Appendix A

Financial Statement Information

This appendix includes financial information for (1) **Best Buy** and (2) **RadioShack**. This information is taken from their annual 10-K reports filed with the SEC. An **annual report** is a summary of a company's financial results for the year along with its current financial condition and future plans. This report is directed to external users of financial information, but it also affects the actions and decisions of internal users.

A company uses an annual report to showcase itself and its products. Many annual reports include attractive photos, diagrams, and illustrations related to the company. The primary objective of annual reports, however, is the *financial section,* which communicates much information about a company, with most data drawn from the accounting information system. The layout of an annual report's financial section is fairly established and typically includes the following:

- Letter to Shareholders
- Financial History and Highlights
- Management Discussion and Analysis
- Management's Report on Financial Statements and on Internal Controls
- Report of Independent Accountants (Auditor's Report) and on Internal Controls
- Financial Statements
- Notes to Financial Statements
- List of Directors and Officers

This appendix provides the financial statements for Best Buy (plus selected notes) and RadioShack. The appendix is organized as follows:

- **Best Buy** **A-2** through **A-20**
- **RadioShack** **A-21** through **A-26**

Many assignments at the end of each chapter refer to information in this appendix. We encourage readers to spend time with these assignments; they are especially useful in showing the relevance and diversity of financial accounting and reporting.

Special note: The SEC maintains the EDGAR (**E**lectronic **D**ata **G**athering, **A**nalysis, and **R**etrieval) database at **www.sec.gov**. The **Form 10-K** is the annual report form for most companies. It provides electronically accessible information. The **Form 10-KSB** is the annual report form filed by "small businesses." It requires slightly less information than the Form 10-K. One of these forms must be filed within 90 days after the company's fiscal year-end. (Forms 10-K405, 10-KT, 10-KT405, and 10-KSB405 are slight variations of the usual form due to certain regulations or rules.)

BEST BUY

Financial Report

Selected Financial Data

The following table presents our selected financial data. Certain prior-year amounts have been reclassified to conform to the current-year presentation. In fiscal 2004, we sold our interest in Musicland. All fiscal years presented reflect the classification of Musicland's financial results as discontinued operations.

Five-Year Financial Highlights

$ in millions, except per share amounts

Fiscal Year	2008	2007	2006	2005	2004
Consolidated Statements of Earnings Data					
Revenue	$40,023	$35,934	$30,848	$27,433	$24,548
Operating income	2,161	1,999	1,644	1,442	1,304
Earnings from continuing operations	1,407	1,377	1,140	934	800
Loss from discontinued operations, net of tax	—	—	—	—	(29)
Gain (loss) on disposal of discontinued operations, net of tax	—	—	—	50	(66)
Net earnings	1,407	1,377	1,140	984	705
Per Share Data					
Continuing operations	$3.12	$2.79	$2.27	$1.86	$1.61
Discontinued operations	—	—	—	—	(0.06)
Gain (loss) on disposal of discontinued operations	—	—	—	0.10	(0.13)
Net earnings	3.12	2.79	2.27	1.96	1.42
Cash dividends declared and paid	0.46	0.36	0.31	0.28	0.27
Common stock price:					
High	53.90	59.50	56.00	41.47	41.80
Low	41.85	43.51	31.93	29.25	17.03
Operating Statistics					
Comparable store sales gain	2.9%	5.0%	4.9%	4.3%	7.1%
Gross profit rate	23.9%	24.4%	25.0%	23.7%	23.9%
Selling, general and administrative expenses rate	18.5%	18.8%	19.7%	18.4%	18.6 %
Operating income rate	5.4%	5.6%	5.3%	5.3%	5.3%
Year-End Data					
Current ratio	1.1	1.4	1.3	1.4	1.3
Total assets	$12,758	$13,570	$11,864	$10,294	$8,652
Debt, including current portion	816	650	596	600	850
Total shareholders' equity	4,484	6,201	5,257	4,449	3,422
Number of stores					
Domestic	971	873	774	694	631
International	343	304	167	144	127
Total	1,314	1,177	941	838	758
Retail square footage (000s)					
Domestic	37,511	34,092	30,874	28,513	26,699
International	11,069	9,419	4,652	4,057	3,587
Total	48,580	43,511	35,526	32,570	30,286

Fiscal 2007 included 53 weeks. All other periods presented included 52 weeks.

Consolidated Balance Sheets
$ in millions, except per share amounts

	March 1, 2008	March 3, 2007
Assets		
Current Assets		
Cash and cash equivalents	$ 1,438	$ 1,205
Short-term investments	64	2,588
Receivables	549	548
Merchandise inventories	4,708	4,028
Other current assets	583	712
Total current assets	7,342	9,081
Property and Equipment		
Land and buildings	732	705
Leasehold improvements	1,752	1,540
Fixtures and equipment	3,057	2,627
Property under capital lease	67	32
	5,608	4,904
Less accumulated depreciation	2,302	1,966
Net property and equipment	3,306	2,938
Goodwill	1,088	919
Tradenames	97	81
Equity and Other Investments	605	338
Other Assets	320	213
Total Assets	$12,758	$13,570
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 4,297	$ 3,934
Unredeemed gift card liabilities	531	496
Accrued compensation and related expenses	373	332
Accrued liabilities	975	990
Accrued income taxes	404	489
Short-term debt	156	41
Current portion of long-term debt	33	19
Total current liabilities	6,769	6,301
Long-Term Liabilities	838	443
Long-Term Debt	627	590
Minority Interests	40	35
Shareholders' Equity		
Preferred stock, $1.00 par value: Authorized — 400,000 shares; Issued and outstanding — none	—	—
Common stock, $.10 par value: Authorized — 1.0 billion shares; Issued and outstanding — 410,578,000 and 480,655,000 shares, respectively	41	48
Additional paid-in capital	8	430
Retained earnings	3,933	5,507
Accumulated other comprehensive income	502	216
Total shareholders' equity	4,484	6,201
Total Liabilities and Shareholders' Equity	$12,758	$13,570

See Notes to Consolidated Financial Statements.

Consolidated Statements of Earnings
$ in millions, except per share amounts

For the Fiscal Years Ended	March 1, 2008	March 3, 2007	February 25, 2006
Revenue	$40,023	$35,934	$30,848
Cost of goods sold	30,477	27,165	23,122
Gross profit	9,546	8,769	7,726
Selling, general and administrative expenses	7,385	6,770	6,082
Operating income	2,161	1,999	1,644
Other income (expense)			
Investment income and other	129	162	107
Interest expense	(62)	(31)	(30)
Earnings before income tax expense, minority interest and equity in loss of affiliates	2,228	2,130	1,721
Income tax expense	815	752	581
Minority interest in earnings	(3)	(1)	—
Equity in loss of affiliates	(3)	—	—
Net earnings	$ 1,407	$ 1,377	$ 1,140
Earnings per share			
Basic	$ 3.20	$ 2.86	$ 2.33
Diluted	$ 3.12	$ 2.79	$ 2.27
Weighted-average common shares outstanding (in millions)			
Basic	439.9	482.1	490.3
Diluted	452.9	496.2	504.8

See Notes to Consolidated Financial Statements.

