Non-GAAP Measures

The Company's presentations may include certain non-GAAP financial measures, such as its adjusted debt/EBITDAR ratio. This supplemental information should not be considered in isolation or as a substitute for related GAAP measures. The Company believes that its adjusted debt/EBITDAR ratio better enables management and investors to understand and analyze the Company's level of indebtedness in relation to its capital structure. The Company defines adjusted debt/EBITDAR as follows:

Adjusted Debt

The Company defines adjusted debt as long-term debt, plus current installments of long-term debt, plus short-term debt as shown on the balance sheet, plus eight times operating rents, excluding the impact of stores no longer operated by the Company, for the last four quarters. The Company believes eight times operating rents is a reasonable industry standard for estimating the economic value of its leased assets.

EBITDAR

The Company defines EBITDAR as net earnings before interest and other, taxes, depreciation and amortization, and operating rents, calculated on a four quarter rolling basis.

EBITDAR, as adjusted

The Company adjusts net earnings before interest and other, taxes, depreciation and amortization, and operating rents to reflect the impact of charges related to the closing of seven stores in China in fiscal 2012. These adjustments are shown in the Consolidated Statements of Earnings Items Excluding Certain Adjustments (Non-GAAP) exhibit included as part of the Company's quarterly earnings press release for the fourth quarter of fiscal 2012, which can be found on the Company's Investor Relations website at earnings.homedepot.com.

Adjusted Debt/EBITDAR

The Company defines adjusted debt/EBITDAR as adjusted debt divided by EBITDAR, as adjusted.

EBITDAR & EBITDAR, as adjusted Calculation

	Four Quarters Ended	
(USD millions)	**5/4/2014**	**5/5/2013**
Net Earnings	$5,538	$4,726
Interest and Other, net	629	622
Taxes	3,182	2,798
Depreciation and Amortization (Note 1)	1,769	1,709
Operating Rents (Last 4 Quarters)	866	814
EBITDAR	**$11,984**	**$10,669**
Adjustment for store closing charges (Note 2)	-	145
EBITDAR, as adjusted	**$11,984**	**$10,814**

Note 1: Total depreciation & amortization includes depreciation of distribution centers and tool rental equipment included in Cost of Sales and amortization of deferred financing costs included in Interest Expense.
Note 2: The period ended 5/5/2013 excludes a charge of $145 million related to the closing of seven stores in China.

Adjusted Debt/EBITDAR Calculation

	Period Ended	
(USD Millions)	**5/4/2014**	**5/5/2013**
Long-Term Debt	$14,707	$11,460
Current Installments of Long-Term Debt	34	1,332
Total Debt	**$14,741**	**$12,792**
8x Operating Rents (Note 1)	6,758	6,288
Adjusted Debt	**$21,499**	**$19,080**
Adjusted Debt/EBITDAR	**1.8x**	**1.8x**

Note 1: The Company excludes certain rent payments from its 8x operating rents calculation to reflect the impact of stores no longer operated by the Company. This adjustment reduces 8x operating rents by $170 million for the period ended 5/4/2014 and $224 million for the period ended 5/5/2013.