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, non-restructuring asset 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 October 29, 2016		Three Months Ended October 31, 2015	
	\$	% of Rev.	\$	% of Rev.
Domestic - Continuing Operations				
SG&A	\$1,720	21.0%	\$1,702	21.0%
Non-restructuring asset impairments - SG&A	(7)	(0.1%)	(9)	(0.1%)
Non-GAAP SG&A	\$1,713	20.9%	\$1,693	20.9%
Operating income	\$298	3.6%	\$244	3.0%
Non-restructuring asset impairments - SG&A	7	0.1%	9	0.1%
Restructuring charges	2	0.0%	2	0.0%
Non-GAAP operating income	\$307	3.7%	\$255	3.2%
International - Continuing Operations				
Gross profit	\$183	24.3%	\$164	22.5%
Restructuring charges - COGS	0	0.0%	(1)	(0.1%)
Non-GAAP gross profit	\$183	24.3%	\$163	22.4%
SG&A	\$170	22.6%	\$172	23.6%
Other Canada brand consolidation charges - SG&A ¹	0	0.0%	(1)	(0.1%)
Non-restructuring asset impairments - SG&A	(1)	(0.1%)	0	0.0%
Non-GAAP SG&A	\$169	22.4%	\$171	23.5%
Operating Income (loss)	\$14	1.9%	(\$14)	(1.9%)
Restructuring charges - COGS	0	0.0%	(1)	(0.1%)
Other Canada brand consolidation charges - SG&A ¹	0	0.0%	1	0.1%
Non-restructuring asset impairments - SG&A	1	0.1%	0	0.0%
Restructuring charges	(1)	(0.1%)	6	0.8%
Non-GAAP operating income (loss)	\$14	1.9%	(\$8)	(1.1%)

Consolidated - Continuing Operations				
Gross profit	\$2,203	24.6%	\$2,112	23.9%
Restructuring charges - COGS	0	0.0%	(1)	(0.0%)
Non-GAAP gross profit	\$2,203	24.6%	\$2,111	23.9%
SG&A	\$1,890	21.1%	\$1,874	21.2%
Other Canada brand consolidation charges - SG&A ¹	0	0.0%	(1)	(0.0%)
Non-restructuring asset impairments - SG&A	(8)	(0.1%)	(9)	(0.1%)
Non-GAAP SG&A	\$1,882	21.0%	\$1,864	21.1%
Operating income	\$312	3.5%	\$230	2.6%
Restructuring charges - COGS	0	0.0%	(1)	(0.0%)
Other Canada brand consolidation charges - SG&A ¹	0	0.0%	1	0.0%
Non-restructuring asset impairments - SG&A	8	0.1%	9	0.1%
Restructuring charges	1	0.0%	8	0.1%
Non-GAAP operating income	\$321	3.6%	\$247	2.8%
Income tax expense	\$112		\$84	
Effective tax rate	36.7%		39.4%	
Income tax impact of non-GAAP adjustments ²	3		2	
Non-GAAP income tax expense	\$115		\$86	
Non-GAAP effective tax rate	36.6%		37.1%	
Net earnings	\$192		\$129	
Restructuring charges - COGS	0		(1)	
Other Canada brand consolidation charges - SG&A ¹	0		1	
Non-restructuring asset impairments - SG&A	8		9	
Restructuring charges	1		8	
Income tax impact of non-GAAP adjustments ²	(3)		(2)	
Non-GAAP net earnings	\$198		\$144	
Diluted EPS	\$0.60		\$0.37	
Per share impact of restructuring charges - COGS	0.00		0.00	
Per share impact of other Canada brand consolidation charges - SG&A ¹	0.00		0.00	
Per share impact of non-restructuring asset impairments - SG&A	0.03		0.02	
Per share impact of restructuring charges	0.00		0.02	
Per share income tax impact of non-GAAP adjustments ²	(0.01)		0.00	
Non-GAAP diluted EPS	\$0.62		\$0.41	

	Nine Mont	Nine Months Ended		Nine Months Ended	
	October 29, 2016		October 31, 2015		
	\$	% of Rev.	\$	% of Rev.	
Domestic - Continuing Operations					
Gross profit	\$5,901	24.7%	\$5,780	24.2%	
CRT settlements ³	(183)	(0.8%)	(88)	(0.4%)	
Non-GAAP gross profit	\$5,718	23.9%	\$5,692	23.9%	

