BEST BUY CO., INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
CONTINUING OPERATIONS

($ in millions, except per share amounts)
(Unaudited and subject to reclassification)

The following information provides reconciliations of the most comparable financial measures from continuing operations calculated and presented in accordance with accounting principles generally accepted in the U.S. ("GAAP") to presented non-GAAP financial measures. The company believes that non-GAAP financial measures, when reviewed in conjunction with GAAP financial measures, can provide more information to assist investors in evaluating current period performance and in assessing future performance. For these reasons, internal management reporting also includes non-GAAP measures. Generally, presented non-GAAP measures include adjustments for items such as restructuring charges, goodwill impairments and gains or losses on investments. In addition, certain other items may be excluded from non-GAAP financial measures when the company believes this provides greater clarity to management and investors. These non-GAAP financial measures should be considered in addition to, and not superior to or as a substitute for the GAAP financial measures presented in this earnings release and the company's financial statements and other publicly filed reports. Non-GAAP measures as presented herein may not be comparable to similarly titled measures used by other companies.

The following tables reconcile gross profit, SG&A, operating income, effective tax rate, net earnings and diluted earnings per share for the periods presented for continuing operations (GAAP financial measures) to non-GAAP gross profit, non-GAAP SG&A, non-GAAP operating income, non-GAAP effective tax rate, non-GAAP net earnings and non-GAAP diluted earnings per share for continuing operations (non-GAAP financial measures) for the periods presented.

	Three Months Ended February 3, 2018		Three Months Ended January 28, 2017[1]	
	$	**% of Rev.**	**$**	**% of Rev.**
Domestic - Continuing Operations				
SG&A	$ 2,311	16.5%	$ 1,940	15.7%
Tax reform-related item - employee bonus[2]	(75)	(0.5%)	0	—%
Tax reform-related item - charitable contribution[2]	(20)	(0.1%)	0	—%
Non-GAAP SG&A	$ 2,216	15.8%	$ 1,940	15.7%
Operating income	$ 793	5.7%	$ 805	6.5%
Tax reform-related item - employee bonus[2]	75	0.5%	0	—%
Tax reform-related item - charitable contribution[2]	20	0.1%	0	—%
Restructuring charges	9	0.1%	4	—%
Non-GAAP operating income	$ 897	6.4%	$ 809	6.6%
International - Continuing Operations				
SG&A	$ 228	16.6%	$ 200	17.5%
Tax reform-related item - employee bonus[2]	(5)	(0.4%)	0	—%
Non-GAAP SG&A	$ 223	16.2%	$ 200	17.5%
Operating income	$ 79	5.7%	$ 76	6.6%
Tax reform-related item - employee bonus[2]	5	0.4%	0	—%
Restructuring charges	1	0.1%	5	0.4%
Non-GAAP operating income	$ 85	6.2%	$ 81	7.1%

Consolidated - Continuing Operations					
SG&A	$	2,539	16.5%	$ 2,140	15.9%
Tax reform-related item - employee bonus[2]		(80)	(0.5%)	0	—%
Tax reform-related item - charitable contribution[2]		(20)	(0.1%)	0	—%
Non-GAAP SG&A	$	2,439	15.9%	$ 2,140	15.9%
Operating income	$	872	5.7%	$ 881	6.5%
Tax reform-related item - employee bonus[2]		80	0.5%	0	—%
Tax reform-related item - charitable contribution[2]		20	0.1%	0	—%
Restructuring charges		10	0.1%	9	0.1%
Non-GAAP operating income	$	982	6.4%	$ 890	6.6%
Income tax expense	$	509		$ 266	
Effective tax rate		*58.2%*		*30.4%*	
Tax reform - repatriation tax[2]		(209)		0	
Tax reform - deferred tax rate change[2]		(74)		0	
Non-GAAP adjustments[3]		39		1	
Non-GAAP income tax expense	$	265		$ 267	
Non-GAAP effective tax rate		*27.0%*		*30.2%*	
Net earnings	$	364		$ 607	
Tax reform-related item - employee bonus[2]		80		0	
Tax reform-related item - charitable contribution[2]		20		0	
Restructuring charges		10		9	
Tax reform - repatriation tax[2]		209		0	
Tax reform - deferred tax rate change[2]		74		0	
Non-GAAP adjustments[3]		(39)		(1)	
Non-GAAP net earnings	$	718		$ 615	
Diluted EPS	$	1.23		$ 1.91	
Tax reform-related item - employee bonus[2]		0.27		0.00	
Tax reform-related item - charitable contribution[2]		0.07		0.00	
Restructuring charges		0.03		0.03	
Tax reform - repatriation tax[2]		0.71		0.00	
Tax reform - deferred tax rate change[2]		0.24		0.00	
Non-GAAP adjustments[3]		(0.13)		(0.01)	
Non-GAAP diluted EPS	$	2.42		$ 1.93	

