

I am pleased to write you about another successful year for Hibbett Sports. The Company rallied like a true competitor as fiscal 2015 came to a close, with growing momentum in sales and earnings. We look to maintain this momentum in fiscal 2016 as we continue to make progress on major initiatives that will sharpen our game on the fundamentals that have historically delivered exceptional long-term returns. Our model of convenience, brands, and service continues to be the core of what we do, and we will continue to enhance this model as we focus on improving the customer experience. Our competitive spirit is as strong as ever, and we look forward to the opportunities that lie ahead.

Net sales for fiscal 2015 rose 7% to \$913.5 million, while comparable store sales for the year increased 2.9%. Full year earnings per diluted share increased 6% to \$2.87. The final quarter of fiscal 2015 reflected the strongest year-over-year increases in sales and earnings, as we took advantage of increased consumer demand through excellent customer service, product assortments, operational excellence, and support from the entire Hibbett team and all of our suppliers.

Reflecting this performance, our balance sheet remained as strong as ever, as we ended the year with a cash position exceeding \$88 million, no debt, and credit availability totaling \$80 million under our lines of

credit. Our capital allocation strategy continues to drive impressive shareholder returns, and we continue to invest in our future earnings potential through continued store growth, investment in major initiatives, and the repurchase of our common shares. During fiscal 2015, we repurchased more than 1.2 million common shares, representing an expenditure of approximately \$61 million. Our small-box strategy, with stores of approximately 5,000 square feet, remains at the core of our business model and continues to serve us well. This approach allows us to be nimble as we enter smaller areas that cannot effectively support big-box competition. Even as some markets become viable for larger sporting goods stores, we differentiate through greater convenience, excellent customer service, and the unique product focus we offer our customers. For fiscal 2015, we delivered a record year of store growth, opening 80 new stores, closing 19 under-performing stores, and expanding 9 high-performing stores. We ended the year at 988 stores and expect to open our 1,000th store in the spring of fiscal 2016. For fiscal 2016, we expect to open 80-85 stores, close 15-20 under-performing stores, and expand 10-15 existing stores. We are confident that we can reach our goal of 1,300 stores by fiscal 2019.

We made significant progress on our major initiatives in fiscal 2015 and are starting to see early positive results.

We completed the rollout of our labor management system, and our stores are using this capability to service our customers more effectively than ever. Our markdown optimization system has been fully deployed across all major categories, and we are starting to see the long-term benefit this system can provide. This system uses a highly predictive and proven approach to quickly address slow selling and aged inventory and helps instill discipline in our merchandising efforts. As it continues to accumulate more and more product history, we expect the system will further smooth markdown trends and boost gross margin. Our new wholesale and logistics facility continues to exceed our expectations, and we have been impressed with the productivity this facility provides. We are especially excited about the ability to hold back quantities of new product releases, which can be shipped later to specific stores as demand trends emerge, rather than experience store-by-store overstocks or shortages. We also recently completed the first phase of our business intelligence system, which will give us better insight into the business and will allow us to make more timely adjustments to better serve our customers. We will continue to drive value from our existing initiatives and are excited to

begin our journey on our next major initiative of enabling a true omni-channel experience for our customers. The initiative begins with the implementation of a new point-of-sale system, which will give us real-time inventory visibility across the chain, allowing stores to quickly locate items and improve our sales conversion rate. As part of this phase, we will also implement a customer relationship management tool, which will allow us to communicate with our customers in a more meaningful way. Longer term, with those pieces in place, we will commence the last phase of our omnichannel strategy with the development of a true e-commerce site, enabling our customers to purchase directly from Hibbett Sports online.

Our floor plans are designed with multiple aisle ways that allow the stores to be user friendly, feature more product, and implement seasonal initiatives throughout the year.

Hibbett Sports continues to target the core footwear, apparel and equipment interests of our customers. We've

successfully executed this strategy for almost 20 years as a public company, and we have teamed with leading brands like Nike, Under Armour and adidas to offer our customers premium products backed by convenient locations and unmatched customer service. Our brand message, embodied in our corporate slogan “A Constant State of Game” continues to resonate increasingly with customers, as indicated by our MVP loyalty program that increased 23% to more than 4.6 million members last year. All of these factors encourage a strong sense of optimism and confidence of our team regarding the long-term performance potential of our company. I would like to thank over 8,000 employees in our stores, wholesale and logistics facility, and store support center for making this possible and for their continued dedication and commitment.

On behalf of the Board of Directors, management and our employees, please accept our gratitude for your continued support and investment with us.

Sincerely,

Jeffry O. Rosenthal

Chief Executive Officer and President