BEST BUY

Consolidated Statements of Cash Flows
$ in millions

For the Fiscal Years Ended	March 1, 2008	March 3, 2007	February 25, 2006
Operating Activities			
Net earnings	$1,407	$1,377	$1,140
Adjustments to reconcile net earnings to total cash provided by operating activities:			
Depreciation	580	509	456
Stock-based compensation	105	121	132
Deferred income taxes	74	82	(151)
Excess tax benefits from stock-based compensation	(24)	(50)	(55)
Other, net	(3)	21	1
Changes in operating assets and liabilities, net of acquired assets and liabilities:			
Receivables	12	(70)	(43)
Merchandise inventories	(562)	(550)	(457)
Other assets	42	(47)	(11)
Accounts payable	221	320	385
Other liabilities	74	185	165
Income taxes	99	(136)	178
Total cash provided by operating activities	2,025	1,762	1,740
Investing Activities			
Additions to property and equipment, net of $80, and $75 non-cash capital expenditures in fiscal 2008 and 2006, respectively	(797)	(733)	(648)
Purchases of investments	(8,501)	(4,789)	(4,561)
Sales of investments	10,935	5,095	4,362
Acquisitions of businesses, net of cash acquired	(89)	(421)	—
Change in restricted assets	(85)	63	47
Other, net	1	5	46
Total cash provided by (used in) investing activities	1,464	(780)	(754)
Financing Activities			
Repurchase of common stock	(3,461)	(599)	(772)
Issuance of common stock under employee stock purchase plan and for the exercise of stock options	146	217	292
Dividends paid	(204)	(174)	(151)
Repayments of debt	(4,353)	(84)	(69)
Proceeds from issuance of debt	4,486	96	36
Excess tax benefits from stock-based compensation	24	50	55
Other, net	(16)	(19)	(10)
Total cash used in financing activities	(3,378)	(513)	(619)
Effect of Exchange Rate Changes on Cash	122	(12)	27
Increase in Cash and Cash Equivalents	233	457	394
Cash and Cash Equivalents at Beginning of Year	1,205	748	354
Cash and Cash Equivalents at End of Year	$1,438	$1,205	$ 748
Supplemental Disclosure of Cash Flow Information			
Income taxes paid	$ 644	$ 804	$ 547
Interest paid	49	14	16

See Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Shareholders' Equity
$ and shares in millions

	Common Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balances at February 26, 2005	**493**	**$49**	**$936**	**$3,315**	**$149**	**$4,449**
Net earnings	—	—	—	1,140	—	1,140
Other comprehensive income, net of tax:						
Foreign currency translation adjustments	—	—	—	—	101	101
Unrealized gains on available-for-sale investments	—	—	—	—	11	11
Total comprehensive income						1,252
Stock options exercised	9	1	256	—	—	257
Tax benefit from stock options exercised and employee stock purchase plan	—	—	55	—	—	55
Issuance of common stock under employee stock purchase plan	1	—	35	—	—	35
Stock-based compensation	—	—	132	—	—	132
Common stock dividends, $0.31 per share	—	—	—	(151)	—	(151)
Repurchase of common stock	(18)	(1)	(771)	—	—	(772)
Balances at February 25, 2006	**485**	**49**	**643**	**4,304**	**261**	**5,257**
Net earnings	—	—	—	1,377	—	1,377
Other comprehensive loss, net of tax:						
Foreign currency translation adjustments	—	—	—	—	(33)	(33)
Unrealized losses on available-for-sale investments	—	—	—	—	(12)	(12)
Total comprehensive income						1,332
Stock options exercised	7	1	167	—	—	168
Tax benefit from stock options exercised and employee stock purchase plan	—	—	47	—	—	47
Issuance of common stock under employee stock purchase plan	1	—	49	—	—	49
Stock-based compensation	—	—	121	—	—	121
Common stock dividends, $0.36 per share	—	—	—	(174)	—	(174)
Repurchase of common stock	(12)	(2)	(597)	—	—	(599)
Balances at March 3, 2007	**481**	**48**	**430**	**5,507**	**216**	**6,201**
Net earnings	—	—	—	1,407	—	1,407
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments	—	—	—	—	311	311
Unrealized losses on available-for-sale investments	—	—	—	—	(25)	(25)
Total comprehensive income						1,693
Cumulative effect of adopting a new accounting standard (Note 8)	—	—	—	(13)	—	(13)
Stock options exercised	4	—	93	—	—	93
Tax benefit from stock options exercised and employee stock purchase plan	—	—	17	—	—	17
Issuance of common stock under employee stock purchase plan	1	—	53	—	—	53
Stock-based compensation	—	—	105	—	—	105
Common stock dividends, $0.46 per share	—	—	—	(204)	—	(204)
Repurchase of common stock	(75)	(7)	(690)	(2,764)	—	(3,461)
Balances at March 1, 2008	**411**	**$41**	**$ 8**	**$3,933**	**$502**	**$4,484**

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

$ in millions, except per share amounts or as otherwise noted

1. Summary of Significant Accounting Policies

Description of Business

Best Buy is a specialty retailer of consumer electronics, home office products, entertainment software, appliances and related services, with fiscal 2008 revenue of $40.0 billion.

We operate two reportable segments: Domestic and International. The Domestic segment is comprised of all states, districts and territories of the U.S. and includes store, call center and online operations of Best Buy, Best Buy Mobile, Geek Squad, Magnolia Audio Video, Pacific Sales Kitchen and Bath Centers ("Pacific Sales") and Speakeasy ("Speakeasy").

The International segment is comprised of all Canada store, call center and online operations, including Best Buy, Future Shop and Geek Squad; all China store, call center and online operations, including Best Buy, Geek Squad and Jiangsu Five Star Appliance Co. ("Five Star"). The International segment offers products and services similar to those offered by our Domestic segment. However, Canada Best Buy stores do not carry appliances. Further, our China Best Buy store and Five Star stores do not carry entertainment software. At the end of fiscal 2008, the International segment operated 131 Future Shop stores and 51 Best Buy stores in Canada, and 160 Five Star stores and one Best Buy store in China.

In support of our retail store operations, we also maintain Web sites for each of our brands (BestBuy.com, BestBuy.ca, BestBuy.com.cn, BestBuyMobile.com, Five-Star.cn, FutureShop.ca, GeekSquad.com, GeekSquad.ca, MagnoliaAV.com, PacificSales.com, and Speakeasy.net).

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts in the consolidated balance sheets and statements of earnings, as well as the disclosure of contingent liabilities. Future results could be materially affected if actual results were to differ from these estimates and assumptions.

Fiscal Year

Our fiscal year ends on the Saturday nearest the end of February. Fiscal 2008 and 2006 each included 52 weeks, and fiscal 2007 included 53 weeks.

Cash and Cash Equivalents

Cash primarily consists of cash on hand and bank deposits. Cash equivalents primarily consist of money market accounts and other highly liquid investments with an original maturity of three months or less when purchased. The amounts of cash equivalents at March 1, 2008, and March 3, 2007, were $871 and $695, respectively, and the weighted-average interest rates were 4.1% and 4.8%, respectively.

Outstanding checks in excess of funds on deposit (book overdrafts) totaled $159 and $183 at March 1, 2008, and March 3, 2007, respectively, and are reflected as current liabilities in our consolidated balance sheets.

Merchandise Inventories

Merchandise inventories are recorded at the lower of cost, using either the average cost or first-in, first-out method, or market. Inbound freight-related costs from our vendors are included as part of the net cost of merchandise inventories. Also included in the cost of inventory are certain vendor allowances that are not a reimbursement of specific, incremental and identifiable costs to promote a vendor's products. Other costs associated with acquiring, storing and transporting merchandise inventories to our retail stores are expensed as incurred and included in cost of goods sold.

