

Consolidated Balance Sheets

Dollars in Thousands

	February 3, 2018	January 28, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 187,028	\$ 346,985
Accounts receivable	39,650	48,230
Merchandise inventories	1,463,561	1,406,403
Other current assets	39,612	36,303
Total current assets	1,729,851	1,837,921
Property and equipment:		
Land and land improvements	64,003	64,313
Buildings and leasehold improvements	3,096,838	3,106,481
Furniture, fixtures and equipment	1,041,758	1,065,291
Buildings under construction	1,464	9,024
Buildings and equipment under capital leases	23,648	23,648
Less accumulated depreciation and amortization	(2,531,435)	(2,478,490)
	1,696,276	1,790,267
Other assets	247,042	259,948
Total assets	\$ 3,673,169	\$ 3,888,136
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable and accrued expenses	\$ 835,747	\$ 839,305
Current portion of long-term debt	160,927	87,201
Current portion of capital lease obligations	1,107	3,281
Federal and state income taxes	41,920	46,730
Total current liabilities	1,039,701	976,517
Long-term debt	365,429	526,106
Capital lease obligations	2,880	3,988
Other liabilities	240,173	238,424
Deferred income taxes	116,831	225,684
Subordinated debentures	200,000	200,000
Commitments and contingencies		
Stockholders' equity:		
Common stock, Class A—119,860,744 and 119,814,702 shares issued; 24,096,228 and 28,147,158 shares outstanding	1,199	1,198
Common stock, Class B (convertible)—4,010,401 and 4,010,401 shares issued and outstanding	40	40
Additional paid-in capital	946,147	943,467
Accumulated other comprehensive loss	(15,444)	(11,137)
Retained earnings	4,365,219	4,153,844
Less treasury stock, at cost, Class A—95,764,516 and 91,667,544 shares	(3,589,006)	(3,369,995)
Total stockholders' equity	1,708,155	1,717,417
Total liabilities and stockholders' equity	\$ 3,673,169	\$ 3,888,136

See notes to consolidated financial statements.

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

	Years Ended		
	February 3, 2018	January 28, 2017	January 30, 2016
Net sales	\$ 6,261,493	\$ 6,256,971	\$ 6,595,626
Service charges and other income	161,183	161,038	158,919
	<u>6,422,676</u>	<u>6,418,009</u>	<u>6,754,545</u>
Cost of sales	4,199,718	4,166,411	4,350,805
Selling, general and administrative expenses	1,692,145	1,655,658	1,669,916
Depreciation and amortization	231,595	243,657	250,011
Rentals	28,012	25,954	26,732
Interest and debt expense, net	62,580	63,059	60,923
Loss on early extinguishment of debt	797	—	—
Gain on disposal of assets	(4,860)	(905)	(12,626)
Asset impairment and store closing charges	—	6,500	—
Income before income taxes and income on and equity in losses of joint ventures	212,689	257,675	408,784
Income taxes (benefit)	(7,800)	88,500	140,770
Income on and equity in losses of joint ventures	835	45	1,356
Net income	<u>\$ 221,324</u>	<u>\$ 169,220</u>	<u>\$ 269,370</u>
Earnings per common share:			
Basic	\$ 7.51	\$ 4.93	\$ 6.91
Diluted	7.51	4.93	6.91

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Dollars in Thousands

	Years Ended		
	February 3, 2018	January 28, 2017	January 30, 2016
Operating activities:			
Net income	\$ 221,324	\$ 169,220	\$ 269,370
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of property and other deferred cost	233,683	245,923	252,147
Deferred income taxes	(102,065)	(35,703)	(35,975)
Loss (gain) on disposal of assets	1,000	(905)	(12,626)
Proceeds from insurance	—	3,173	—
Gain from insurance proceeds	(5,861)	(1,635)	—
Loss on early extinguishment of debt	797	—	—
Asset impairment and store closing charges	—	6,500	—
Changes in operating assets and liabilities:			
Decrease (increase) in accounts receivable	8,580	(1,092)	9,372
Increase in merchandise inventories	(57,158)	(33,436)	(24)
(Increase) decrease in other current assets	(2,391)	8,981	2,911
Decrease in other assets	2,196	5,844	2,939
(Decrease) increase in trade accounts payable and accrued expenses and other liabilities	(19,615)	156,342	(33,702)
Decrease in income taxes payable	(6,205)	(6,205)	(4,186)
Net cash provided by operating activities	274,285	517,007	450,226
Investing activities:			
Purchase of property and equipment	(130,464)	(104,824)	(165,788)
Proceeds from disposal of assets	11,683	1,150	25,503
Proceeds from insurance	5,114	1,525	—
Decrease in restricted cash	—	—	7,346
Investment in joint venture	—	(20,000)	—
Distribution from joint venture	3,460	2,500	—
Net cash used in investing activities	(110,207)	(119,649)	(132,939)
Financing activities:			
Principal payments on long-term debt and capital lease obligations	(90,483)	(3,284)	(5,299)
Cash dividends paid	(9,424)	(9,787)	(10,008)
Purchase of treasury stock	(223,013)	(240,171)	(500,000)
Issuance cost of line of credit	(1,115)	—	(2,863)
Net cash used in financing activities	(324,035)	(253,242)	(518,170)
(Decrease) increase in cash and cash equivalents	(159,957)	144,116	(200,883)
Cash and cash equivalents, beginning of year	346,985	202,869	403,752
Cash and cash equivalents, end of year	\$ 187,028	\$ 346,985	\$ 202,869
Non-cash transactions:			
Accrued capital expenditures	\$ 23,084	\$ 3,453	\$ 10,909
Stock awards	2,680	2,671	2,803
Capital lease transactions	—	—	9,093
Accrued purchases of treasury stock	2,000	6,002	—

See notes to consolidated financial statements.