

Adjusted Operating Income, Net Income and Earnings Per Share

The following tables presents Adjusted Operating Expenses, Adjusted Operating Income, Adjusted Net Income, and Adjusted Diluted Earnings Per Share for the three and nine-month periods ended September 30, 2015 and 2014 (in thousands, except per share data) excluding the effects of the pre-tax charges related to workforce reductions and facility consolidations, intangible asset impairment charge and accelerated amortization related to rebranding efforts, an impairment of seller notes receivable related to the company's prior year sale of its software service provider, and a loss on sale and related costs of our Mexican subsidiary. Generally Accepted Accounting Principles require that the effects of these items be included in the Condensed Consolidated Statements of Income. Management believes that excluding these items is an appropriate comparison of its ongoing operating and to the results of last year. It is helpful to provide readers of its financial statements with a reconciliation of these items to its Condensed Consolidated Statements of Income reported in accordance with Generally Accepted Accounting Principles.

	For the Three Months Ended September 30,			
	2015		2014 (Revised)	
	Amount	% to Net Sales	Amount	% to Net Sales
Net Sales	\$ 1,391,545	100.0%	\$ 1,419,947	100.0%
Gross profit	\$ 225,143	16.2%	\$ 216,701	15.3%
Operating expenses	\$ 172,159	12.4%	\$ 148,831	10.5%
Workforce reduction and facility consolidation charge	(200)	-	-	-
Rebranding - intangible asset amortization	(511)	-	-	-
Notes receivable impairment	(10,738)	(0.8%)	-	-
Loss on sale of business and related costs	(2,072)	(0.1%)	-	-
Adjusted operating expenses	\$ 158,638	11.4%	\$ 148,831	10.5%
Operating income	\$ 52,984	3.8%	\$ 67,870	4.8%
Operating expense items noted above	13,521	1.0%	-	-
Adjusted operating income	\$ 66,505	4.8%	\$ 67,870	4.8%
Net income	\$ 27,667		\$ 40,231	
Operating expense items noted above, net of tax	10,017		-	
Adjusted net income	\$ 37,684		\$ 40,231	
Diluted earnings per share	\$ 0.74		\$ 1.03	
Per share operating expense items noted above	0.26		-	
Adjusted diluted earnings per share	\$ 1.00		\$ 1.03	
Adjusted diluted earnings per share - change over the prior year period	(2.9%)			
Weighted average number of common shares - diluted	37,608		38,884	

	For the Nine Months Ended September 30,			
	2015		2014 (Revised)	
	<u>Amount</u>	<u>% to Net Sales</u>	<u>Amount</u>	<u>% to Net Sales</u>
Net Sales	\$ 4,065,719	100.0%	\$ 3,994,123	100.0%
Gross profit	\$ 635,657	15.6%	\$ 593,131	14.9%
Operating expenses	\$ 526,653	13.0%	\$ 438,538	11.0%
Workforce reduction and facility consolidation charge	(6,495)	(0.2%)	-	-
Rebranding - intangible asset impairment and amortization	(11,485)	(0.3%)	-	-
Notes receivable impairment	(10,738)	(0.3%)	-	-
Loss on sale of business and related costs	(16,999)	(0.4%)	-	-
Adjusted operating expenses	\$ 480,936	11.8%	\$ 438,538	11.0%
Operating income	\$ 109,004	2.7%	\$ 154,593	3.9%
Operating expense items noted above	45,717	1.1%	-	-
Adjusted operating income	\$ 154,721	3.8%	\$ 154,593	3.9%
Net income	\$ 51,492		\$ 90,045	
Operating expense items noted above, net of tax	34,854		-	
Adjusted net income	\$ 86,346		\$ 90,045	
Diluted earnings per share	\$ 1.35		\$ 2.29	
Per share operating expense items noted above	0.91		-	
Adjusted diluted earnings per share	\$ 2.26		\$ 2.29	
Adjusted diluted earnings per share - change over the prior year period	(1.3%)			
Weighted average number of common shares - diluted	38,109		39,244	