Our inventory loss reserve represents anticipated physical inventory losses (e.g., theft) that have occurred since the last physical inventory date. Independent physical inventory

$ in millions, except per share amounts or as otherwise noted

counts are taken on a regular basis to ensure that the inventory reported in our consolidated financial statements is properly stated. During the interim period between physical inventory counts, we reserve for anticipated physical inventory losses on a location-by-location basis.

Our markdown reserve represents the excess of the carrying value, typically average cost, over the amount we expect to realize from the ultimate sale or other disposal of the inventory. Markdowns establish a new cost basis for our inventory. Subsequent changes in facts or circumstances do not result in the reversal of previously recorded markdowns or an increase in that newly established cost basis.

Restricted Assets

Restricted cash and investments in debt securities totaled $408 and $382, at March 1, 2008, and March 3, 2007, respectively, and are included in other current assets or equity and other investments in our consolidated balance sheets. Such balances are pledged as collateral or restricted to use for vendor payables, general liability insurance, workers' compensation insurance and warranty programs.

Property and Equipment

Property and equipment are recorded at cost. We compute depreciation using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter of their estimated useful lives or the period from the date the assets are placed in service to the end of the initial lease term. Leasehold improvements made significantly after the initial lease term are depreciated over the shorter of their estimated useful lives or the remaining lease term, including renewal periods, if reasonably assured. Accelerated depreciation methods are generally used for income tax purposes.

When property is fully depreciated, retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the consolidated statement of earnings.

Repairs and maintenance costs are charged directly to expense as incurred. Major renewals or replacements that substantially extend the useful life of an asset are capitalized and depreciated.

Costs associated with the acquisition or development of software for internal use are capitalized and amortized over the expected useful life of the software, from three to seven years. A subsequent addition, modification or upgrade to internal-use software is capitalized only to the extent that it enables the software to perform a task it previously did not perform. Capitalized software is included in fixtures and equipment. Software maintenance and training costs are expensed in the period incurred.

Property under capital lease is comprised of buildings and equipment used in our retail operations and corporate support functions. The related depreciation for capital lease assets is included in depreciation expense. The carrying value of property under capital lease was $54 and $26 at March 1, 2008, and March 3, 2007, respectively, net of accumulated depreciation of $13 and $6, respectively.

During the fourth quarter of fiscal 2007, we removed from our fixed asset balance $621 of fully depreciated assets that were no longer in service. This asset adjustment was based primarily on an analysis of our fixed asset records and certain other validation procedures and had no net impact on our fiscal 2007 consolidated balance sheet, statement of earnings or statement of cash flows.

Goodwill and Intangible Assets

Goodwill

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations accounted for under the purchase method. We do not amortize goodwill but test it for impairment annually, or when indications of potential impairment exist, utilizing a fair value approach at the reporting unit level. A reporting unit is the operating segment, or a business unit one level below that operating segment, for which discrete financial information is prepared and regularly reviewed by segment management.

$ in millions, except per share amounts or as otherwise noted

Tradenames

We have indefinite-lived intangible assets related to our Pacific Sales and Speakeasy tradenames which are included in the Domestic segment. We also have indefinite-lived intangible assets related to our Future Shop and Five Star tradenames, which are included in the International segment.

We determine fair values utilizing widely accepted valuation techniques, including discounted cash flows and market multiple analyses. During the fourth quarter of fiscal 2008, we completed our annual impairment testing of our goodwill and tradenames, using the valuation techniques as described above, and determined there was no impairment.

Investments

Debt Securities

Short-term and long-term investments in debt securities are comprised of auction-rate securities, variable-rate demand notes, asset-backed securities, municipal debt securities and commercial paper. In accordance with SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities,* and based on our ability to market and sell these instruments, we classify auction-rate securities and other investments in debt securities as available-for-sale and carry them at fair value. Auction-rate securities are intended to behave like short-term debt instruments because their interest rates are reset periodically through an auction process, typically at intervals of 7, 28 and 35 days. Investments in these securities can be sold for cash at par value on the auction date if the auction is successful. Substantially all of our auction-rate securities are AAA/Aaa-rated and collateralized by student loans, which are guaranteed 95% to 100% by the U.S. government. We also hold auction-rate securities that are in the form of municipal revenue bonds, the vast majority of which are AAA/Aaa-rated and insured by bond insurers. We do not have any investments in securities that are collateralized by assets that include mortgages or subprime debt. Our intent with these investments is not to hold these securities to maturity, but to use the periodic auction feature to provide liquidity as needed. See Note 3, *Investments,* for further information.

In accordance with our investment policy, we place our investments in debt securities with issuers who have high-quality credit and limit the amount of investment exposure to any one issuer. The primary objective of our investment activities is to preserve principal and maintain a desired level of liquidity to meet working capital needs. We seek to preserve principal and minimize exposure to interest-rate fluctuations by limiting default risk, market risk and reinvestment risk.

Marketable Equity Securities

We also invest in marketable equity securities and classify them as available-for-sale. Investments in marketable equity securities are included in equity and other investments in our consolidated balance sheets, and are reported at fair value based on quoted market prices. All unrealized holding gains and losses are reflected net of tax in accumulated other comprehensive income in shareholders' equity.

Other Investments

We also have investments that are accounted for on either the cost method or the equity method that we include in equity and other investments in our consolidated balance sheets.

We review the key characteristics of our debt, marketable equity securities and other investments portfolio and their classification in accordance with GAAP on an annual basis, or when indications of potential impairment exist. If a decline in the fair value of a security is deemed by management to be other-than-temporary, we write down the cost basis of the investment to fair value, and the amount of the write-down is included in net earnings.

Income Taxes

We account for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the

$ in millions, except per share amounts or as otherwise noted

financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured pursuant to tax laws using rates we expect to apply to taxable income in the years in which we expect those temporary differences to be recovered or settled. We recognize the effect of a change in income tax rates on deferred tax assets and liabilities in our consolidated statement of earnings in the period that includes the enactment date. We record a valuation allowance to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized.

Long-Term Liabilities

The major components of long-term liabilities at March 1, 2008, and March 3, 2007, included long-term rent-related liabilities, unrecognized tax benefits recorded pursuant to FIN No. 48, deferred compensation plan liabilities, advances received under vendor alliance programs and self-insurance reserves.

Revenue Recognition

We recognize revenue when the sales price is fixed or determinable, collectibility is reasonably assured and the customer takes possession of the merchandise, or in the case of services, at the time the service is provided. Revenue is recognized for store sales when the customer receives and pays for the merchandise at the point of sale. For online sales, we estimate and defer revenue and the related product costs for shipments that are in-transit to the customer. Revenue is recognized at the time we estimate the customer receives the product. Customers typically receive goods within a few days of shipment. Such amounts were immaterial at March 1, 2008, and March 3, 2007. Amounts billed to customers for shipping and handling are included in revenue.

Revenue is reported net of estimated sales returns and excludes sales taxes. We estimate our sales returns reserve based on historical return rates. Our sales returns reserve was $101 and $104, at March 1, 2008, and March 3, 2007, respectively.

