



March 1, 2017

Fourth Quarter and Full Year 2016 GAAP Reconciliation

Non-GAAP Financial Measures

Adjusted information is non-GAAP financial information. These supplemental non-GAAP measures should not be considered superior to, or a substitute for, and should be considered in conjunction with the GAAP financial measures presented. The Company believes such non-GAAP financial information facilitates analysis and comparisons of our ongoing business operations because it excludes items that may not be indicative of, or are unrelated to the Company's and our business segments' core operating performance, and may assist investors with comparisons to prior periods and assessing trends in our underlying businesses. These adjustments are consistent with how management views our businesses. Management uses such non-GAAP financial information in making financial, operating and planning decisions and evaluating the Company's and each business segment's ongoing performance. A reconciliation of adjusted financial information to the most directly comparable financial measures calculated and presented in accordance with GAAP is shown in Table 1.

TABLE 1
VITAMIN SHOPPE, INC. AND SUBSIDIARY
SUPPLEMENTAL OPERATING DATA
(Unaudited)

Amounts in millions except per share data
Figures may not sum due to rounding

	Gross Profit	SG&A	Operating Income (Loss)	Net Income (Loss)	Diluted EPS
Three months ended December 31, 2016:					
As Reported	\$ 100.2	\$ 122.8	\$ (22.7)	\$ (11.6)	\$ (0.49)
Impairment charges on goodwill and intangible asset (1)	-	(39.2)	39.2	23.2	0.98
Canada stores closing costs (2)	-	-	-	(3.0)	(0.13)
As Adjusted	\$ 100.2	\$ 83.6	\$ 16.5	\$ 8.6	\$ 0.36
Three months ended December 26, 2015:					
As Reported	\$ 91.3	\$ 80.2	\$ 11.1	\$ 6.1	\$ 0.22
Management realignment charges (3)	-	(1.2)	1.2	0.8	0.03
Reinvention strategy costs (4)	-	(1.7)	1.7	1.1	0.04
Integration costs (5)	-	(0.5)	0.5	0.3	0.01
Super Supplements conversion costs (6)	1.0	(0.8)	1.8	1.1	0.04
Product write-off (7)	1.3	-	1.3	0.8	0.03
Canada stores closing costs (2)	0.3	(0.6)	0.9	0.9	0.03
As Adjusted	\$ 93.8	\$ 75.3	\$ 18.5	\$ 11.1	\$ 0.39
Fiscal year ended December 31, 2016:					
As Reported	\$ 426.4	\$ 380.8	\$ 45.6	\$ 25.0	\$ 1.04
Impairment charges on goodwill and intangible asset (1)	-	(39.2)	39.2	23.2	0.96
Cost reduction project (8)	-	(3.8)	3.8	2.3	0.10
Canada stores closing costs (2)	(0.2)	(2.1)	1.9	(1.1)	(0.05)
Super Supplements conversion costs (6)	(0.2)	(1.3)	1.0	0.6	0.03
Reinvention strategy costs (4)	-	(0.5)	0.5	0.3	0.01
As Adjusted	\$ 426.0	\$ 333.9	\$ 92.0	\$ 50.3	\$ 2.09
Fiscal year ended December 26, 2015:					
As Reported	\$ 418.9	\$ 329.9	\$ 89.0	\$ 53.2	\$ 1.82
Management realignment charges (3)	-	(3.4)	3.4	2.1	0.07
Reinvention strategy costs (4)	-	(2.7)	2.7	1.7	0.06
Integration costs (5)	-	(1.9)	1.9	1.2	0.04
Super Supplements conversion costs (6)	1.0	(0.8)	1.8	1.1	0.04
Account receivable bad debt reserve charge (9)	-	(1.4)	1.4	0.8	0.03
Product write-off (7)	1.3	-	1.3	0.8	0.03
Canada stores closing costs (2)	0.3	(0.6)	0.9	0.9	0.03
As Adjusted	\$ 421.4	\$ 319.1	\$ 102.3	\$ 61.7	\$ 2.11

