

Consolidated Balance Sheets

\$ in millions, except per share and share amounts

	February 3, 2018	January 28, 2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,101	\$ 2,240
Short-term investments	2,032	1,681
Receivables, net	1,049	1,347
Merchandise inventories	5,209	4,864
Other current assets	438	384
Total current assets	9,829	10,516
Property and Equipment		
Land and buildings	623	618
Leasehold improvements	2,327	2,227
Fixtures and equipment	5,410	4,998
Property under capital and financing leases	340	300
	8,700	8,143
Less accumulated depreciation	6,279	5,850
Net property and equipment	2,421	2,293
Goodwill	425	425
Other Assets	374	622
Total Assets	<u>\$ 13,049</u>	<u>\$ 13,856</u>
Liabilities and Equity		
Current Liabilities		
Accounts payable	\$ 4,873	\$ 4,984
Unredeemed gift card liabilities	385	427
Deferred revenue	453	418
Accrued compensation and related expenses	561	358
Accrued liabilities	864	865
Accrued income taxes	137	26
Current portion of long-term debt	544	44
Total current liabilities	7,817	7,122
Long-Term Liabilities	809	704
Long-Term Debt	811	1,321
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 — 282,988,000 and 311,108,000 shares, respectively	28	31
Additional paid-in capital	—	—
Retained earnings	3,270	4,399
Accumulated other comprehensive income	314	279
Total equity	3,612	4,709
Total Liabilities and Equity	<u>\$ 13,049</u>	<u>\$ 13,856</u>

See Notes to Consolidated Financial Statements.

Consolidated Statements of Earnings

\$ and shares in millions, except per share amounts

Fiscal Years Ended	February 3, 2018	January 28, 2017	January 30, 2016
Revenue	\$ 42,151	\$ 39,403	\$ 39,528
Cost of goods sold	32,275	29,963	30,334
Restructuring charges — cost of goods sold	—	—	3
Gross profit	9,876	9,440	9,191
Selling, general and administrative expenses	8,023	7,547	7,618
Restructuring charges	10	39	198
Operating income	1,843	1,854	1,375
Other income (expense)			
Gain on sale of investments	1	3	2
Investment income and other	48	31	13
Interest expense	(75)	(72)	(80)
Earnings from continuing operations before income tax expense	1,817	1,816	1,310
Income tax expense	818	609	503
Net earnings from continuing operations	999	1,207	807
Gain from discontinued operations (Note 2), net of tax expense of \$0, \$7 and \$1, respectively	1	21	90
Net earnings	<u>\$ 1,000</u>	<u>\$ 1,228</u>	<u>\$ 897</u>
Basic earnings per share			
Continuing operations	\$ 3.33	\$ 3.79	\$ 2.33
Discontinued operations	—	0.07	0.26
Basic earnings per share	<u>\$ 3.33</u>	<u>\$ 3.86</u>	<u>\$ 2.59</u>
Diluted earnings per share			
Continuing operations	\$ 3.26	\$ 3.74	\$ 2.30
Discontinued operations	—	0.07	0.26
Diluted earnings per share	<u>\$ 3.26</u>	<u>\$ 3.81</u>	<u>\$ 2.56</u>
Weighted-average common shares outstanding			
Basic	300.4	318.5	346.5
Diluted	307.1	322.6	350.7

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

\$ in millions

Fiscal Years Ended	February 3, 2018	January 28, 2017	January 30, 2016
Operating activities			
Net earnings	\$ 1,000	\$ 1,228	\$ 897
Adjustments to reconcile net earnings to total cash provided by operating activities:			
Depreciation	683	654	657
Restructuring charges	10	39	201
Gain on sale of business	—	—	(99)
Stock-based compensation	129	108	104
Deferred income taxes	162	201	49
Other, net	(13)	(17)	59
Changes in operating assets and liabilities:			
Receivables	315	(193)	123
Merchandise inventories	(335)	199	86
Other assets	(21)	10	36
Accounts payable	(196)	518	(536)
Other liabilities	117	23	(140)
Income taxes	290	(213)	(94)
Total cash provided by operating activities	<u>2,141</u>	<u>2,557</u>	<u>1,343</u>
Investing activities			
Additions to property and equipment, net of \$123, \$48 and \$92, respectively, of non-cash capital expenditures	(688)	(580)	(649)
Purchases of investments	(4,325)	(3,045)	(2,281)
Sales of investments	4,018	2,689	2,427
Proceeds from sale of business, net of cash transferred	—	—	(51)
Proceeds from property disposition	2	56	—
Other, net	(9)	3	28
Total cash used in investing activities	<u>(1,002)</u>	<u>(877)</u>	<u>(526)</u>
Financing activities			
Repurchase of common stock	(2,004)	(698)	(1,000)
Prepayment of accelerated share repurchase	—	—	(55)
Issuance of common stock	163	171	47
Dividends paid	(409)	(505)	(499)
Repayments of debt	(46)	(394)	(28)
Other, net	(1)	8	(1)
Total cash used in financing activities	<u>(2,297)</u>	<u>(1,418)</u>	<u>(1,536)</u>
Effect of exchange rate changes on cash	<u>25</u>	<u>10</u>	<u>(38)</u>
Increase (decrease) in cash, cash equivalents and restricted cash	<u>(1,133)</u>	<u>272</u>	<u>(757)</u>
Cash, cash equivalents and restricted cash at beginning of period, excluding held for sale	<u>2,433</u>	<u>2,161</u>	<u>2,616</u>
Cash, cash equivalents and restricted cash at beginning of period, held for sale	<u>—</u>	<u>—</u>	<u>302</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,300</u>	<u>\$ 2,433</u>	<u>\$ 2,161</u>
Supplemental disclosure of cash flow information			
Income taxes paid	\$ 366	\$ 628	\$ 550
Interest paid	81	76	77

See Notes to Consolidated Financial Statements.