Gift Cards

We sell gift cards to our customers in our retail stores, through our Web sites, and through selected third parties. We do not charge administrative fees on unused gift cards, and our gift cards do not have an expiration date. We recognize revenue from gift cards when: (i) the gift card is redeemed by the customer, or (ii) the likelihood of the gift card being redeemed by the customer is remote ("gift card breakage"), and we determine that we do not have a legal obligation to remit the value of unredeemed gift cards to the relevant jurisdictions. We determine our gift card breakage rate based upon historical redemption patterns. Based on our historical information, the likelihood of a gift card remaining unredeemed can be determined 24 months after the gift card is issued. At that time, we recognize breakage income for those cards for which the likelihood of redemption is deemed remote and we do not have a legal obligation to remit the value of such unredeemed gift cards to the relevant jurisdictions. Gift card breakage income is included in revenue in our consolidated statements of earnings.

We began recognizing gift card breakage income during the third quarter of fiscal 2006. Gift card breakage income was as follows in fiscal 2008, 2007 and 2006:

	2008	2007	2006
Gift card breakage income	$34	$46	$43

Due to the resolution of certain legal matters associated with gift card liabilities, we recognized $19 and $27 of gift card breakage income in fiscal 2007 and 2006, respectively, that related to prior fiscal years.

$ in millions, except per share amounts or as otherwise noted

Cost of Goods Sold and Selling, General and Administrative Expenses

The following table illustrates the primary costs classified in each major expense category:

Cost of Goods Sold	SG&A
• Total cost of products sold including: — Freight expenses associated with moving merchandise inventories from our vendors to our distribution centers; — Vendor allowances that are not a reimbursement of specific, incremental and identifiable costs to promote a vendor's products; and — Cash discounts on payments to merchandise vendors; • Cost of services provided including; — Payroll and benefits costs for services employees; and — Cost of replacement parts and related freight expenses; • Physical inventory losses; • Markdowns; • Customer shipping and handling expenses; • Costs associated with operating our distribution network, including payroll and benefit costs, occupancy costs, and depreciation; • Freight expenses associated with moving merchandise inventories from our distribution centers to our retail stores; and • Promotional financing costs.	• Payroll and benefit costs for retail and corporate employees; • Occupancy costs of retail, services and corporate facilities; • Depreciation related to retail, services and corporate assets; • Advertising; • Vendor allowances that are a reimbursement of specific, incremental and identifiable costs to promote a vendor's products; • Charitable contributions; • Outside service fees; • Long-lived asset impairment charges; and • Other administrative costs, such as credit card service fees, supplies, and travel and lodging.

Advertising Costs

Advertising costs, which are included in SG&A, are expensed the first time the advertisement runs. Advertising costs consist primarily of print and television advertisements as well as promotional events. Net advertising expenses were $684, $692 and $644 in fiscal 2008, 2007 and 2006, respectively. Allowances received from vendors for advertising of $156, $140 and $123, in fiscal 2008, 2007 and 2006, respectively, were classified as reductions of advertising expenses.

Stock-Based Compensation

At the beginning of fiscal 2006, we early-adopted the fair value recognition provisions of SFAS No. 123 (revised 2004), *Share-Based Payment* (123(R)), requiring us to recognize expense related to the fair value of our stock-based compensation awards. We elected the modified prospective transition method as permitted by SFAS No. 123(R). Under this transition method, stock-based compensation expense in fiscal 2008, 2007 and 2006 included: (i) compensation expense for all

$ in millions, except per share amounts or as otherwise noted

stock-based compensation awards granted prior to, but not yet vested as of February 26, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, *Accounting for Stock-Based Compensation;* and (ii) compensation expense for all stock-based compensation awards granted subsequent to February 26, 2005, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R). We recognize compensation expense on a straight-line basis over the requisite service period of the award (or to an employee's eligible retirement date, if earlier). Total stock-based compensation expense included in our consolidated statements of earnings for fiscal 2008, 2007 and 2006 was $105 ($72, net of tax), $121 ($82, net of tax) and $132 ($87, net of tax), respectively. In accordance with the modified prospective transition method of SFAS No. 123(R), financial results for prior periods have not been restated.

2. Acquisitions

Speakeasy, Inc.

On May 1, 2007, we acquired Speakeasy for $103 in cash, or $89 net of cash acquired, which included transaction costs and the repayment of $5 of Speakeasy's debt. We acquired Speakeasy, an independent U.S. broadband, voice, data and information technology services provider, to strengthen our portfolio of technology solutions. We accounted for the acquisition using the purchase method in accordance with SFAS No. 141, *Business Combinations*. Accordingly, we recorded the net assets at their estimated fair values, and included operating results in our Domestic segment from the date of acquisition. We allocated the purchase price on a preliminary basis using information then available. The allocation of the purchase price to the assets and liabilities acquired will be finalized no later than the first quarter of fiscal 2009. The premium we paid in excess of the fair value of the net assets acquired was primarily for the expected synergies we believe Speakeasy will generate by providing new technology solutions for our existing and future customers, as well as to obtain Speakeasy's skilled, established workforce. None of the goodwill is deductible for tax purposes.

The preliminary purchase price allocation, net of cash acquired, was as follows:

Receivables	$ 8
Property and equipment	7
Other assets	25
Tradename	6
Goodwill	74
Current liabilities	(31)
Total	$ 89

Jiangsu Five Star Appliance Co., Ltd.

On June 8, 2006, we acquired a 75% interest in Five Star for $184, which included a working capital injection of $122 and transaction costs. Five Star is an appliance and consumer electronics retailer and had 131 stores located in eight of China's 34 provinces on the date of acquisition. We made the investment in Five Star to further our international growth plans, to increase our knowledge of Chinese customers and to obtain an immediate retail presence in China. We have a contractual commitment to acquire the remaining 25% interest within the next several years, subject to Chinese government approval. The acquisition was accounted for using the purchase method in accordance with SFAS No. 141. Accordingly, we recorded the net assets at their estimated fair values, and included operating results in our International segment from the date of acquisition. We allocated the purchase price on a preliminary basis using information then available. The allocation of the purchase price to the assets and liabilities acquired was finalized in the first quarter of fiscal 2008. There was no significant adjustment to the preliminary purchase price allocation. None of the goodwill is deductible for tax purposes.

$ in millions, except per share amounts or as otherwise noted

The final purchase price allocation, net of cash acquired, was as follows:

Restricted cash	$ 204
Merchandise inventories	109
Property and equipment	78
Other assets	80
Tradename	21
Goodwill	22
Accounts payable	(368)
Other current liabilities	(35)
Debt	(64)
Long-term liabilities	(1)
Minority interests [(1)]	(33)
Total	$ 13

(1) The minority owners' proportionate share of assets and liabilities were recorded at historical carrying values.

The minority owners' proportionate share of net earnings was $3 and $1 in fiscal 2008 and 2007, respectively.

Five Star owns a 40% interest in, and purchases appliances from, Jiangsu Heng Xin Ge Li Air Conditioner Sales Co., Ltd. Purchases from this affiliate were $65 and $43 in fiscal 2008 and 2007, respectively. At March 1, 2008, and March 3, 2007, $22 and less than $1, respectively, was due to this affiliate for the purchase of appliances.