Non-restructuring asset impairments - SG&A (14) (15) (31) (0.1%) Non-GAAP SG&A S4.878 20.4% \$4.978 20.4% \$4.978 20.4% \$4.978 20.4% \$4.978 20.4% \$4.978 20.4% \$4.978 20.4% \$4.978 20.4% \$4.978 20.4% \$4.978 20.4% \$4.978 20.4% \$4.978 20.4%	SG&A	\$4,915 (22)	20.6% (0.1%)	\$4,922 (13)	20.6% (0.1%)
Non-GAAP SG&A \$4,879 20.4% \$4,878 20.4% Coperating income \$959 4.0% \$857 3.6% Net CRT settlements³ (161) (0.7%) (75) (0.3%) Non-restructuring asset impairments - SG&A 14 0.1% 31 0.0% Restructuring pharges 27 0.1% 1 0.0% Non-GAAP operating income \$839 3.5% \$814 3.4% Intermational - Continuing Operations Gross profit \$509 25.3% \$460 22.5% Restructuring charges - COGS 0 0.0% 4 0.2% Non-GAAP gross profit \$509 25.3% \$464 22.7% SG&A \$492 24.5% \$529 25.8% Other Canada brand consolidation charges - SG&A¹ (1) (0.0%) (6) (0.3%) Non-GAAP SG&A \$489 24.5% \$520 25.8% Other Canada brand consolidation charges - SG&A¹ (1) 0.0% 4 0.2% <	CRT settlements legal fees and costs ³	·			-
Operating income \$959 4.0% \$857 3.8% Net CRT settlements¹ (161) (0.7%) (75) (0.3%) Non-restructuring charges 27 0.1% 31 0.1% Restructuring charges 27 0.1% 1 0.0% Non-GAAP operating income \$8339 3.5% \$614 2.2% Rostructuring charges - COGS 0 0.0% 4 0.2% Non-GAAP gross profit \$509 25.3% \$460 22.5% Restructuring charges - COGS 0 0.0% 4 0.2% Non-GAAP gross profit \$509 25.3% \$460 22.5% Restructuring charges - COGS 0 0.0% 4 0.2% Non-GAAP SG&A \$492 24.5% \$529 25.8% Other Canada brand consolidation charges - SG&A (2) (0.1%) (6) (0.3%) Non-gaaP SG&A \$41 0.0% (6) (0.3%) Non-gaaP SG&A \$1 0.0% 4 0.2%					
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Restructuring charges	Net CRT settlements ³	(161)	(0.7%)	(75)	(0.3%)
Non-GAAP operating income	Non-restructuring asset impairments - SG&A	14		31	
International - Continuing Operations	Restructuring charges				
Gross profit \$509 25.3% \$460 22.5% Restructuring charges - COGS 0 0.0% 4 0.2% Non-GAAP gross profit \$509 25.3% \$464 22.7% SG&A \$492 24.5% \$529 25.8% Other Canada brand consolidation charges - SG&A¹ (1) (0.0%) (6) (0.3%) Non-GAAP SG&A \$489 24.3% \$520 25.4% Operating income (loss) \$14 0.7% (\$253) (12.4%) Restructuring charges - COGS 0 0.0% 4 0.2% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 4 0.2% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 4 0.2% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.3% Non-GAAP operating income (loss) \$20 1.0% (\$56) (2.7%) Consolidated - Continuing Operations \$6,410 24.7% \$6,240 24.1% CRT settlements³<	Non-GAAP operating income	<u>\$839</u>	3.5%	<u>\$814</u>	3.4%
Gross profit \$509 25.3% \$460 22.5% Restructuring charges - COGS 0 0.0% 4 0.2% Non-GAAP gross profit \$509 25.3% \$464 22.7% SG&A \$492 24.5% \$529 25.8% Other Canada brand consolidation charges - SG&A¹ (1) (0.0%) (6) (0.3%) Non-GAAP SG&A \$489 24.3% \$520 25.4% Operating income (loss) \$14 0.7% (\$253) (12.4%) Restructuring charges - COGS 0 0.0% 4 0.2% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 4 0.2% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 4 0.2% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.3% Non-GAAP operating income (loss) \$20 1.0% (\$56) (2.7%) Consolidated - Continuing Operations \$6,410 24.7% \$6,240 24.1% CRT settlements³<	International - Continuing Operations				
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Restructuring charges - COGS 0 0.0% 4 0.2% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.3% Non-restructuring asset impairments - SG&A 2 0.1% 3 0.1% Restructuring charges 3 0.1% 184 9.0% Non-GAAP operating income (loss) \$20 1.0% \$56 2.7% Consolidated - Continuing Operations \$6,410 24.7% \$6,240 24.1% CRT settlements³ (183) (0.7%) (88) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Non-GAAP gross profit \$6,227 24.0% \$6,156 23.8% SG&A \$5,407 20.9% \$5,451 21.0% CRT settlements legal fees and costs³ (22) (0.1%) (13) (0.1%) Other Canada brand consolidation charges - SG&A¹ (1) (0.0%) (6) (0.0%) Non-GAAP SG&A \$5,368 20.7% \$5,398 20.8% Operating income <td>Operating income (loss)</td> <td>\$14</td> <td>0.7%</td> <td>(\$253)</td> <td>(12.4%)</td>	Operating income (loss)	\$14	0.7%	(\$253)	(12.4%)
Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.3% Non-restructuring asset impairments - SG&A 2 0.1% 3 0.1% Restructuring charges 3 0.1% 184 9.0% Non-GAAP operating income (loss) \$20 1.0% \$56 (2.7%) Consolidated - Continuing Operations \$6,410 24.7% \$6,240 24.1% CRT settlements³ (183) (0.7%) (88) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Non-GAAP gross profit \$5,407 20.9% \$5,451 21.0% SG&A \$5,407 20.9% \$5,451 21.0% CRT settlements legal fees and costs³ (22) (0.1%) (13) (0.1%) Other Canada brand consolidation charges - SG&A¹ (11) (0.0%) (6) (0.0%) Non-gAAP SG&A \$5,368 20.7% \$5,398 20.8% Operating income \$973 3.8% \$604 2.3% Net CRT settlements³ </td <td>· · · · · ·</td> <td></td> <td></td> <td>•</td> <td></td>	· · · · · ·			•	
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Non-GAAP operating income (loss) \$20 1.0% \$(\$56) (2.7%)		3	0.1%	184	9.0%
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Gross profit \$6,410 24.7% \$6,240 24.1% CRT settlements³ (183) (0.7%) (88) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Non-GAAP gross profit \$6,227 24.0% \$6,156 23.8% SG&A \$5,407 20.9% \$5,451 21.0% CRT settlements legal fees and costs³ (22) (0.1%) (13) (0.1%) Other Canada brand consolidation charges - SG&A¹ (1) (0.0%) (6) (0.0%) Non-restructuring asset impairments - SG&A (16) (0.1%) (34) (0.1%) Net CRT settlements³ (161) (0.6%) (75) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.0% Non-restructuring asset impairments - SG&A 16 0.1% 34 0.1% Non-restructuring charges 30 0.1% 185 0.7%	Consolidated Continuing Operations				
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Restructuring charges - COGS 0 0.0% 4 0.0% Non-GAAP gross profit \$6,227 24.0% \$6,156 23.8% SG&A \$5,407 20.9% \$5,451 21.0% CRT settlements legal fees and costs³ (22) (0.1%) (13) (0.1%) Other Canada brand consolidation charges - SG&A¹ (1) (0.0%) (6) (0.0%) Non-restructuring asset impairments - SG&A (16) (0.1%) (34) (0.1%) Non-GAAP SG&A \$5,368 20.7% \$5,398 20.8% Operating income \$973 3.8% \$604 2.3% Net CRT settlements³ (161) (0.6%) (75) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.0% Non-restructuring asset impairments - SG&A 16 0.1% 34 0.1% Restructuring charges 30 0.1% 185 0.7%	•				
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Other Canada brand consolidation charges - SG&A¹ (1) (0.0%) (6) (0.0%) Non-restructuring asset impairments - SG&A (16) (0.1%) (34) (0.1%) Non-GAAP SG&A \$5,368 20.7% \$5,398 20.8% Operating income \$973 3.8% \$604 2.3% Net CRT settlements³ (161) (0.6%) (75) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.0% Non-restructuring asset impairments - SG&A 16 0.1% 34 0.1% Restructuring charges 30 0.1% 185 0.7%					
Non-restructuring asset impairments - SG&A (16) (0.1%) (34) (0.1%) Non-GAAP SG&A \$5,368 20.7% \$5,398 20.8% Operating income \$973 3.8% \$604 2.3% Net CRT settlements³ (161) (0.6%) (75) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.0% Non-restructuring asset impairments - SG&A 16 0.1% 34 0.1% Restructuring charges 30 0.1% 185 0.7%	_	·			
Non-GAAP SG&A \$5,368 20.7% \$5,398 20.8% Operating income \$973 3.8% \$604 2.3% Net CRT settlements³ (161) (0.6%) (75) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.0% Non-restructuring asset impairments - SG&A 16 0.1% 34 0.1% Restructuring charges 30 0.1% 185 0.7%					-
Operating income \$973 3.8% \$604 2.3% Net CRT settlements³ (161) (0.6%) (75) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.0% Non-restructuring asset impairments - SG&A 16 0.1% 34 0.1% Restructuring charges 30 0.1% 185 0.7%					
Net CRT settlements³ (161) (0.6%) (75) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.0% Non-restructuring asset impairments - SG&A 16 0.1% 34 0.1% Restructuring charges 30 0.1% 185 0.7%	Non-GAAP SG&A	<u>\$5,368</u>	20.7%	\$5,398	20.8%
Net CRT settlements ³ (161) (0.6%) (75) (0.3%) Restructuring charges - COGS 0 0.0% 4 0.0% Other Canada brand consolidation charges - SG&A ¹ 1 0.0% 6 0.0% Non-restructuring asset impairments - SG&A 16 0.1% 34 0.1% Restructuring charges 30 0.1% 185 0.7%	Operating income	\$973	3.8%	\$604	2.3%
Restructuring charges - COGS 0 0.0% 4 0.0% Other Canada brand consolidation charges - SG&A¹ 1 0.0% 6 0.0% Non-restructuring asset impairments - SG&A 16 0.1% 34 0.1% Restructuring charges 30 0.1% 185 0.7%		(161)	(0.6%)	(75)	(0.3%)
Other Canada brand consolidation charges - SG&A110.0%60.0%Non-restructuring asset impairments - SG&A160.1%340.1%Restructuring charges300.1%1850.7%		0	0.0%	4	0.0%
Non-restructuring asset impairments - SG&A 16 0.1% 34 0.1% Restructuring charges 30 0.1% 185 0.7%		1	0.0%	6	0.0%
Restructuring charges 30 0.1% 185 0.7%	_	16	0.1%	34	0.1%
	- · · · · · · · · · · · · · · · · · · ·	30	0.1%	185	0.7%
		\$859	3.3%	\$758	2.9%

