

RENEW BLUE

Best Buy Analyst and Investor Day
November 13, 2012

FORWARD-LOOKING AND CAUTIONARY STATEMENTS:

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that reflect management's current views and estimates regarding future market conditions, company performance and financial results, business prospects, new strategies, the competitive environment and other events. You can identify these statements by the fact that they use words such as "anticipate," "believe," "estimate," "expect," "intend," "project," "guidance," "plan," "outlook," "opportunities," and other words and terms of similar meaning. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from the potential results discussed in the forward-looking statements. Among the factors that could cause actual results and outcomes to differ materially from those contained in such forward-looking statements are the following: general economic conditions, changes in consumer preferences, credit market constraints, acquisitions and development of new businesses, divestitures, product availability, sales volumes, pricing actions and promotional activities of competitors, profit margins, weather, natural or man-made disasters, changes in law or regulations, foreign currency fluctuation, availability of suitable real estate locations, the company's ability to react to a disaster recovery situation, the impact of labor markets and new product introductions on overall profitability, failure to achieve anticipated benefits of announced transactions, integration challenges relating to new ventures and unanticipated costs associated with previously announced or future restructuring activities. A further list and description of these risks, uncertainties and other matters can be found in the company's annual report and other reports filed from time to time with the Securities and Exchange Commission, including, but not limited to, Best Buy's Annual Report on Form 10-K filed with the SEC on May 1, 2012. Best Buy cautions that the foregoing list of important factors is not complete, and any forward-looking statements speak only as of the date they are made, and Best Buy assumes no obligation to update any forward-looking statement that it may make.

PRESENTATION OF FINANCIAL INFORMATION:

The financial information included in this presentation is based on our old fiscal calendar for FY08 - FY10 and our new fiscal calendar for FY11 - FY13. Except for amounts used in the calculation of Return on Invested Capital ("ROIC"), all information is presented on a continuing operations basis. In addition, the financial information is presented on a non-GAAP basis. Such non-GAAP financial information should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial information reported in our 10-K, 10-Q and 8-K filings. For GAAP to non-GAAP reconciliations, please refer to the supplemental non-GAAP reconciliation schedule available on our website at www.investors.bestbuy.com.

AGENDA

I. INTRODUCTION

II. DIAGNOSIS

III. RENEW BLUE

RENEW BLUE

THE PREFERRED AUTHORITY AND DESTINATION
FOR TECHNOLOGY PRODUCTS AND SERVICES



Reinvigorate and rejuvenate the
CUSTOMER EXPERIENCE



Work with
VENDOR PARTNERS
to innovate and drive value



Continue leadership role in positively impacting
OUR WORLD



Attract and inspire
LEADERS AND EMPLOYEES



Increase ROIC for
INVESTORS

AGENDA

I. INTRODUCTION

II. DIAGNOSIS

III. RENEW BLUE

BEST BUY HAS
GREAT STRENGTHS

BEST BUY OPERATES IN A **LARGE AND GROWING MARKET**



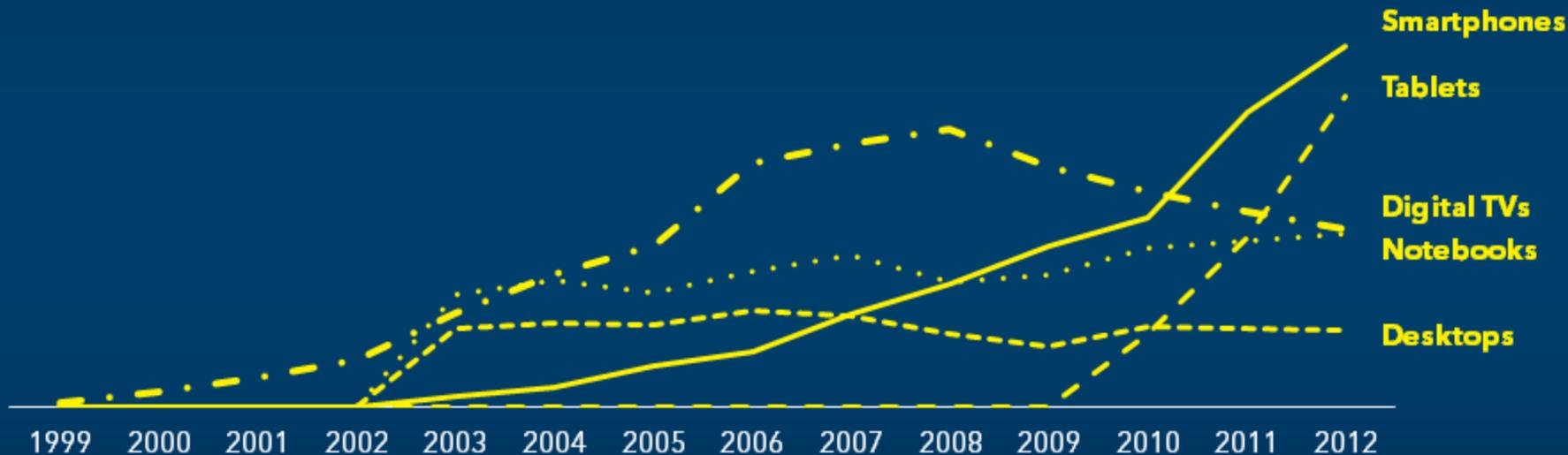
U.S. CONSUMER ELECTRONICS AND APPLIANCES MARKET
(\$ billion)



Includes mobile phones, tablets, eReaders, appliances, physical music/movies, gaming, notebooks/desktops, home theater, digital imaging, connections, services and digital content.
SOURCE: NPD, Nielsen, Steveco, Truqline, Forrester, CEA, internal analysis