3. Investments

Investments were comprised of the following:

	March 1, 2008	March 3, 2007
Short-term investments		
Debt securities	$ 64	$2,588
Equity and other investments		
Debt securities	$417	$ 318
Marketable equity securities	172	4
Other investments	16	16
Total equity and other investments	$605	$ 338

Debt Securities

The following table presents the fair values, related weighted-average interest rates (taxable equivalent) and major security types for our investments:

	March 1, 2008		March 3, 2007	
	Fair Value	Weighted-Average Interest Rate	Fair Value	Weighted-Average Interest Rate
Short-term investments	$ 64	4.94%	$2,588	5.68%
Long-term investments	417	7.60%	318	5.68%
Total	$481		$2,906	
Auction-rate securities	$417		$2,377	
Municipal debt securities	—		506	
Commercial paper	64		—	
Variable-rate demand notes and asset-backed securities	—		23	
Total	$481		$2,906	

The carrying values of our investments were at fair value at March 1, 2008, and March 3, 2007. As discussed in Note 1, our investments include auction-rate securities, the interest rates of which are reset through an auction process, most commonly at intervals of 7, 28 and 35 days. The same auction process has historically provided a means by which we may rollover the investment or sell these securities at par in order to provide us with liquidity as needed. At March 1, 2008, we had $417 (par value) of auction-rate securities.

Marketable Equity Securities

The carrying values of our investments in marketable equity securities at March 1, 2008, and March 3, 2007,

$ in millions, except per share amounts or as otherwise noted

were $172 and $4, respectively. The increase in marketable equity securities since March 3, 2007, was primarily due to our investment in The Carphone Warehouse Group PLC ("CPW"), Europe's leading independent retailer of mobile phones and services. During the second quarter of fiscal 2008, we purchased in the open market 26.1 million shares of CPW common stock for $183, representing nearly 3% of CPW's outstanding shares.

Net unrealized losses, net of tax, included in accumulated other comprehensive income were ($25) and ($1) at March 1, 2008, and March 3, 2007, respectively.

Other Investments

The aggregate carrying values of investments accounted for on either the cost method or the equity method, at March 1, 2008, and March 3, 2007, were $16 and $16, respectively.

4. Debt

Short-term debt consisted of the following:

	March 1, 2008	March 3, 2007
Revolving credit facilities, secured and unsecured, variable interest rates ranging from 3.5% to 8.0% at March 1, 2008	$ 156	$ 20
Notes payable to banks, secured, paid October 2007	—	21
Total short-term debt	$ 156	$ 41

Fiscal Year	2008	2007
Maximum month-end outstanding during the year	$1,955	$ 78
Average amount outstanding during the year	$ 655	$ 57
Weighted-average interest rate	4.5%	5.3%

Long-term debt consisted of the following:

	March 1, 2008	March 3, 2007
Convertible subordinated debentures, unsecured, due 2022, interest rate 2.25%	$ 402	$402
Financing lease obligations, due 2009 to 2023, interest rates ranging from 3.0% to 6.5%	197	171
Capital lease obligations, due 2010 to 2026, interest rates ranging from 5.1% to 8.8%	51	24
Other debt, due 2010 to 2022, interest rates ranging from 2.6% to 8.8%	10	12
Total long-term debt	660	609
Less: current portion	(33)	(19)
Total long-term debt, less current portion	$ 627	$590

Certain debt is secured by property and equipment with a net book value of $87 and $80 at March 1, 2008, and March 3, 2007, respectively.

Credit Facilities

On June 26, 2007, we entered into a $3,000 bridge loan facility with Goldman Sachs Credit Partners L.P. (the "Bridge Facility"), concurrent with the execution of agreements to purchase $3,000 of shares of our common stock in the aggregate pursuant to our ASR program. See Note 5, *Shareholders' Equity*, for further information on the ASR program. We initially borrowed $2,500 under the Bridge Facility and used $500 of our existing cash and investments to fund the ASR program. Effective July 11, 2007, we reduced the amount we could borrow under the Bridge Facility to $2,500.

$ in millions, except per share amounts or as otherwise noted

Effective July 2, 2007, we terminated our previous $200 revolving credit facility that was scheduled to expire on December 22, 2009.

On September 19, 2007, we entered into a $2,500 five-year unsecured revolving credit agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A. ("JPMorgan"), as administrative agent, and a syndication of banks (the "Lenders"). The Credit Agreement permits borrowings up to $2,500, which may be increased up to $3,000 at our option and upon the consent of JPMorgan and each of the Lenders providing an incremental credit commitment. The Credit Agreement includes a $300 letter of credit sub-limit and a $200 foreign currency sub-limit. The Credit Agreement expires in September 2012.

Convertible Debentures

In January 2002, we sold convertible subordinated debentures having an aggregate principal amount of $402. The proceeds from the offering, net of $6 in offering expenses, were $396. The debentures mature in 2022 and are callable at par, at our option, for cash on or after January 15, 2007.

Holders may require us to purchase all or a portion of their debentures on January 15, 2012, and January 15, 2017, at a purchase price equal to 100% of the principal amount of the debentures plus accrued and unpaid interest up to but not including the date of purchase. We have the option to settle the purchase price in cash, stock, or a combination of cash and stock. On January 15, 2007, holders had the option to require us to purchase all or a portion of their debentures, at a purchase price equal to 100% of the principal amount of the debentures plus accrued and unpaid interest up to but not including the date of purchase. However, no debentures were so purchased.

The debentures become convertible into shares of our common stock at a conversion rate of 21.7391 shares per $0.001 principal amount of debentures, equivalent to an initial conversion price of $46.00 per share, if the closing price of our common stock exceeds a specified price for 20 consecutive trading days in a 30-trading day period preceding the date of conversion, if our credit rating falls below specified levels, if the debentures are called for redemption or if certain specified corporate transactions occur. During a portion of fiscal 2007, our closing stock price exceeded the specified stock price for more than 20 trading days in a 30-day trading period. Therefore, debenture holders had the option to convert their debentures into shares of our common stock. However, no debentures were so converted. Due to changes in the price of our common stock, the debentures were no longer convertible at March 3, 2007, and have not been convertible at the holders' option through April 25, 2008.

The debentures have an interest rate of 2.25% per annum. The interest rate may be reset, but not below 2.25% or above 3.25%, on July 15, 2011, and July 15, 2016. One of our subsidiaries has guaranteed the convertible debentures.

5. Shareholders' Equity

Stock Compensation Plans

Our outstanding stock options have a 10-year term. Outstanding stock options issued to employees generally vest over a four-year period, and outstanding stock options issued to directors vest immediately upon grant.

Earnings per Share

Our basic earnings per share calculation is based on the weighted-average number of common shares outstanding. Our diluted earnings per share calculation is based on the weighted-average number of common shares outstanding adjusted by the number of additional shares that would have been outstanding had the potentially dilutive common shares been issued. Potentially dilutive shares of common stock include stock options, nonvested share awards and shares issuable under our ESPP, as well as common shares that would have resulted from the assumed conversion of our convertible debentures (see Note 4, *Debt*). Since the potentially dilutive shares related to the convertible debentures are included in the calculation, the related interest expense, net of tax, is added back to earnings from continuing operations, as the interest would not have been paid if the convertible debentures had been converted

$ in millions, except per share amounts or as otherwise noted

to common stock. Nonvested market-based share awards and nonvested performance-based share awards are included in the average diluted shares outstanding each period if established market or performance criteria have been met at the end of the respective periods.

