

Consolidated Balance Sheets

\$ in millions, except per share and share amounts

	January 28, 2017	January 30, 2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,240	\$ 1,976
Short-term investments	1,681	1,305
Receivables, net	1,347	1,162
Merchandise inventories	4,864	5,051
Other current assets	384	392
Total current assets	10,516	9,886
Property and Equipment		
Land and buildings	618	613
Leasehold improvements	2,227	2,220
Fixtures and equipment	4,998	5,002
Property under capital and financing leases	300	272
	8,143	8,107
Less accumulated depreciation	5,850	5,761
Net property and equipment	2,293	2,346
Goodwill	425	425
Other Assets	622	831
Non-current assets held for sale	—	31
Total Assets	<u>\$ 13,856</u>	<u>\$ 13,519</u>
Liabilities and Equity		
Current Liabilities		
Accounts payable	\$ 4,984	\$ 4,450
Unredeemed gift card liabilities	427	409
Deferred revenue	418	357
Accrued compensation and related expenses	358	384
Accrued liabilities	865	802
Accrued income taxes	26	128
Current portion of long-term debt	44	395
Total current liabilities	7,122	6,925
Long-Term Liabilities	704	877
Long-Term Debt	1,321	1,339
Contingencies and Commitments (Note 12)		
Equity		
Best Buy Co., Inc. Shareholders' Equity		
Preferred stock, \$1.00 par value: Authorized — 400,000 shares; Issued and outstanding — none	—	—
Common stock, \$0.10 par value: Authorized — 1.0 billion shares; Issued and outstanding — 311,108,000 and 323,779,000 shares, respectively	31	32
Prepaid share repurchase	—	(55)
Additional paid-in capital	—	—
Retained earnings	4,399	4,130
Accumulated other comprehensive income	279	271
Total equity	4,709	4,378
Total Liabilities and Equity	<u>\$ 13,856</u>	<u>\$ 13,519</u>

See Notes to Consolidated Financial Statements.

Consolidated Statements of Earnings

\$ and shares in millions, except per share amounts

Fiscal Years Ended	January 28, 2017	January 30, 2016	January 31, 2015
Revenue	\$ 39,403	\$ 39,528	\$ 40,339
Cost of goods sold	29,963	30,334	31,292
Restructuring charges — cost of goods sold	—	3	—
Gross profit	9,440	9,191	9,047
Selling, general and administrative expenses	7,547	7,618	7,592
Restructuring charges	39	198	5
Operating income	1,854	1,375	1,450
Other income (expense)			
Gain on sale of investments	3	2	13
Investment income and other	31	13	14
Interest expense	(72)	(80)	(90)
Earnings from continuing operations before income tax expense	1,816	1,310	1,387
Income tax expense	609	503	141
Net earnings from continuing operations	1,207	807	1,246
Gain (loss) from discontinued operations (Note 2), net of tax expense of \$7, \$1 and \$0	21	90	(11)
Net earnings including noncontrolling interests	1,228	897	1,235
Net earnings from discontinued operations attributable to noncontrolling interests	—	—	(2)
Net earnings attributable to Best Buy Co., Inc. shareholders	<u>\$ 1,228</u>	<u>\$ 897</u>	<u>\$ 1,233</u>
Basic earnings (loss) per share attributable to Best Buy Co., Inc. shareholders			
Continuing operations	\$ 3.79	\$ 2.33	\$ 3.57
Discontinued operations	0.07	0.26	(0.04)
Basic earnings per share	<u>\$ 3.86</u>	<u>\$ 2.59</u>	<u>\$ 3.53</u>
Diluted earnings (loss) per share attributable to Best Buy Co., Inc. shareholders			
Continuing operations	\$ 3.74	\$ 2.30	\$ 3.53
Discontinued operations	0.07	0.26	(0.04)
Diluted earnings per share	<u>\$ 3.81</u>	<u>\$ 2.56</u>	<u>\$ 3.49</u>
Weighted-average common shares outstanding			
Basic	318.5	346.5	349.5
Diluted	322.6	350.7	353.6

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

\$ in millions

Fiscal Years Ended	January 28, 2017	January 30, 2016	January 31, 2015
Operating Activities			
Net earnings including noncontrolling interests	\$ 1,228	\$ 897	\$ 1,235
Adjustments to reconcile net earnings to total cash provided by operating activities:			
Depreciation	654	657	656
Restructuring charges	39	201	23
Gain on sale of business	—	(99)	(1)
Stock-based compensation	108	104	87
Deferred income taxes	201	49	(297)
Other, net	(31)	38	8
Changes in operating assets and liabilities:			
Receivables	(185)	123	(19)
Merchandise inventories	193	86	(141)
Other assets	10	36	29
Accounts payable	518	(536)	434
Other liabilities	23	(140)	(164)
Income taxes	(213)	(94)	85
Total cash provided by operating activities	2,545	1,322	1,935
Investing Activities			
Additions to property and equipment, net of \$48, \$92 and \$14 of non-cash capital expenditures	(582)	(649)	(561)
Purchases of investments	(3,045)	(2,281)	(2,804)
Sales of investments	2,689	2,427	1,580
Proceeds from sale of business, net of cash transferred	—	103	39
Proceeds from property disposition	56	—	—
Change in restricted assets	(8)	(47)	29
Other, net	3	28	5
Total cash used in investing activities	(887)	(419)	(1,712)
Financing Activities			
Repurchase of common stock	(698)	(1,000)	—
Prepayment of accelerated share repurchase	—	(55)	—
Issuance of common stock	171	47	50
Dividends paid	(505)	(499)	(251)
Repayments of debt	(394)	(28)	(24)
Other, net	22	20	2
Total cash used in financing activities	(1,404)	(1,515)	(223)
Effect of Exchange Rate Changes on Cash	10	(38)	(52)
Increase (Decrease) in Cash and Cash Equivalents	264	(650)	(52)
Cash and Cash Equivalents at Beginning of Period, excluding held for sale	1,976	2,432	2,678
Cash and Cash Equivalents at Beginning of Period - held for sale	—	194	—
Cash and Cash Equivalents at End of Period	2,240	1,976	2,626
Cash and Cash Equivalents at End of Period - held for sale	—	—	(194)
Cash and Cash Equivalents at End of Period, excluding held for sale	\$ 2,240	\$ 1,976	\$ 2,432
Supplemental Disclosure of Cash Flow Information			
Income taxes paid	\$ 628	\$ 550	\$ 355
Interest paid	76	77	81

See Notes to Consolidated Financial Statements.