MARKET GROWTH CONTINUES TO BE **DRIVEN BY INNOVATION**

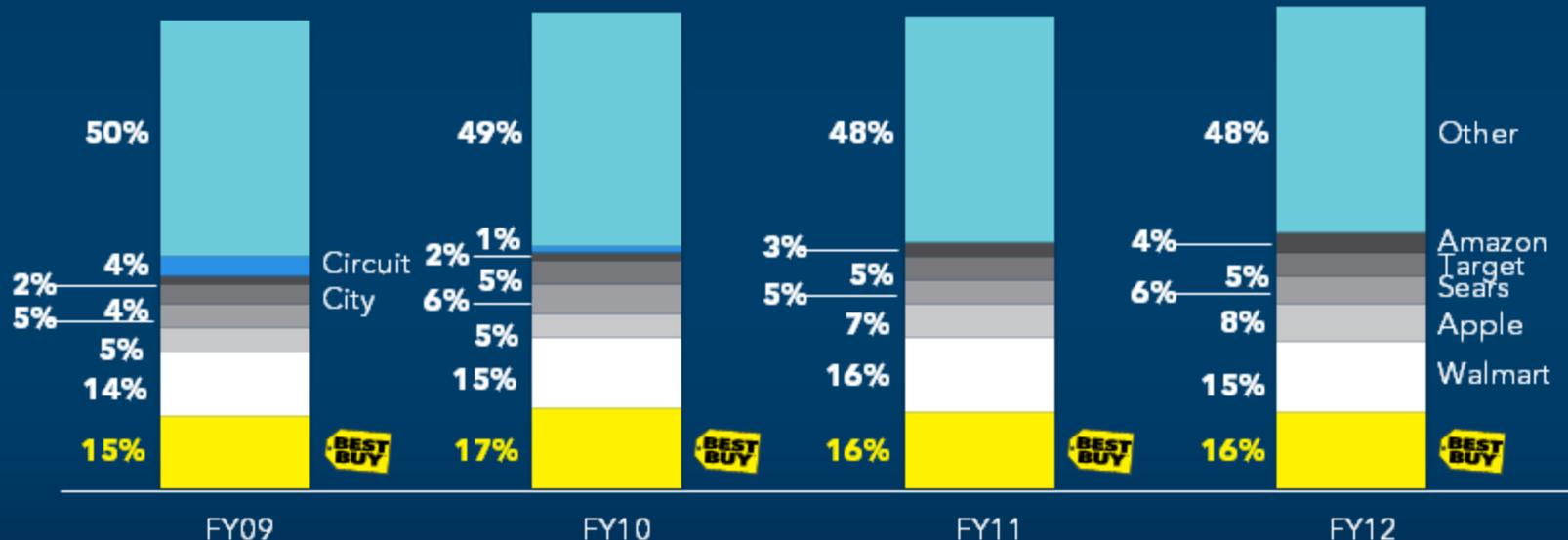
U.S. RETAIL SALES BY CATEGORY



SOURCE: NPD, Nielsen, Stevenson Traqline, Forrester, CEA, internal analysis

BEST BUY IS THE **OVERALL CATEGORY LEADER IN A HIGHLY-FRAGMENTED MARKET**

U.S. CONSUMER ELECTRONICS AND APPLIANCES EVOLUTION*



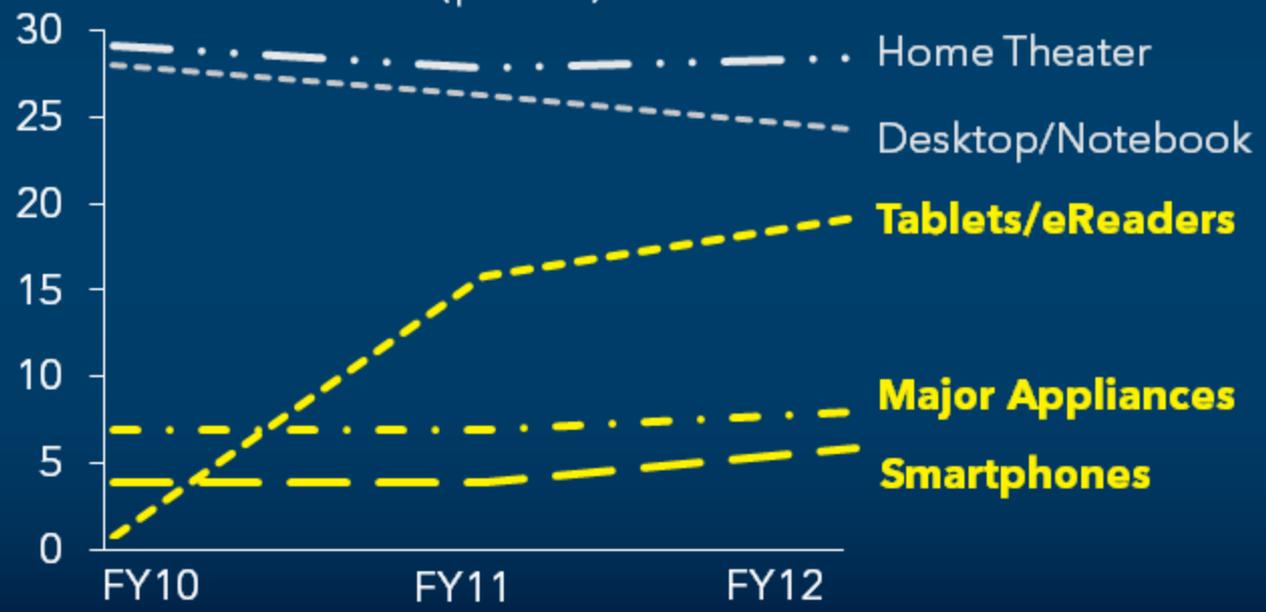
48%

of market served by competitors with less than 4% share

*Excludes connections, services, digital content. Includes retailers' share of mobile phones, tablets, eReaders, appliances, physical music/movies, gaming, notebooks/desktops, home theater and digital imaging.

BEST BUY HAS BEEN GAINING SHARE IN KEY CATEGORIES

BEST BUY REVENUE SHARE BY CATEGORY
(percent)



SOURCE: NPD, Stevenson Traqline, internal analysis

BEST BUY HAS A LARGE AND LOYAL CUSTOMER BASE

TOP ESTIMATED RETAIL LOYALTY PROGRAMS IN 2012
(in million)



SOURCE: Reward Zone, Colloquy, Bloomberg, Best Buy estimates

BEST BUY OFFERS A **UNIQUE CUSTOMER PROMISE**

THE **LATEST DEVICES AND SERVICES**,
ALL IN ONE PLACE

IMPARTIAL & KNOWLEDGEABLE ADVICE

COMPETITIVE PRICES

THE ABILITY TO SHOP **WHEN AND WHERE
YOU WANT**

SUPPORT FOR THE LIFE OF YOUR PRODUCTS



BEST BUY HAS A PROMISING MULTI-CHANNEL PLATFORM

U.S. DIGITAL CHANNEL IN FY12



Traffic: **1 Billion**
Revenue: **\$2.3 Billion**

70% of customers do research on bestbuy.com before buying in our stores

40% of bestbuy.com orders are picked up in stores

U.S. PHYSICAL STORES IN FY12



Traffic: **600 Million**
Revenue: **\$35 Billion**

15% of pick-up orders result in additional purchase

KEY OPERATING METRICS HISTORICALLY AMONG HIGHEST IN INDUSTRY

REVENUE PER SQUARE FOOT
 (trailing four quarters)



OPERATING INCOME PER SQUARE FOOT
 (trailing four quarters)

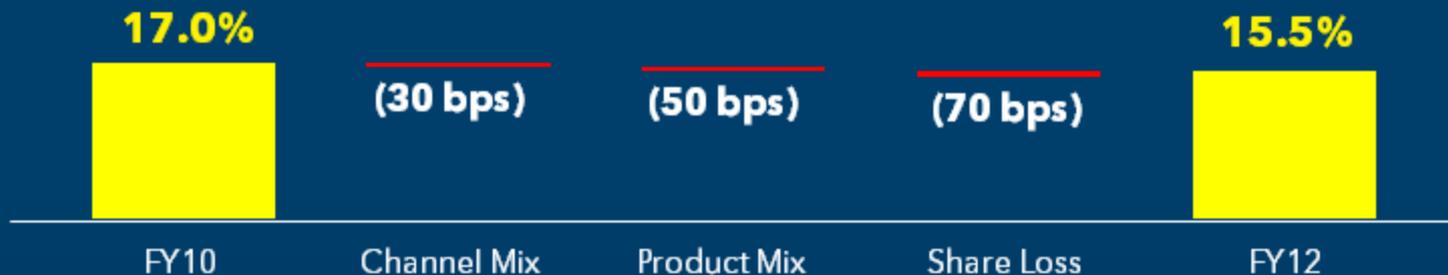


SOURCE: Most recent four quarter revenue and operating income per Thomson First Call. Peer square footage per Bloomberg.

BEST BUY'S PERFORMANCE
HAS BEEN
UNSATISFACTORY

BEST BUY HAS BEEN SLOW TO RESPOND TO **CHANNEL AND CATEGORY SHIFTS**

BEST BUY U.S. MARKET SHARE



SOURCE: NPD, Stevenson Traquina, Nielsen and internal analysis

ONLINE IS INCREASING ITS SHARE OF THE MARKET



*Excludes connections, services, digital content. Includes mobile phones, tablets, eReaders, appliances, physical music/movies, gaming, notebooks/desktops, home theater and digital imaging.