At March 1, 2008, stock options to purchase 28.8 million shares of common stock were outstanding as follows (shares in millions):

	Exercisable			Unexercisable			Total		
	Shares	%	Weighted Average Price per Share	Shares	%	Weighted Average Price per Share	Shares	%	Weighted Average Price per Share
In-the-money	16.5	93	$32.49	2.7	24	$43.60	19.2	67	$34.05
Out-of-the-money	1.2	7	54.65	8.4	76	50.53	9.6	33	51.04
Total	17.7	100	$34.00	11.1	100	$48.84	28.8	100	$39.73

The computation of dilutive shares outstanding excludes the out-of-the-money stock options because such outstanding options' exercise prices were greater than the average market price of our common shares and, therefore, the effect would be antidilutive (i.e., including such options would result in higher earnings per share). The following table presents a reconciliation of the numerators and denominators of basic and diluted earnings per share in fiscal 2008, 2007 and 2006:

	2008	2007	2006
Numerator:			
Net earnings, basic	$1,407	$1,377	$1,140
Adjustment for assumed dilution:			
Interest on convertible debentures due in 2022, net of tax	6	7	7
Net earnings, diluted	$1,413	$1,384	$1,147
Denominator (in millions):			
Weighted-average common shares outstanding	439.9	482.1	490.3
Effect of potentially dilutive securities:			
Shares from assumed conversion of convertible debentures	8.8	8.8	8.8
Stock options and other	4.2	5.3	5.7
Weighted-average common shares outstanding, assuming dilution	452.9	496.2	504.8
Basic earnings per share	$ 3.20	$ 2.86	$ 2.33
Diluted earnings per share	$ 3.12	$ 2.79	$ 2.27

Repurchase of Common Stock

On June 26, 2007, our Board of Directors ("Board") authorized a new $5,500 share repurchase program. The new program terminated and replaced our prior $1,500 share repurchase program authorized by our Board in June 2006. The June 2006 program terminated and replaced a $1,500 share repurchase program authorized by the Board in April 2005. There is no expiration date governing the period over which we can make our share repurchases under the June 2007 share repurchase program. At March 1, 2008, $2,500 remains available for future purchases under the June 2007 share repurchase program. Repurchased shares have been retired and constitute authorized but unissued shares.

$ in millions, except per share amounts or as otherwise noted

Open Market Repurchases

The following table presents open market share repurchases in fiscal 2008, 2007 and 2006 (shares in millions):

	2008	2007	2006
Total number of shares repurchased	9.8	11.8	18.3
Total cost of shares repurchased	$461	$599	$772

During fiscal 2008, we purchased and retired 9.8 million shares at a cost of $461 under our June 2006 share repurchase program. During fiscal 2008, we made no open market repurchases under our June 2007 share repurchase program.

Comprehensive Income

Comprehensive income is computed as net earnings plus certain other items that are recorded directly to shareholders' equity. In addition to net earnings, the significant components of comprehensive income include foreign currency translation adjustments and unrealized gains and losses, net of tax, on available-for-sale marketable equity securities. Foreign currency translation adjustments do not include a provision for income tax expense when earnings from foreign operations are considered to be indefinitely reinvested outside the U.S. Comprehensive income was $1,693, $1,332 and $1,252 in fiscal 2008, 2007 and 2006, respectively.

The components of accumulated other comprehensive income, net of tax, were as follows:

	March 1, 2008	March 3, 2007
Foreign currency translation	$527	$217
Unrealized losses on available-for-sale investments	(25)	(1)
Total	$502	$216

6. Leases

The composition of net rent expense for all operating leases, including leases of property and equipment, was as follows in fiscal 2008, 2007 and 2006:

	2008	2007	2006
Minimum rentals	$757	$679	$569
Contingent rentals	1	1	1
Total rent expense	758	680	570
Less: sublease income	(22)	(20)	(18)
Net rent expense	$736	$660	$552

The future minimum lease payments under our capital, financing and operating leases by fiscal year (not including contingent rentals) at March 1, 2008, were as follows:

Fiscal Year	Capital Leases	Financing Leases	Operating Leases
2009	$ 16	$ 29	$ 772
2010	16	29	761
2011	8	29	716
2012	2	28	666
2013	2	28	635
Thereafter	19	115	3,282
Subtotal	63	258	$6,832
Less: imputed interest	(12)	(61)	
Present value of lease obligations	$ 51	$197	

$ in millions, except per share amounts or as otherwise noted

Total minimum lease payments have not been reduced by minimum sublease rent income of approximately $99 due under future noncancelable subleases.

During fiscal 2008, we entered into agreements totaling $35 related to various information system capital leases. These leases were noncash transactions and have been eliminated from our consolidated statements of cash flows.

7. Benefit Plans

We sponsor retirement savings plans for employees meeting certain age and service requirements. Participants may choose from various investment options including a fund comprised of our company stock. The total matching contributions, net of forfeitures, were $53, $26 and $19 in fiscal 2008, 2007 and 2006, respectively.

8. Income Taxes

The following is a reconciliation of the federal statutory income tax rate to income tax expense in fiscal 2008, 2007 and 2006:

	2008	2007	2006
Federal income tax at the statutory rate	$780	$747	$603
State income taxes, net of federal benefit	67	38	34
Benefit from foreign operations	(25)	(36)	(37)
Non-taxable interest income	(17)	(34)	(28)
Other	10	37	9
Income tax expense	$815	$752	$581
Effective income tax rate	36.6%	35.3%	33.7%

9. Segments

We operate two reportable segments: Domestic and International. The Domestic segment is comprised of all U.S. store, call center and online operations. The International segment is comprised of all store, call center and online operations outside the U.S. We have included Speakeasy, which we acquired on May 1, 2007, in the Domestic segment. Our segments are evaluated on an operating income basis, and a stand-alone tax provision is not calculated for each segment. The other accounting policies of the segments are the same as those described in Note 1, *Summary of Significant Accounting Policies*. The following tables present our business segment information for fiscal 2008, 2007 and 2006:

$ in millions, except per share amounts or as otherwise noted

	2008	2007	2006
Revenue			
Domestic	$33,328	$31,031	$27,380
International	6,695	4,903	3,468
Total revenue	$40,023	$35,934	$30,848
Operating Income			
Domestic	$ 1,999	$ 1,900	$ 1,588
International	162	99	56
Total operating income	2,161	1,999	1,644
Other income (expense)			
Investment income and other	129	162	107
Interest expense	(62)	(31)	(30)
Earnings from operations before income tax expense, minority interest and equity in loss of affiliates	$ 2,228	$ 2,130	$ 1,721
Assets			
Domestic	$ 8,194	$10,614	$ 9,722
International	4,564	2,956	2,142
Total assets	$12,758	$13,570	$11,864

10. Contingencies and Commitments

Contingencies

We are involved in various other legal proceedings arising in the normal course of conducting business. We believe the amounts provided in our consolidated financial statements, as prescribed by GAAP, are adequate in light of the probable and estimable liabilities. The resolution of those other proceedings is not expected to have a material impact on our results of operations or financial condition.

Commitments

We engage Accenture LLP ("Accenture") to assist us with improving our operational capabilities and reducing our costs in the information systems, procurement and human resources areas. Our future contractual obligations to Accenture are expected to range from $76 to $272 per year through 2012, the end of the periods under contract. Prior to our engagement of Accenture, a significant portion of these costs were incurred as part of normal operations.

We had outstanding letters of credit for purchase obligations with a fair value of $90 at March 1, 2008.

At March 1, 2008, we had commitments for the purchase and construction of facilities valued at approximately $45. Also, at March 1, 2008, we had entered into lease commitments for land and buildings for 104 future locations. These lease commitments with real estate developers provide for minimum rentals ranging from 5 to 20 years, which if consummated based on current cost estimates, will approximate $72 annually over the initial lease terms. These minimum rentals are reported in the future minimum lease payments included in Note 6, *Leases*.