Income tax expense	\$343	\$230
Effective tax rate	36.4%	41.1%
Income tax impact of non-GAAP adjustments ²	(43)	33
Non-GAAP income tax expense	\$300	\$263
Non-GAAP effective tax rate	36.3%	36.9%
Net earnings	\$600	\$330
Net CRT settlements ³	(161)	(75)
Restructuring charges - COGS	0	4
Other Canada brand consolidation charges - SG&A ¹	1	6
Non-restructuring asset impairments - SG&A	16	34
Restructuring charges	30	185
Gain on investments	(2)	(2)
Income tax impact of non-GAAP adjustments ²	43	(33)
Non-GAAP net earnings	\$527	<u>\$449</u>
Diluted EPS	\$1.85	\$0.93
Per share impact of net CRT settlements ³	(0.50)	(0.21)
Per share impact of restructuring charges - COGS	0.00	0.01
Per share impact of other Canada brand consolidation charges - SG&A ¹	0.01	0.02
Per share impact of non-restructuring asset impairments - SG&A	0.05	0.10
Per share impact of restructuring charges	0.09	0.52
Per share impact of gain on investments	(0.01)	(0.01)
Per share income tax impact of non-GAAP adjustments ²	0.14	(0.09)
Non-GAAP diluted EPS	\$1.63	\$1.27

⁽¹⁾ 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.

⁽²⁾ 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 of 38% for the United States and 26.4% for Canada, applied to the non-GAAP adjustments of each country, which are detailed in the Domestic and International segment reconciliations above, respectively.

(3) Represents cathode ray tube (CRT) litigation settlements reached, net of related legal fees and costs. Settlements relate to products purchased and

⁽³⁾ Represents cathode ray tube (CRT) 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 30, 2016, for additional information.