SOURCE: NPD, Nielsen, Stevenson Traquina, internal analysis

BEST BUY HAS
BEEN SLOW TO
**CAPTURE THE
ONLINE
OPPORTUNITY**

MARKET SHARE BY CHANNEL

\$130 billion

(FY 12)

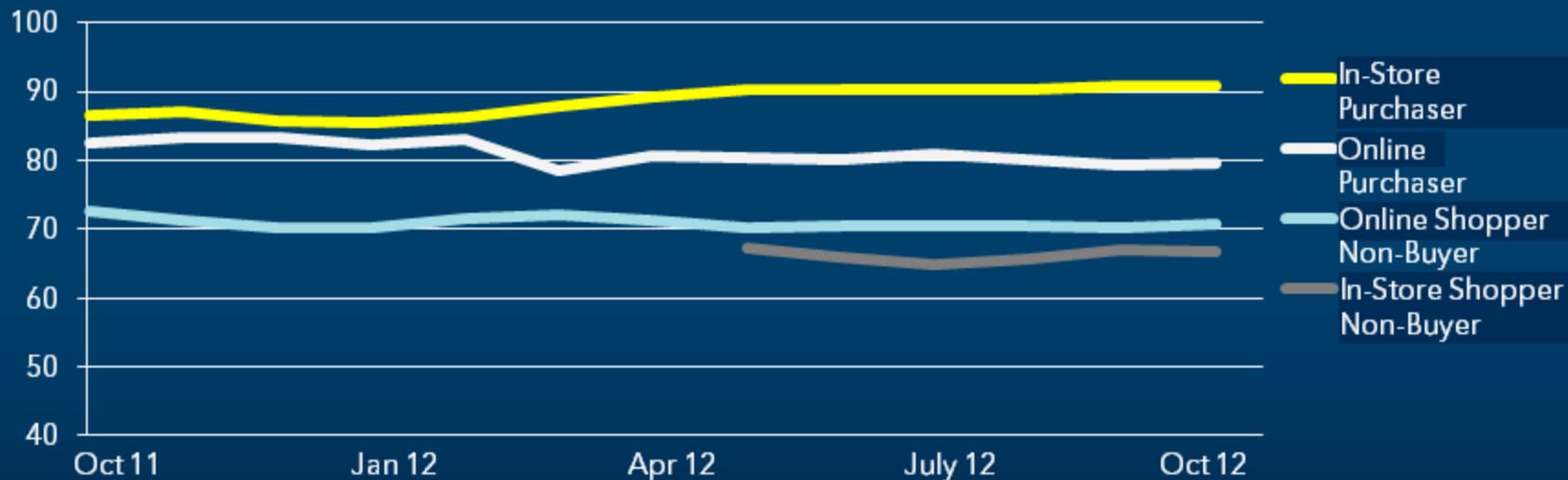
\$30 billion



Excludes connections, services, digital content. Includes mobile phones, tablets, eReaders, appliances, physical music/movies, gaming, notebooks/desktops, home theater and digital imaging.
SOURCE: NPD, Nielsen, Stevenson Traquina, Forrester, CEA, internal analysis

BEST BUY'S CUSTOMER SATISFACTION HAS IMPROVEMENT OPPORTUNITIES

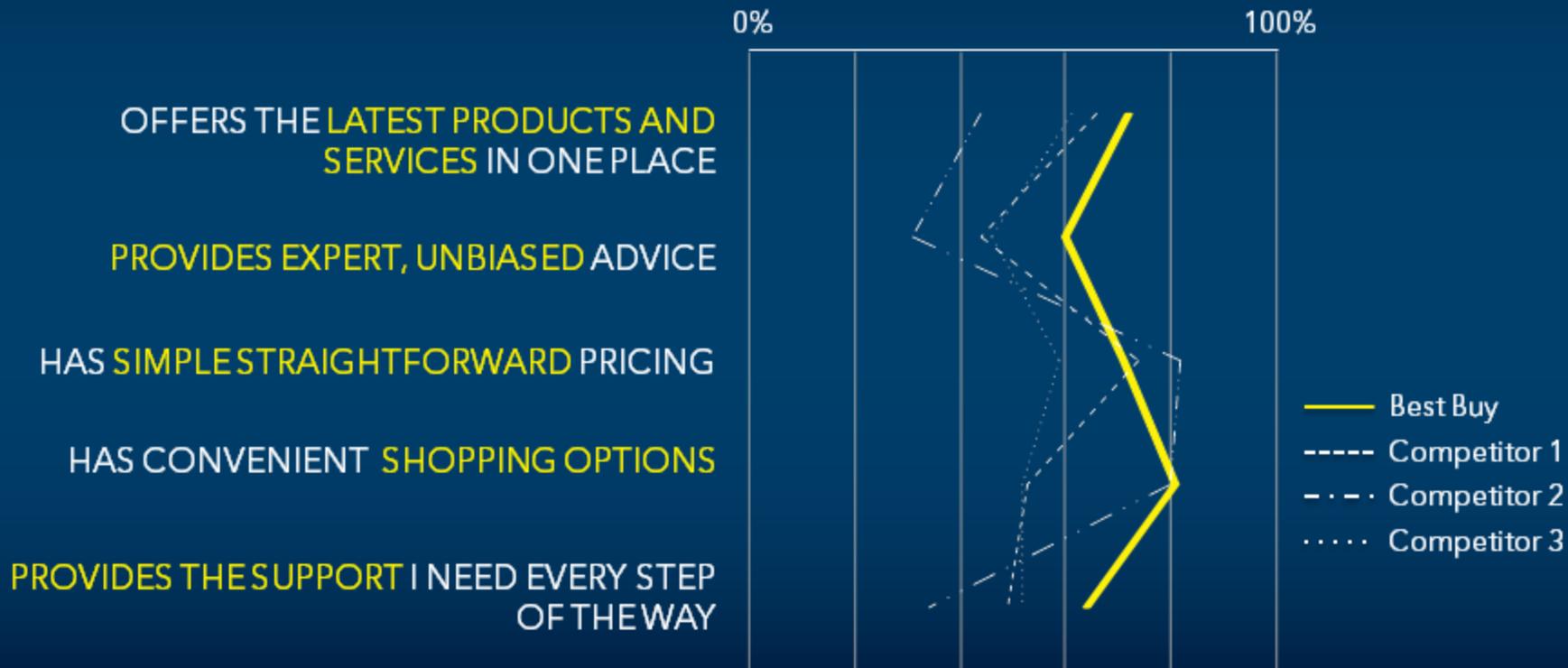
CUSTOMER SATISFACTION RATINGS



SOURCE: Internal survey data. n=80,000 (monthly average)

AND WHILE BEST BUY

LEADS THE COMPETITION ON MOST KEY ATTRIBUTES...



SOURCE: Marketing Evolution Brand Tracker, July 2012. n=2,700 for Best Buy and minimum of 500 per competitor brand.

