,216	\$ 1,723	\$ 1,929
SUPPLEMENTAL DISCLOSURE OF CASH PAYMENTS MADE FOR:			
Interest, net of interest capitalized	\$ 874	\$ 782	\$ 639
Income Taxes	\$ 3,853	\$ 3,435	\$ 2,839

(1) Fiscal years ended January 31, 2016, February 1, 2015 and February 2, 2014 include 52 weeks.

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