In April 2008, CompUSA, Inc. accepted our offer to acquire the rights to 17 leases for $13.5. Pending approval from the landlords, we expect to take possession of all sites by June 2008. The total square footage related to these leases is approximately 453,000 square feet, or an average of approximately 27,000 square feet per site. The remaining minimum lease terms range from 3 to 14 years, however, all leases include renewal options for an additional 5 to 20 years. The sites are located throughout the U.S., primarily in western states, and we anticipate utilizing these sites over the next two fiscal years for planned new stores for both Best Buy and Pacific Sales.

Alabama Albertville, Alexander City, Andalusia, Arab, Ardmore, Athens, Atmore, Attalla, Bay Minette, Bayou La Batre, Bessemer, Birmingham, Butler, Calera, Camden, Center Point, Centre, Childersburg, Clanton, Cullman, Daphne, Decatur, Demopolis, Dothan, Enterprise, Fairfield, Fairhope, Florence, Foley, Fort Payne, Gadsden, Gardendale, Gulf Shores, Guntersville, Haleyville, Hamilton, Hartselle, Hoover, Huntsville, Jackson, Jasper, Leeds, Linden, Luverne, Madison, Marion, Mobile, Montgomery, Moulton, Northport, Opelika, Opp, Oxford, Pelham, Pell City, Phenix City, Piedmont, Prattville, Robertsdale, Rogersville, Russellville, Saraland, Scottsboro, Selma, Sumiton, Sylacauga, Tallassee, Thomasville, Troy, Tuscaloosa *Alaska* Anchorage, Bethel, Cordova, Craig, Eagle River, Fairbanks, Glennallen, Haines, Homer, Juneau, Kenai, Ketchikan, Kodiak, Petersburg, Seward, Sitka, Skagway, Soldotna, Valdez, Wasilla *Arizona* Ajo, Apache Junction, Avondale, Benson, Bullhead City, Camp Verde, Casa Grande, Chandler, Chino Valley, Colorado City, Coolidge, Cottonwood, Douglas, Flagstaff, Florence, Fort Mohave, Fountain Hills, Gilbert, Glendale, Greenvalley, Heber, Holbrook, Kayenta, Kingman, Lake Havasu, Lakeside, Maricopa, Mesa, Miami, Morenci, New River, Nogales, Oro Valley, Parker, Payson, Peoria, Phoenix, Prescott, Prescott Valley, Quartzsite, Safford, San Manuel, Scottsdale, Sedona, Show Low, Sierra Vista, Springerville, St. Johns, Sun City, Surprise, Taylor, Tempe, Thatcher, Tuba City, Tucson, Wickenburg, Willcox, Yuma *Arkansas* Arkadelphia, Ash Flat, Batesville, Beebe, Benton, Bentonville, Berryville, Brinkley, Bryant, Cabot, Camden, Cave City, Clarksville, Clinton, Conway, Danville, De Queen, De Witt, Dumas, El Dorado, Fayetteville, Flippin, Forrest City, Fort Smith, Glenwood, Harrison, Heber Springs, Hope, Hot Springs, Jacksonville, Jasper, Jonesboro, Little Rock, Magnolia, Malvern, Mammoth Springs, Marshall, Melbourne, Mena, Mountain Home, Mountain View, North Little Rock, Nashville, Newport, Paragould, Paris, Pine Bluff, Prescott, Rogers, Russellville, Salem, Searcy, Sheridan, Siloam Springs, Springdale, Star City, Stuttgart, Van Buren, West Helena, West Memphis, Wynne *California* Agoura, Alameda, Albany, Alhambra, Alta Loma, Alturas, American Canyon, Anaheim, Anaheim Hills, Anderson, Angels Camp, Antioch, Apple Valley, Arcadia, Arcata, Arnold, Arroyo Grande, Atascadero, Atwater, Auburn, Avalon, Azusa, Bakersfield, Baldwin Park, Barstow, Beaumont, Bell, Belmont, Benicia, Berkeley, Beverly Hills, Big Bear Lake, Bishop, Blue Jay, Blythe, Brawley, Brea, Buellton, Buena Park, Burbank, Burlingame, Calexico, California City, Camarillo, Canoga Park, Canyon Country, Capitola, Carlsbad, Carmichael, Carpinteria, Carson, Castro Valley, Cathedral City, Cerritos, Chatsworth, Chico, Chino, Chino Hills, Chula Vista, Citrus Heights, City of Industry, Clearlake, Cloverdale, Clovis, Coachella, Coalinga, Colton, Colusa, Compton, Concord, Corcoran, Corning, Corona, Corte Madera, Costa Mesa, Covina, Crescent City, Crestline, Culver City, Cupertino, Cypress, Daly City, Dana Point, Danville, Davis, Del Mar, Delano, Desert Hot Springs, Diamond Bar, Dinuba, Downey, Duarte, Dublin, E Los Angeles, El Cajon, El Centro, El Cerrito, El Monte, Elk Grove, Emeryville, Encinitas, Encino, Escondido, Eureka, Fairfield, Fall River Mills, Fallbrook, Folsom, Fontana, Foothill Ranch, Fortuna, Foster City, Fountain Valley, Freedom, Fremont, Fresno, Fort Bragg, Fullerton, Garberville, Garden Grove, Gardena, Gilroy, Glendale, Glendora, Goleta, Gonzales, Granada Hills, Grass Valley, Greenfield, Grover Beach, Hanford, Harbor City, Hawthorne, Hayward, Hemet, Hercules, Hesperia, Highland, Hollister, Hollywood, Huntington Beach, Huntington Park, Indio, Inglewood, Irvine, Jackson, King City, La Habra, La Jolla, La Mesa, La Mirada, La Puente, La Quinta, La Verne, Lafayette, Laguna Hills, Laguna Niguel, Lake Elsinore, Lake Isabella, Lakeport, Lakewood, Lancaster, Lawndale, Lemoore, Lincoln Heights, Livermore, Lodi, Lompoc, Long Beach, Los Alamitos, Los Angeles, Los Banos, Los Gatos, Los Osos, Lynwood, Madera, Malibu, Mammoth Lakes, Manhattan Beach, Manteca, Marina Del Rey, Martinez, Marysville, Maywood, Merced, Milpitas, Mission Hills, Modesto, Mojave, Monrovia, Montclair, Montebello, Monterey, Monterey Park, Montrose, Moorpark, Moreno Valley, Morgan Hill, Morro Bay, Mountain View, Mount Shasta, Murrieta, Napa, National City, Newbury Park, Newhall, Newport Beach, North Highlands, North Hollywood, Northridge, Norwalk, Novato, Oakdale, Oakhurst, Oakland, Oakley, Oceanside, Ojai, Ontario, Orange, Orangevale, Orland, Oroville, Oxnard, Pacifica, Palm Desert, Palm Springs, Palmdale, Palo Alto, Panorama City, Paradise, Paramount, Pasadena, Paso Robles, Patterson, Perris, Petaluma, Phelan, Pico Rivera, Pinole, Pittsburg, Placentia, Placerville, Pleasant Hill, Pleasanton, Pollock Pines, Pomona, Porterville, Poway, Quincy, Ramona, Rancho Cordova, Rancho Cucamonga, Rancho Santa Margarita, Red Bluff, Redding, Redlands, Redondo Beach, Redwood City, Reedley, Rialto, Ridgecrest, Rio Vista, Riverbank, Riverside, Rocklin, Rohnert Park, Rolling