...BEST BUY NEEDS TO RAISE THE BAR IN ITS RELATIONSHIP WITH CUSTOMERS

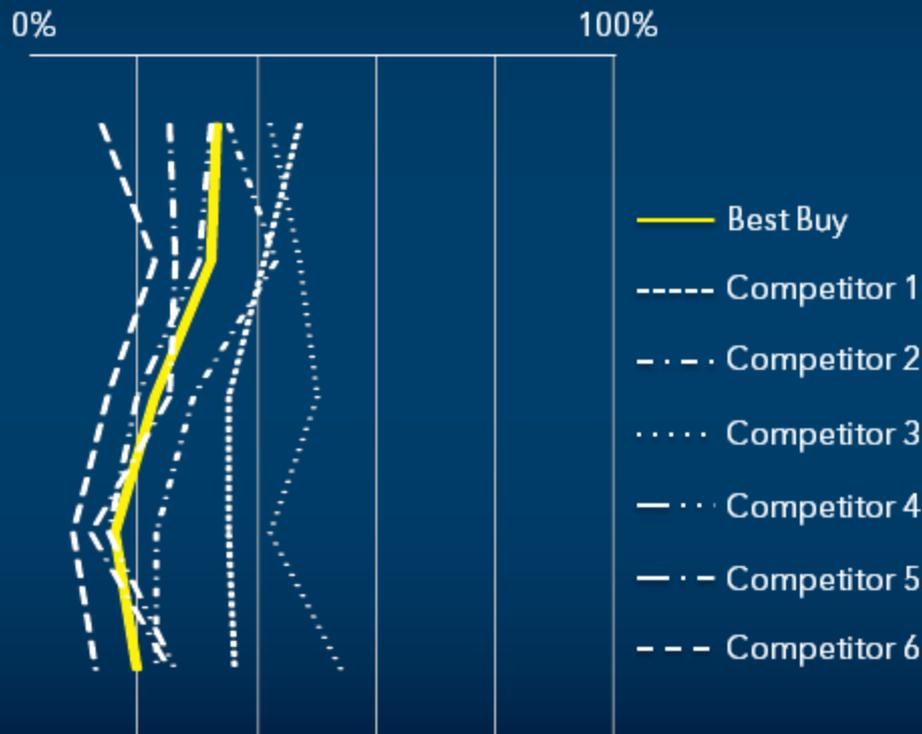
ALWAYS DELIVER ON WHAT THEY PROMISE

I KNOW WHAT THEY STAND FOR AND WHAT MAKES THEM DIFFERENT

SETS THE STANDARD FOR OTHER BRANDS TO FOLLOW

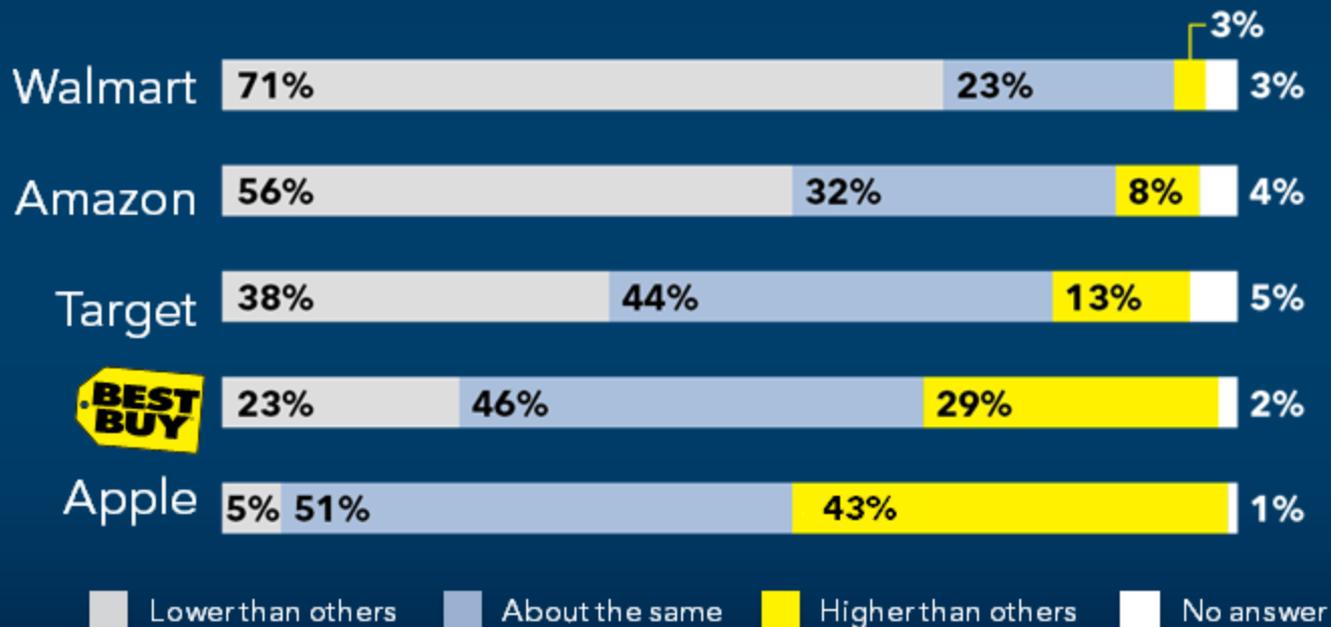
THERE IS NO OTHER BRAND QUITE LIKE THEM

PEOPLE RAVE ABOUT HOW GREAT THE BRAND IS



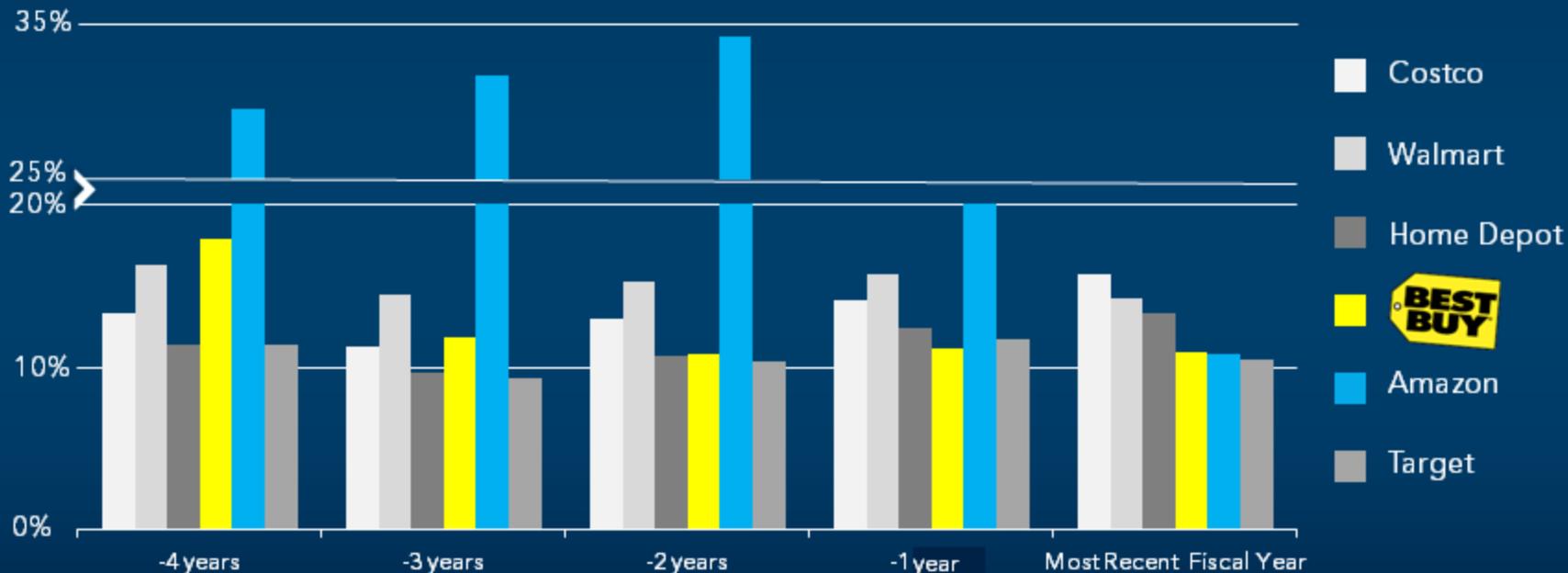
SOURCE: Marketing Evolution Brand Tracker, July 2012. n=300 per brand.

BEST BUY HAS A PRICE PERCEPTION ISSUE



SOURCE: Marketing Evolution Brand Tracker, n=2,804 FY13 Q2 Data

BEST BUY'S OVERALL RETURN ON INVESTED CAPITAL (ROIC) IS UNSATISFACTORY



SOURCE: Peer financials per Thomson Reuters Checkpoint. Peer ROIC calculated using Best Buy's methodology as disclosed in the supplemental non-GAAP reconciliation available at www.investors.bestbuy.com.

BEST BUY'S ROIC DECLINE DRIVEN BY DECREASING MARGINS AND INCREASING CAPITAL

BEST BUY ROIC



*Ending in Q2 FY13

BEST BUY HAS TWO MAIN PROBLEMS TO SOLVE

DECLINING COMPS



DECLINING OPERATING MARGIN



*Ending in Q2 FY13

RENEW BLUE

RENEW BLUE

THE PREFERRED AUTHORITY AND DESTINATION
FOR TECHNOLOGY PRODUCTS AND SERVICES



Reinvigorate and rejuvenate the
CUSTOMER EXPERIENCE



Work with
VENDOR PARTNERS
to innovate and drive value



Continue leadership role in positively impacting
OUR WORLD

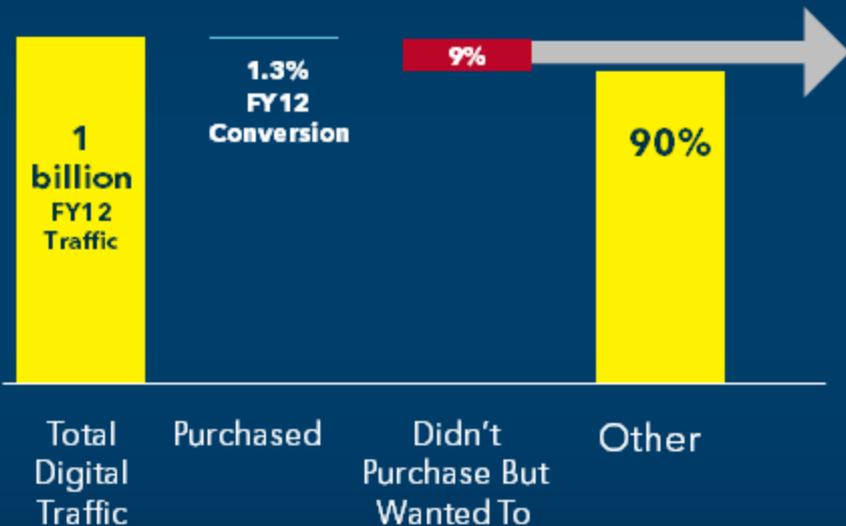


Attract and inspire
LEADERS AND EMPLOYEES



Increase ROIC for
INVESTORS

REINVIGORATE THE ONLINE SHOPPING EXPERIENCE



TOP REASONS FOR NOT PURCHASING

Reason	Impact
Need more product info	2%
Product was unavailable	1%
Price too high	1%
Need to see in person	1%
Nor available for store pickup	1%
Shipping will take too long	1%

