

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

(Dollar amounts in Millions)

	26 Weeks Ended		Fiscal Year Ended			
	July 29, 2017	January 28, 2017	January 30, 2016	January 31, 2015	February 1, 2014	February 2, 2013
Net cash provided by operating activities	\$ 279	\$ 934	\$ 978	\$ 1,043	\$ 1,108	\$ 1,219
Acquisition of property and equipment	(89)	(255)	(381)	(361)	(371)	(350)
Free cash flow	<u>\$ 190</u>	<u>\$ 679</u>	<u>\$ 597</u>	<u>\$ 682</u>	<u>\$ 737</u>	<u>\$ 870</u>
Financing and break-up fees related to Office Depot acquisition, net of taxes		\$ 210				
Adjusted free cash flow	<u></u>	<u>\$ 889</u>				

Free cash flow is not defined under U.S. GAAP. Therefore, it should not be considered a substitute for income or cash flow data prepared in accordance with GAAP and may not be comparable to similarly titled measures used by other companies. The company defines free cash flow as net cash provided by operating activities less capital expenditures. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures. The company believes free cash flow is a useful measure of performance and uses this measure as an indication of the company's ability to generate cash and invest in its business.