	Twelve Months Ended February 3, 2018		**Twelve Months Ended January 28, 2017[1]**	
	$	**% of Rev.**	**$**	**% of Rev.**
Domestic - Continuing Operations				
Gross profit	$ 9,065	23.4%	$ 8,650	23.9%
CRT/LCD settlements[4]	0	—%	(183)	(0.5%)
Non-GAAP gross profit	$ 9,065	23.4%	$ 8,467	23.4%

SG&A	$	7,304	18.9%	$	6,855	18.9%
Tax reform-related item - employee bonus[2]		(75)	(0.2%)		0	—%
Tax reform-related item - charitable contribution[2]		(20)	(0.1%)		0	—%
CRT/LCD settlement legal fees and costs[4]		0	—%		(22)	(0.1%)
Non-GAAP SG&A	$	7,209	18.6%	$	6,833	18.9%
Operating income	$	1,752	4.5%	$	1,764	4.9%
Tax reform-related item - employee bonus[2]		75	0.2%		0	—%
Tax reform-related item - charitable contribution[2]		20	0.1%		0	—%
Restructuring charges		9	—%		31	0.1%
Net CRT/LCD settlements[4]		0	—%		(161)	(0.4%)
Non-GAAP operating income	$	1,856	4.8%	$	1,634	4.5%
International - Continuing Operations						
SG&A	$	719	20.6%	$	692	21.9%
Tax reform-related item - employee bonus[2]		(5)	(0.1%)		0	—%
Other Canada brand consolidation charges - SG&A[5]		0	—%		(1)	—%
Non-GAAP SG&A	$	714	20.5%	$	691	21.9%
Operating income	$	91	2.6%	$	90	2.9%
Tax reform-related item - employee bonus[2]		5	0.1%		0	—%
Restructuring charges		1	—%		8	0.3%
Other Canada brand consolidation charges - SG&A[5]		0	—%		1	—%
Non-GAAP operating income	$	97	2.8%	$	99	3.1%
Consolidated - Continuing Operations						
Gross profit	$	9,876	23.4%	$	9,440	24.0%
CRT/LCD settlements[4]		0	—%		(183)	(0.5%)
Non-GAAP gross profit	$	9,876	23.4%	$	9,257	23.5%
SG&A	$	8,023	19.0%	$	7,547	19.2%
Tax reform-related item - employee bonus[2]		(80)	(0.2%)		0	—%
Tax reform-related item - charitable contribution[2]		(20)	—%		0	—%
CRT/LCD settlement legal fees and costs[4]		0	—%		(22)	(0.1%)
Other Canada brand consolidation charges - SG&A[5]		0	—%		(1)	—%
Non-GAAP SG&A	$	7,923	18.8%	$	7,524	19.1%
Operating income	$	1,843	4.4%	$	1,854	4.7%
Tax reform-related item - employee bonus[2]		80	0.2%		0	—%
Tax reform-related item - charitable contribution[2]		20	—%		0	—%
Restructuring charges		10	—%		39	0.1%
Net CRT/LCD settlements[4]		0	—%		(161)	(0.4%)
Other Canada brand consolidation charges - SG&A[5]		0	—%		1	—%
Non-GAAP operating income	$	1,953	4.6%	$	1,733	4.4%