IMPACT

OPPORTUNITIES:

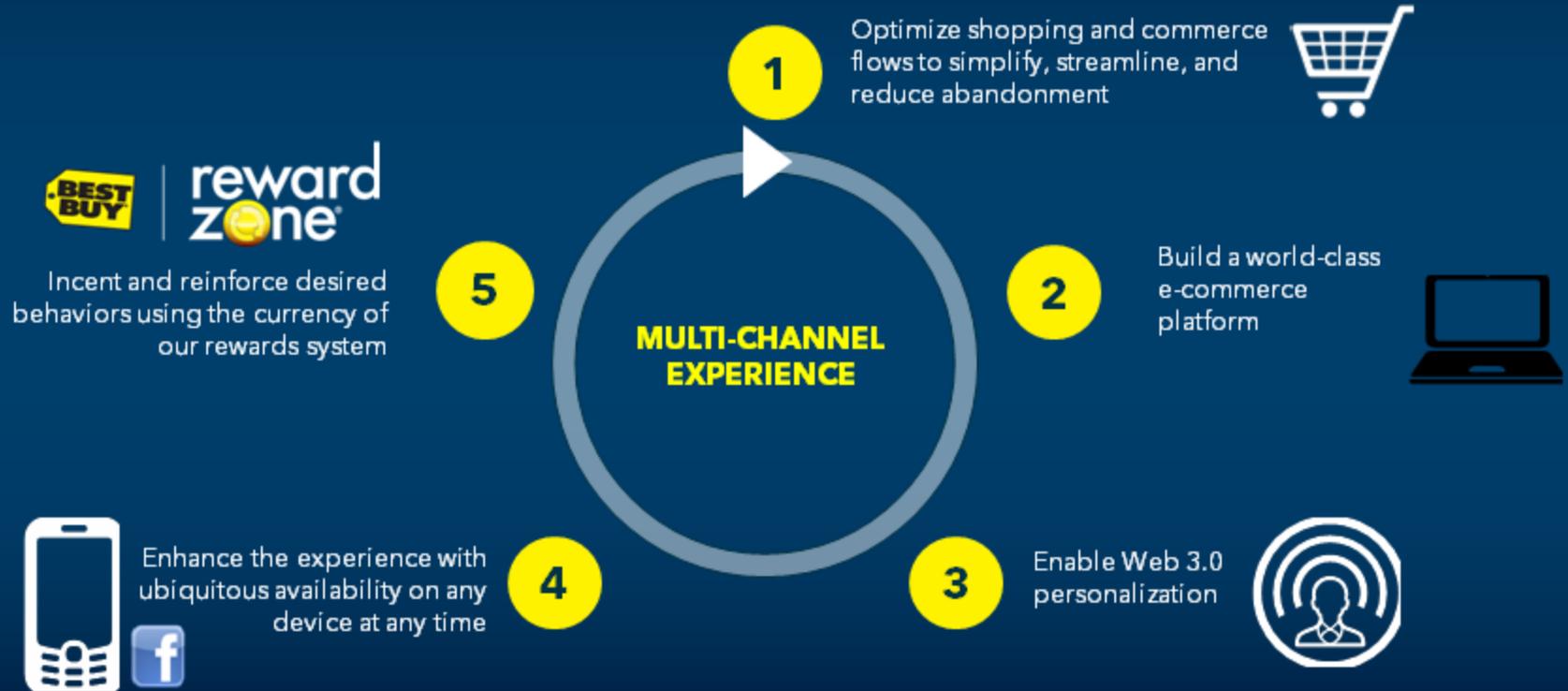
- Improve consumer electronics shopping tools / product content / recommendations
- Expand assortment
- Be price competitive
- Diversify fulfillment
- Improve check-out flow

One point of conversion rate improvement equals:

\$250 MILLION

INCREMENTAL OPERATING INCOME

DEVELOP A WINNING ONLINE STRATEGY



REINVIGORATE THE IN-STORE SHOPPING EXPERIENCE



TOP REASONS FOR NOT PURCHASING

Reason	Impact
Need more product info	4%
Price too high	4%
Poor selection	3%
Conduct additional research	2%
Bad experience with employee	2%

OPPORTUNITIES:

- Enhance in-stock performance
- Implement holiday price match
- Develop multi-channel sales
- Enhance in-store pickup
- Train and incent Blue Shirts

One point of close rate improvement equals:

\$200 MILLION

INCREMENTAL OPERATING INCOME

TURN THE TABLES ON SHOWROOMING: **PRICE MATCH**



A graphic with a red, shield-like shape on a light blue background filled with white icons of various electronic devices. At the top is a small Christmas tree icon. The text inside the shield reads: "PERFECT MATCH PROMISE™ UNBEATABLE PRICES WITH EXTENDED PRICE MATCHING NOW THRU JAN. 24 SEE FULL DETAILS IN STORE OR ONLINE".

REDESIGNING THE

SHOPPING EXPERIENCE

EARLY RESULTS FROM **RICHFIELD PROTOTYPE**



AUGUST AND SEPTEMBER RESULTS

METRIC	BEFORE	AFTER
Customer Satisfaction (CSI)	83	88
Sales Growth*	0%	10%
ROIC**	32%	37%

*Adjusted to exclude estimated impact from the closure of a nearby store in June 2012

NOTE: "BEFORE" is FY12 and "AFTER" is FY13, except ROIC.

**"BEFORE" ROIC based on trailing 12 months ending May, 2012. "AFTER" ROIC is the projected FY16 rate.

EMBRACE SHOWROOMING: **BEST BUY PREMIUM BRANDS**

PACIFIC
KITCHEN & HOME



MAGNOLIA



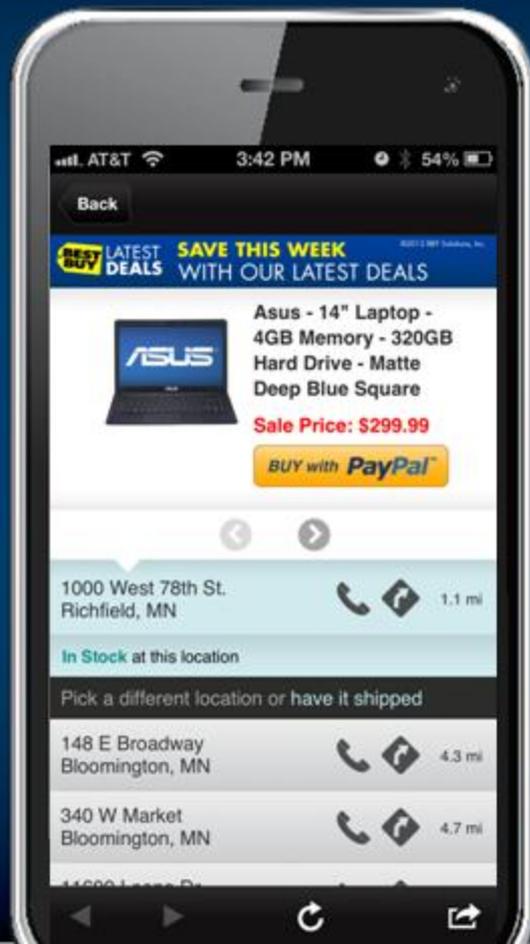
EMBRACE SHOWROOMING: **VENDOR SHOWROOMS**