- (1) Impairment charges of \$32.6 million on goodwill and \$6.6 million on the customer relationships intangible asset of Nutri-Force.
(2) In Fiscal 2016, charges primarily related to lease terminations and a \$3.0 million tax benefit in the fiscal quarter ended December 2016 resulting from the write-off of the Canada investment. In Fiscal 2015, costs include inventory reserve charges, impairment charges to fixed assets and severance charges.
(3) Management realignment charges primarily consist of severance, sign-on bonuses, recruiting and relocation costs.
(4) The costs represent outside consultants fees in connection with the Company's "reinvention strategy".
(5) Represents integration costs related to the acquisition of Nutri-Force, consisting primarily of professional fees.
(6) In Fiscal 2016, costs primarily related to the closure of the Seattle distribution center. In Fiscal 2015, conversion costs primarily include inventory reserve charges, product markdowns and accelerated depreciation.
(7) Represents a charge to inventory reserves for the write-off of USPlabs® products which the Company ceased selling.
(8) Outside consulting costs relating to a project to identify and implement cost reduction opportunities.
(9) Represents a charge to increase the allowance for doubtful accounts for Nutri-Force, related to one wholesale customer that abruptly ceased operations.

About the Vitamin Shoppe, Inc. (NYSE:VSI)

Vitamin Shoppe is a multi-channel, specialty retailer and contract manufacturer of nutritional products based in Secaucus, New Jersey. In its stores and on its website, the Company carries a comprehensive retail assortment including: vitamins, minerals, specialty supplements, herbs, sports nutrition, homeopathic remedies, green living products, and beauty aids. In addition to offering products from approximately 850 national brands, the Vitamin Shoppe also carries products under The Vitamin Shoppe®, BodyTech®, True Athlete®, MyTrition®, plnt®, ProBioCare®, Next Step® and Betancourt Nutrition® brands. The Vitamin Shoppe conducts business through more than 750 company-operated retail stores under The Vitamin Shoppe and Super Supplements retail banners, and primarily through its website, www.vitaminshoppe.com. Follow the Vitamin Shoppe on Facebook at <http://www.facebook.com/THEVITAMINSHOPPE> and on Twitter at <http://twitter.com/VitaminShoppe>.

Forward Looking Statements

This press release contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including without limitation, statements under the caption "2016 Outlook", statements regarding future financial results and performance, share repurchases, future business prospects, revenue, new stores, product offerings, store growth, working capital, liquidity, capital expenditures, capital needs and interest costs, industry based factors, including the level of competition in the vitamin, mineral and supplement industry, continued demand from the primary markets the Company serves, consumer perception of the Company's products, the availability of raw materials as well as economic conditions generally and factors more specific to the Company such as compliance with manufacturing regulations, certifications and practices and restrictions imposed by the Company's revolving credit facility, including financial covenants and limitations on the Company's ability to incur additional indebtedness and the Company's future capital requirements, and other risks, uncertainties and factors set forth under Item 1A., entitled "Risk Factors", in the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 2015 and in the Company's other reports and documents filed with the SEC. These forward-looking statements can be identified by the use of words such as "outlook", "believes", "expects", "potential", "continues", "may", "will", "should", "seeks", "predicts", "intends", "plans", "estimates", "anticipates", "target", "could" or the negative version of these words or other comparable words. These statements are subject to various risks and uncertainties, many of which are outside the Company's control, including, among others the strength of the economy, changes in the overall level of consumer spending, the performance of the Company's products within the prevailing retail environment, trade restrictions, availability of suitable store locations at appropriate terms, the availability of raw material and other specific factors discussed herein and in other Company SEC filings (including reports on Forms 10-K and 10-Q filed with the SEC). The Company believes that all forward-looking statements are based on reasonable assumptions when made; however, it is impossible to predict actual results or outcomes or the effects of risks, uncertainties or other factors on anticipated results or outcomes with certainty and that, accordingly, one should not place undue reliance on these statements. Forward-looking statements speak only as of the date when made and the Company undertakes no obligation to update these statements in light of subsequent events or developments. Actual results may differ materially from anticipated results or outcomes discussed in any forward-looking statement.