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AB ACQUISITION LLC AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 12—Leases

The Company leases certain retail stores, distribution centers, office facilities and equipment from third parties. The typical lease period is 15 to 20 years with renewal options for varying terms and, to a limited extent, options to purchase. Certain leases contain percent rent based on sales, escalation clauses or payment of executory costs, such as property taxes, utilities, insurance and maintenance.

Future minimum lease payments to be made by the Company for non-cancelable operating lease and capital lease obligations as of February 28, 2015 consisted of the following (in millions):

Fiscal year	Lease Obligations	
	Operating Leases	Capital Leases
2015	\$ 735.7	\$ 202.2
2016	688.7	192.4
2017	620.1	171.2
2018	538.9	142.8
2019	455.1	130.2
Thereafter	2,858.2	669.5
Total future minimum obligations	\$ 5,896.7	1,508.3
Less interest		(533.6)
Present value of net future minimum lease obligations		974.7
Less current portion		(121.1)
Long-term obligations		\$ 853.6

The Company subleases certain property to third parties. Future minimum tenant rental income under these non-cancelable operating leases as of February 28, 2015 was \$358.8 million.

Rent expense and tenant rental income under operating leases consisted of the following (in millions):

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Minimum rent	\$ 371.3	\$ 300.8	\$ 53.4
Contingent rent	4.7	3.3	0.5
Total rent expense	376.0	304.1	53.9
Tenant rental income	(51.9)	(45.3)	(19.2)
Total rent expense, net of tenant rental income	\$ 324.1	\$ 258.8	\$ 34.7

Note 13—Income Taxes

The components of (loss) income before income taxes consisted of the following (in millions):

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Domestic	\$ (1,379.1)	\$ 1,140.5	\$ 31.5
Foreign	0.5	—	—
	\$ (1,378.6)	\$ 1,140.5	\$ 31.5