INTRODUCTION
DIAGNOSIS
RENEW BLUE



EMBRACE SHOWROOMING: **REDLASER PARTNERSHIP**

- In partnership with eBay and PayPal
- One-click check out for Best Buy products
- Geo-fencing capability offering deals when in Best Buy store



DEPLOY A BROAD SET OF **SOLUTIONS AND SERVICES**

PURCHASE

- Consultation
- Financing
- Leasing

ACTIVATE

- Delivery
- Installation
- Activation

USE

- Problem resolution
- Classes
- Calibration

PROTECT

- Warranty
- Security services
- Protection

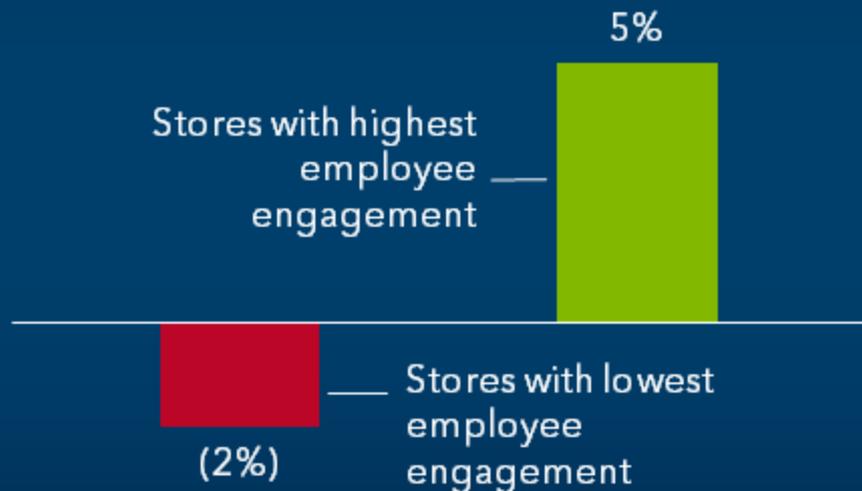
REPLACE

- Data transfer
- Trade-in
- Recycle
- Upgrade services



GROW COMPARABLE SALES THROUGH RETAIL EXCELLENCE

COMP PERFORMANCE VS. MEDIAN



ACTIONS:

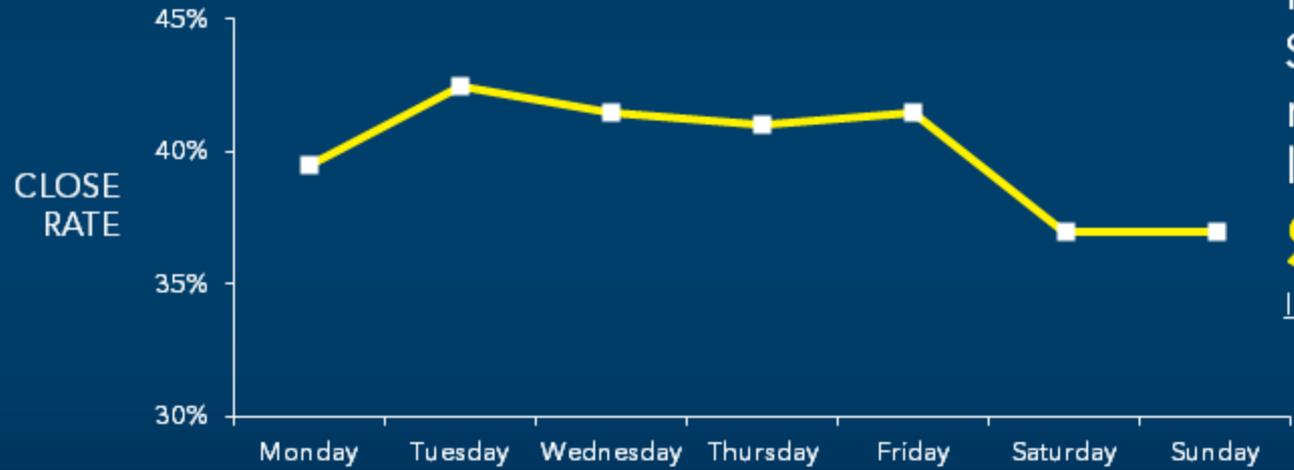
- Establish robust, objective store assessment process
- Tighten accountability
- Implement rigorous training and coaching
- Introduction of team-based incentives for all sales employees

200 basis points of
incremental comp equals:
\$150 MILLION

INCREMENTAL OPERATING INCOME

IMPROVE SCHEDULING TO DRIVE INCREASED REVENUE

CLOSE RATE BY DAY OF WEEK



Raising Saturday/Sunday to reduce gap vs. weekday levels by half equals:

\$150 MILLION

INCREMENTAL OPERATING INCOME

ENHANCE STORE MARGIN THROUGH SPACE OPTIMIZATION

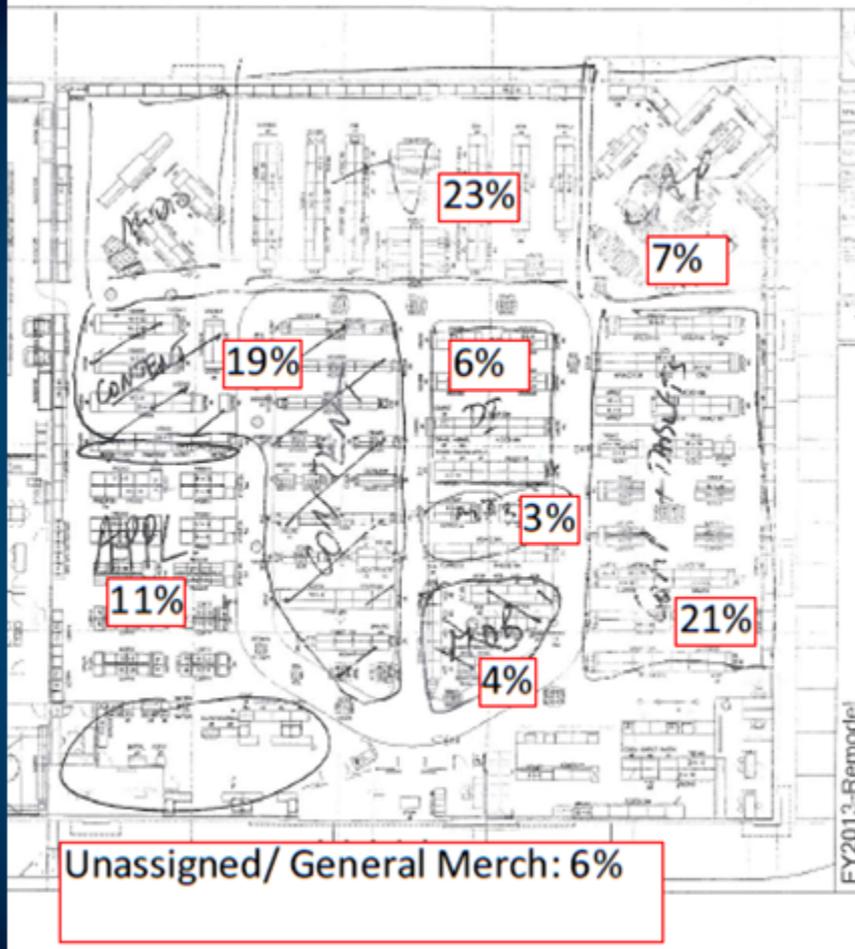
OPPORTUNITIES:

- Increase space allocated to growing/more profitable categories
- Reduce or restructure space allocated to other categories, e.g., entertainment

Store restructuring
could lead to:

\$200 MILLION

INCREMENTAL OPERATING INCOME



Sketch of Best Buy space allocation, created by Hubert Joly

OPTIMIZE **COST STRUCTURE**

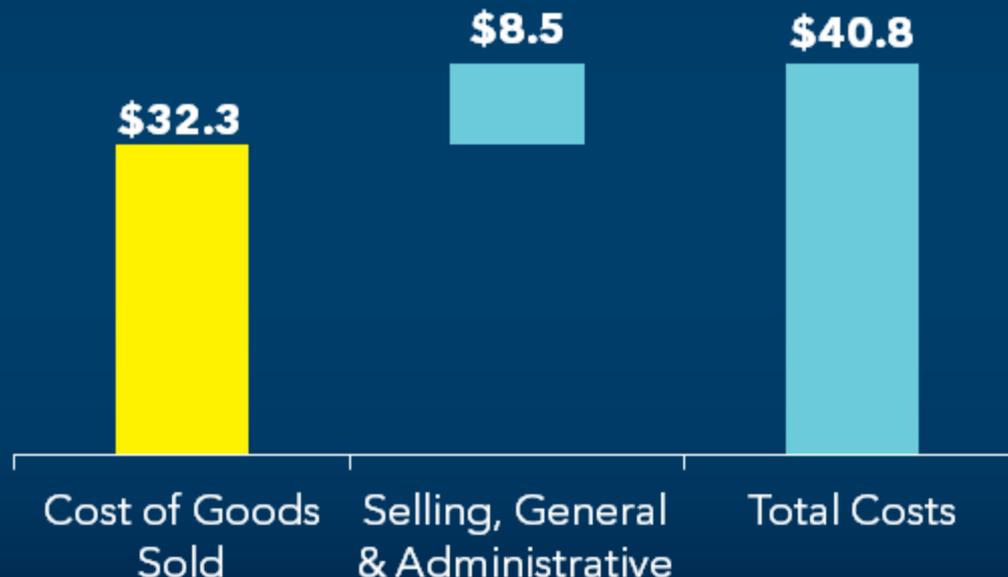
U.S./Canada/Mexico FY12 Actuals
(\$ billion)



OPTIMIZE

COST OF GOODS SOLD

U.S./Canada/Mexico FY12 Actuals
(\$ billion)



OPPORTUNITIES:

- Optimize returns
- Increase private label penetration
- Improve logistics
- Optimize assortment and terms

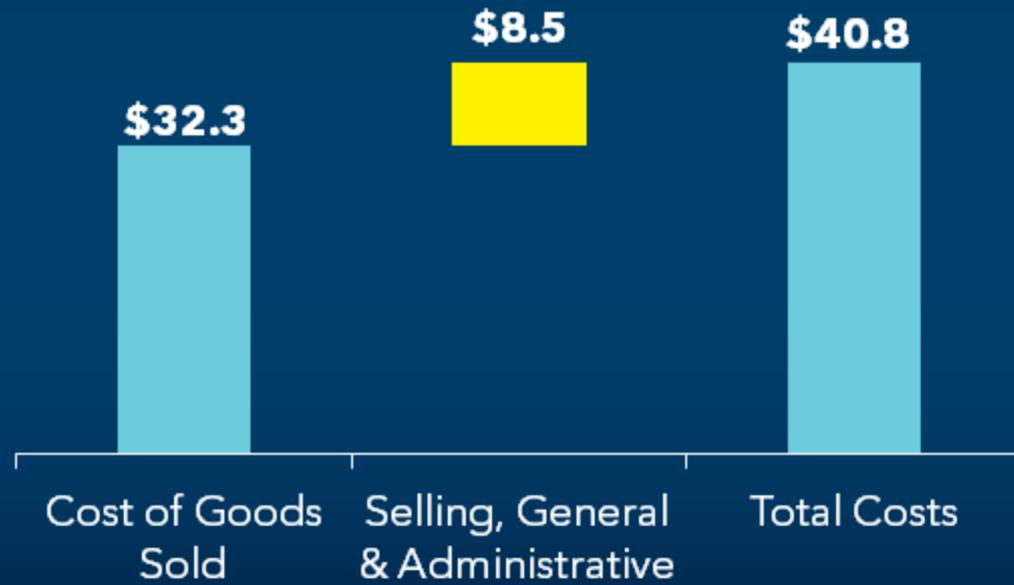
Impact of 1% reduction
in cost of goods sold:

\$325 million

INCREMENTAL OPERATING INCOME

REDUCE SELLING, GENERAL & ADMINISTRATIVE

U.S./Canada/Mexico FY12 Actuals
(\$ billion)



OPPORTUNITIES:

- Streamline organization
- Eliminate non-strategic activities
- Improve efficiencies
- Manage demand
- Optimize IT spend
- Consolidate and competitively bid spend

Impact of 5% reduction
in SG&A:

\$400 million

INCREMENTAL OPERATING INCOME

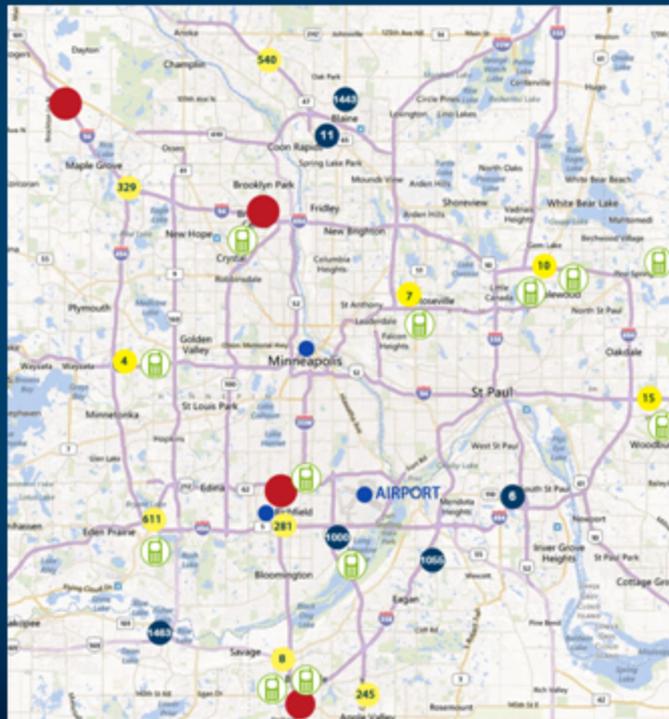
IMPLEMENT REAL ESTATE RATIONALIZATION STRATEGY: 1. ADDRESS LOWER PERFORMING STORES

FOUR-WALL ROIC FOR U.S. LARGE FORMAT STORES

		< 0%	0% - 10%	10% - 20%	20% +	TOTAL	
YEARS UNTIL LEASE END	6+ years	3	21	60	213	297	} 71%
	4 - 6 years	1	11	51	200	263	
	2 - 4 years	0	3	31	246	280	
	0 - 2 years	0	2	13	177	192	
	TOTAL	4	37	155	836	1,032	

