

**DOLLAR TREE, INC.**  
**CONSOLIDATED INCOME STATEMENTS**

(in millions, except per share data)	Year Ended		
	February 3, 2018	January 28, 2017	January 30, 2016
Net sales	\$ 22,245.5	\$ 20,719.2	\$ 15,498.4
Cost of sales	15,223.6	14,324.5	10,841.7
Gross profit	7,021.9	6,394.7	4,656.7
Selling, general and administrative expenses, excluding Receivable impairment	5,004.3	4,689.9	3,607.0
Receivable impairment	18.5	—	—
Selling, general and administrative expenses	5,022.8	4,689.9	3,607.0
Operating income	1,999.1	1,704.8	1,049.7
Interest expense, net	301.8	375.5	599.4
Other (income) expense, net	(6.7)	(0.1)	2.1
Income before income taxes	1,704.0	1,329.4	448.2
Provision for income taxes	(10.3)	433.2	165.8
Net income	\$ 1,714.3	\$ 896.2	\$ 282.4
Basic net income per share	\$ 7.24	\$ 3.80	\$ 1.27
Diluted net income per share	\$ 7.21	\$ 3.78	\$ 1.26

See accompanying Notes to Consolidated Financial Statements

**DOLLAR TREE, INC.**  
**CONSOLIDATED BALANCE SHEETS**

(in millions, except share and per share data)	February 3, 2018	January 28, 2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,097.8	\$ 866.4
Short-term investments	—	4.0
Merchandise inventories, net	3,169.3	2,865.8
Other current assets	309.2	201.8
Total current assets	4,576.3	3,938.0
Property, plant and equipment, net of accumulated depreciation of \$3,192.1 and \$2,694.5, respectively	3,200.7	3,115.8
Assets available for sale	8.0	9.0
Goodwill	5,025.2	5,023.5
Favorable lease rights, net of accumulated amortization of \$230.9 and \$159.3, respectively	375.3	468.6
Tradename intangible asset	3,100.0	3,100.0
Other intangible assets, net	4.8	5.1
Other assets	42.5	41.6
Total assets	<u>\$ 16,332.8</u>	<u>\$ 15,701.6</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 915.9	\$ 152.1
Accounts payable	1,174.8	1,119.6
Income taxes payable	31.5	90.0
Other current liabilities	736.9	744.2
Total current liabilities	2,859.1	2,105.9
Long-term debt, net, excluding current portion	4,762.1	6,169.7
Unfavorable lease rights, net of accumulated amortization of \$61.1 and \$39.6, respectively	100.0	124.0
Deferred tax liabilities, net	985.2	1,458.9
Income taxes payable, long-term	43.8	71.2
Other liabilities	400.3	382.4
Total liabilities	9,150.5	10,312.1
Commitments and contingencies		
Shareholders' equity:		
Common stock, par value \$0.01; 600,000,000 shares authorized, 237,325,963 and 236,136,439 shares issued and outstanding at February 3, 2018 and January 28, 2017, respectively	2.4	2.4
Additional paid-in capital	2,545.3	2,472.1
Accumulated other comprehensive loss	(32.3)	(37.6)
Retained earnings	4,666.9	2,952.6
Total shareholders' equity	7,182.3	5,389.5
Total liabilities and shareholders' equity	<u>\$ 16,332.8</u>	<u>\$ 15,701.6</u>

See accompanying Notes to Consolidated Financial Statements

**DOLLAR TREE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions)	Year Ended		
	February 3, 2018	January 28, 2017	January 30, 2016
Cash flows from operating activities:			
Net income	\$ 1,714.3	\$ 896.2	\$ 282.4
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	611.2	637.5	487.6
Provision for deferred income taxes	(473.5)	(124.1)	25.6
Stock-based compensation expense	65.7	61.6	53.2
Amortization of debt discount and debt-issuance costs	15.4	55.2	64.7
Receivable impairment	18.5	—	—
Other non-cash adjustments to net income	10.9	9.4	7.7
Changes in assets and liabilities increasing (decreasing) cash and cash equivalents:			
Merchandise inventories	(300.9)	21.9	(87.8)
Prepays and other current assets	(114.6)	117.2	(63.5)
Accounts payable	54.5	(133.8)	183.9
Income taxes payable	(58.5)	77.1	3.1
Other current liabilities	(22.7)	30.4	(164.1)
Other liabilities	(10.1)	24.7	9.7
Net cash provided by operating activities	1,510.2	1,673.3	802.5
Cash flows from investing activities:			
Capital expenditures	(632.2)	(564.7)	(480.5)
Acquisition of Family Dollar, net of common stock issued, equity compensation and cash acquired	—	—	(6,527.7)
Purchase of restricted cash and investments	—	(36.1)	(23.7)
Proceeds from sale of restricted and unrestricted investments	4.0	118.1	53.0
Proceeds from (payments for) fixed asset disposition	0.3	(0.9)	0.5
Net cash used in investing activities	(627.9)	(483.6)	(6,978.4)
Cash flows from financing activities:			
Principal payments for long-term debt	(659.1)	(4,036.2)	(5,926.7)
Proceeds from long-term debt, net of discount	—	2,962.5	12,130.2
Debt-issuance costs	—	(6.1)	(159.8)
Repayments of revolving credit facility	—	(140.0)	—
Proceeds from revolving credit facility	—	140.0	—
Proceeds from stock issued pursuant to stock-based compensation plans	35.0	41.5	13.9
Cash paid for taxes on exercises/vesting of stock-based compensation	(27.4)	(22.2)	(21.6)
Tax benefit of exercises/vesting of stock-based compensation	—	—	12.8
Net cash provided by (used in) financing activities	(651.5)	(1,060.5)	6,048.8
Effect of exchange rate changes on cash and cash equivalents	0.6	1.1	(0.9)
Net increase (decrease) in cash and cash equivalents	231.4	130.3	(128.0)
Cash and cash equivalents at beginning of year	866.4	736.1	864.1
Cash and cash equivalents at end of year	\$ 1,097.8	\$ 866.4	\$ 736.1
Supplemental disclosure of cash flow information:			
Cash paid for:			
Interest, net of amounts capitalized	\$ 286.5	\$ 329.1	\$ 487.0
Income taxes	\$ 552.4	\$ 501.8	\$ 138.4
Non-cash transactions:			
Accrued capital expenditures	\$ 45.0	\$ 30.3	\$ 72.4
Acquisition cost paid in common stock and equity compensation	\$ —	\$ —	\$ 2,290.1

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