Income tax expense	$ 818	$ 609
Effective tax rate	*45.0%*	*33.5%*
Tax reform - repatriation tax[2]	(209)	0
Tax reform - deferred tax rate change[2]	(74)	0
Non-GAAP adjustments[3]	41	(48)
Non-GAAP income tax expense	$ 576	$ 561
Non-GAAP effective tax rate	*29.8%*	*33.1%*
Net earnings	$ 999	$ 1,207
Tax reform-related item - employee bonus[2]	80	0
Tax reform-related item - charitable contribution[2]	20	0
Restructuring charges	10	39
(Gain) loss on investments, net	6	(2)
Net CRT/LCD settlements[4]	0	(161)
Other Canada brand consolidation charges - SG&A[5]	0	1
Tax reform - repatriation tax[2]	209	0
Tax reform - deferred tax rate change[2]	74	0
Non-GAAP adjustments[3]	(41)	48
Non-GAAP net earnings	$ 1,357	$ 1,132
Diluted EPS	$ 3.26	$ 3.74
Tax reform-related item - employee bonus[2]	0.26	0.00
Tax reform-related item - charitable contribution[2]	0.07	0.00
Restructuring charges	0.03	0.12
(Gain) loss on investments, net	0.02	(0.01)
Net CRT/LCD settlements[4]	0.00	(0.50)
Other Canada brand consolidation charges - SG&A[5]	0.00	0.01
Tax reform - repatriation tax[2]	0.68	0.00
Tax reform - deferred tax rate change[2]	0.24	0.00
Non-GAAP adjustments[3]	(0.14)	0.15
Non-GAAP diluted EPS	$ 4.42	$ 3.51

(1) In Q1 FY18, the company stopped excluding non-restructuring property and equipment impairment charges from its non-GAAP financial measures. To ensure its financial results are comparable, the company has recast FY16 and FY17, by quarter, to reflect the previously excluded impairments now being included in non-GAAP SG&A. For additional details, please refer to the GAAP to non-GAAP reconciliation for FY16 and FY17, by quarter, which is available on the company's investor relations website at www.investors.bestbuy.com.
(2) Represents charges resulting from the Tax Cuts and Jobs Act of 2017 ("tax reform") enacted into law in Q4 FY18, including charges associated with a deemed repatriation tax and the revaluation of deferred tax assets and liabilities, as well as tax reform-related items the company announced in response to future tax savings created by tax reform, including a one-time bonus for certain employees and a one-time contribution to the Best Buy Foundation.
(3) Income tax impact of non-GAAP adjustments is the summation of the calculated income tax charge related to each non-GAAP non-income tax adjustment. The non-GAAP adjustments relate primarily to adjustments in the United States and Canada. As such, the income tax charge is calculated using the statutory tax rates for the United States (36.7% for the period ended February 3, 2018 and 38.0% for the period ended January 28, 2017) and Canada (26.6% for the periods ended February 3, 2018 and January 28, 2017), applied to the non-GAAP adjustments of each country, which are detailed in the Domestic and International segment reconciliations above, respectively.
(4) Represents cathode ray tube ("CRT") and LCD litigation settlements reached, net of related legal fees and costs. Settlements relate to products purchased and sold in prior fiscal years. Refer to Note 12, *Contingencies and Commitments*, in the Notes to Consolidated Financial Statements included in the company's Annual Report on Form 10-K for the fiscal year ended January 28, 2017, for additional information.
(5) Represents charges related to the Canadian brand consolidation initiated in Q1 FY16, primarily due to retention bonuses and other-store related costs that were a direct result of the consolidation but did not qualify as restructuring charges.