64 STORES

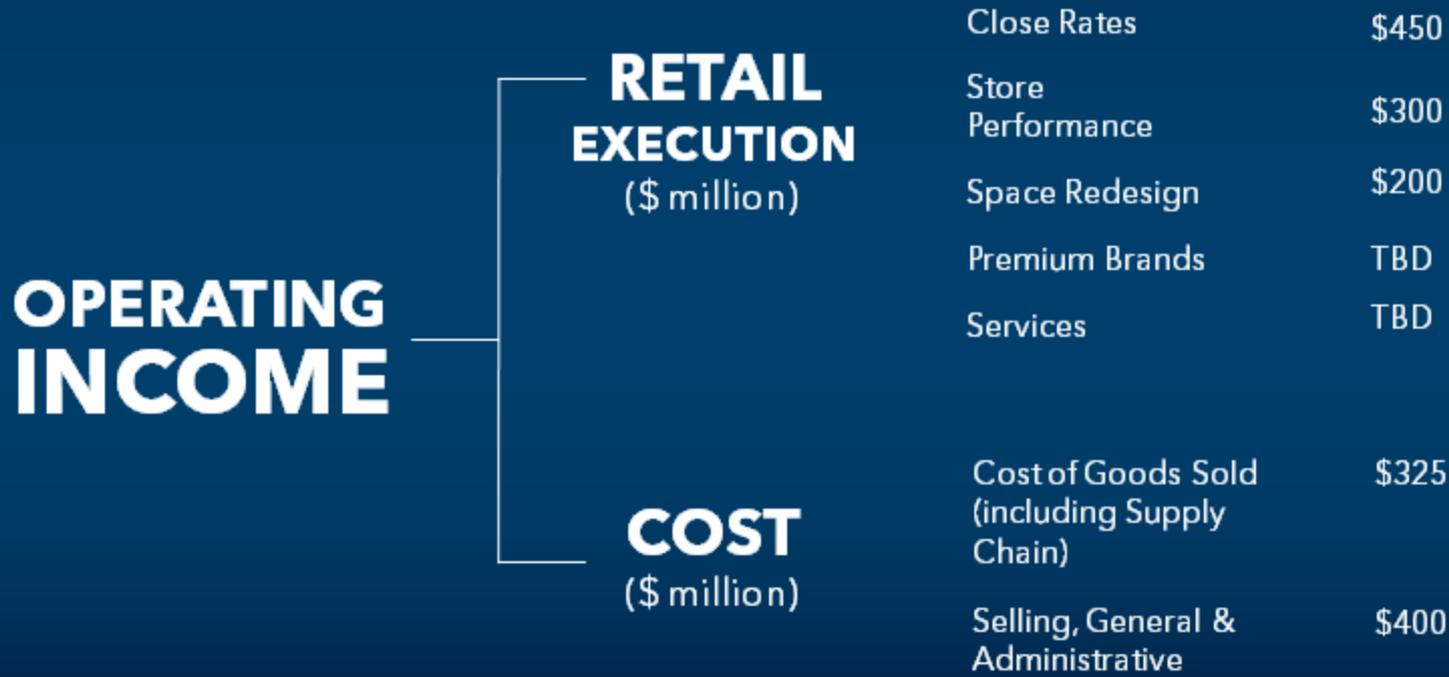
IMPLEMENT REAL ESTATE RATIONALIZATION STRATEGY: 2. RATIONALIZE FOOTPRINT AT MARKET LEVEL



TWIN CITIES EXAMPLE (excludes impact of remodels)

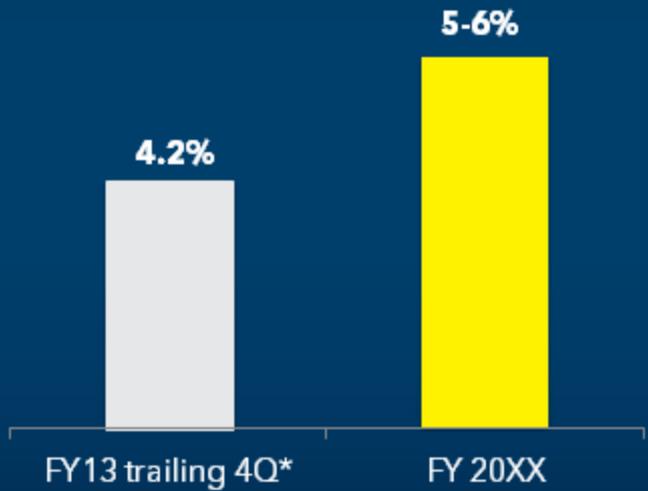
	FY12	FY16E	CHANGE
# of Large Format Stores	24	20	(4)
# of Best Buy Mobile Stores	4	13	+9
Revenue per Sq. Ft.	\$730	\$875	+20%
Operating Income per Sq. Ft.	\$75	\$90	+20%
ROIC	26%	29%	+300 bps

SUMMARY OF OPERATIONAL IMPROVEMENT OPPORTUNITIES

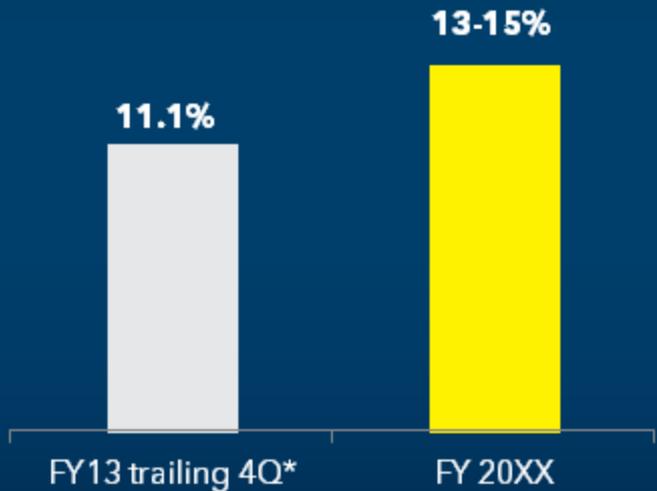


THROUGH RENEW BLUE, BEST BUY EXPECTS TO **INCREASE OPERATING INCOME AND ROIC**

OPERATING MARGIN



ROIC



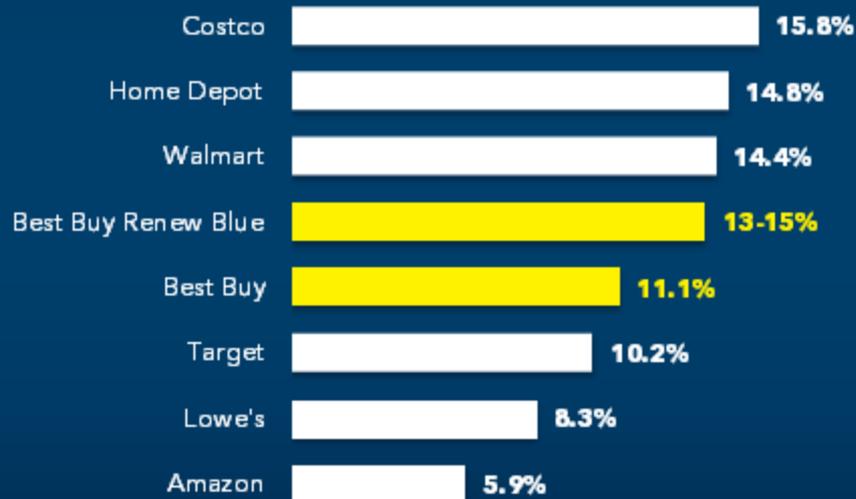
*Ending in Q2 FY13

TARGETS ARE IN LINE WITH THE AVERAGE OF OTHER RETAILERS

OPERATING MARGIN



ROIC



SOURCE: Peer financials per Thomson Reuters Checkpoint. Peer ROIC calculated using Best Buy's methodology as disclosed in the supplemental non-GAAP reconciliation available at www.investors.bestbuy.com. Data reflects most recent four quarters.

RENEW BLUE

THE PREFERRED AUTHORITY AND DESTINATION
FOR TECHNOLOGY PRODUCTS AND SERVICES



Reinvigorate and rejuvenate the
CUSTOMER EXPERIENCE



Work with
VENDOR PARTNERS
to innovate and drive value



Continue leadership role in positively impacting
OUR WORLD



Attract and inspire
LEADERS AND EMPLOYEES



Increase ROIC for
INVESTORS

WE HAVE **TWO PROBLEMS TO SOLVE**

PROBLEM #1

DRIVEN BY

SOLUTIONS

NEGATIVE COMPS

- Channel shift
- Product mix shift
- Customer satisfaction
- Price perception

- Reinvigorate and rejuvenate customer experience
 - Online
 - In-store
 - Multi-channel
 - Price match
 - Retail execution

WE HAVE **TWO PROBLEMS TO SOLVE**



INVESTMENT THESIS

- 1 Market leader** in growing, fragmented market
- 2 Unique platform** to deliver a multi-channel shopping and customer experience
- 3 Significant operational opportunities** to enhance returns through improved execution and cost reduction opportunities
- Opportunity to rejuvenate the customer experience and the company as **the preferred authority and destination for technology products and services**
- Ability to **stabilize and then improve** comps and operating margin, with strong cash flow generation
- 6 Results-focused management team** committed to delivering improved performance

RENEW BLUE

THANK
YOU