Hills, Rosamond, Rosemead, Roseville, Rowland Heights, Sacramento, Salinas, San Bernardino, San Bruno, San Clemente, San Diego, San Dimas, San Francisco, San Jose, San Leandro, San Luis Obispo, San Marcos, San Mateo, San Pablo, San Pedro, San Rafael, San Ramon, Sanger, Santa Ana, Santa Barbara, Santa Clara, Santa Cruz, Santa Maria, Santa Monica, Santa Paula, Santa Rosa, Santee, Saugus, Scotts Valley, Seal Beach, Seaside, Sebastopol, Selma, Sherman Oaks, Signal Hill, Simi, San Juan Capistrano, Soledad, Sonoma, Sonora, South Gate, South Lake Tahoe, South Pasadena, South San Francisco, Spring Valley, Stockton, Studio City, Sun Valley, Sunnyvale, Susanville, Sylmar, Taft, Tehachapi, Temecula, Temple City, Thousand Oaks, Torrance, Tracy, Truckee, Tujunga, Tulare, Turlock, Tustin, Twentynine Palms, Ukiah, Union City, Upland, Vacaville, Valencia, Vallejo, Valley Springs, Van Nuys, Venice, Ventura, Victorville, Visalia, Vista, Walnut Creek, Wasco, Watsonville, Weaverville, West Covina, West Hollywood, West Los Angeles, West Sacramento, Westchester, Westminster, Whittier, Willits, Willows, Wilmington, Windsor, Woodland, Woodland Hills, Yorba Linda, Yreka, Yuba City, Yucaipa, Yucca Valley *Colorado* Alamosa, Arvada, Aspen, Aurora, Avon, Bayfield, Bennett, Boulder, Brighton, Broomfield, Buena Vista, Burlington, Canon City, Castle Rock, Castle Rock, Centennial, Center, Colorado Springs, Conifer, Cortez, Craig, Crested Butte, Denver, Durango, Elizabeth, Englewood, Estes Park, Evergreen, Flagler, Fort Collins, Fountain, Fraser, Frisco, Glenwood Spring, Golden, Grand Junction, Greeley, Greenwood Village, Gunnison, Highlands Ranch, Holyoke, Idaho Springs, La Junta, Lafayette, Lakewood, Lamar, Limon, Littleton, Longmont, Loveland, Meeker, Monte Vista, Montrose, Monument, Northglenn, Pagosa Springs, Paonia, Parachute, Parker, Pueblo, Rifle, Salida, Springfield, Steamboat Springs, Sterling, Thornton, Westminster, Woodland Park, Wray, Yuma *Connecticut* Avon, Barkhamsted, Bloomfield, Branford, Bridgeport, Bristol, Canaan, Cheshire, Clinton, Cos Cob, Cromwell, Danbury, Derby, East Haven, Enfield, Fairfield, Farmington, Glastonbury, Groton, Guilford, Hamden, Hartford, Manchester, Meriden, Middletown, Milford, Naugatuck, New Britain, New Canaan, New Haven, New London, New Milford, Newington, Newtown, North Haven, Norwalk, Norwich, Old Saybrook, Orange, Plainfield, Putnam, Ridgefield, Riverside, Southbury, Southington, Stamford, Torrington, Trumbull, Vernon, Wallingford, Waterbury, Waterford, Watertown, West Hartford, Westport, Wethersfield, Willimantic, Wilton, Windsor, *D.C.* Washington *Delaware* Bear, Claymont, Dover, Georgetown, Middletown, Milford, New Castle, Newark, Rehoboth Beach, Seaford, Smyrna, Wilmington *Florida* Alachua, Altamonte, Altamonte Springs, Apopka, Arcadia, Atlantic Beach, Auburndale, Avon Park, Bartow, Bayonet Point, Belle Glade, Belleview, Big Pine Key, Boca Raton, Bonita Springs, Boynton Beach, Bradenton, Brandon, Branford, Brooksville, Callaway, Cape Coral, Casselberry, Century, Chiefland, Chipley, Clearwater, Clermont, Clewiston, Cocoa, Cocoa Beach, Cooper City, Coral Gables, Coral Springs, Crawfordville, Crestview, Crystal River, Davie, Daytona Beach, Deerfield, Deerfield Beach, Defuniak Springs, Deland, Delray Beach, Deltona, Destin, Dunnellon, Englewood, Fernandina Beach, Florida City, Fort Lauderdale, Fort Myers, Fort Pierce, Fort Walton Beach, Gainesville, Greenacres, Gulf Breeze, Haines City, Hialeah, Hilliard, Holiday, Hollywood, Homestead, Homosassa, Immokalee, Indiantown, Inverness, Jacksonville, Jensen Beach, Jupiter, Key Largo, Key West, Keystone Heights, Kissimmee, Lady Lake, Lake City, Lake Mary, Lake Placid, Lake Wales, Lake Worth, Lakeland, Lantana, Largo, Lauderdale Lakes, Lauderhill, Leesburg, Lehigh Acres, Live Oak, Longwood, Lutz, Macclenny, Madison, Marathon, Marco Island, Margate, Marianna, Mary Esther, Melbourne, Merritt Island, Miami, Miami Beach, Milton, Miramar, Monticello, Mount Dora, North Fort Myers, North Miami Beach, Naples, Navarre, New Port Richey, New Smyrna Beach, Niceville, Oakland Park, Ocala, Ocoee, Okeechobee, Orange City, Orange Park, Orlando, Ormond Beach, Oviedo, Palatka, Palm Bay, Palm Beach Garden, Palm Coast, Palm Harbor, Panama City, Pembroke Pines, Pensacola, Perry, Plant City, Plantation, Pompano Beach, Port Charlotte, Port Orange, Port Richey, Port St. Joe, Port St. Lucie, Punta Gorda, Riverview, Royal Palm Beach, Ruskin, Sanford, Santa Rosa Beach, Sarasota, Satellite Beach, Sebastian, Sebring, Seffner, Seminole, South Daytona, Spring Hill, St. Augustine, St. Cloud, St. Petersburg, Starke, Stuart, Sunrise, Tallahassee, Tampa, Tarpon Springs, Temple Terrace, Tequesta, Titusville, Venice, Vero Beach, Wauchula, Wellington, West Palm Beach, Weston, Wildwood, Wilton Manors, Winter Haven, Winter Park, Winter Springs, Zephyrhills *Georgia* Adel, Albany, Alpharetta, Americus, Athens, Atlanta, Augusta, Austell, Bainbridge, Barnesville, Baxley, Blairsville, Blakely, Blue Ridge, Brunswick, Buford, Cairo, Calhoun, Canton, Carrollton, Cartersville, Cedartown, Centerville, Chamblee, Chatsworth, Clayton, Cleveland, Columbus, Commerce, Conyers, Cordele, Cornelia, Covington, Cumming, Cuthbert, Dahlonega, Dalton, Dawson, Dawsonville, Decatur, Donalsonville, Douglas, Douglasville, Dublin, Duluth, East Ellijay, Elberton, Fayetteville, Fitzgerald, Folkston, Forest Park, Forsyth, Fort Gaines, Fort Oglethorpe, Fort Valley, Gainesville, Griffin, Hampton, Hartwell, Hazlehurst, Hiawassee, Hinesville, Hiram, Homerville, Jackson, Jasper, Jesup, Kennesaw, Lafayette, Lagrange, Lawrenceville, Lilburn, Lincolnton, Lithonia, Macon, Madison, Marietta, Martinez, Mc Rae, McDonough, Metter, Milledgeville, Monroe, Monticello, Morrow, Moultrie, Nashville, Newnan, Norcross, Oakwood, Peachtree City, Perry, Quitman, Richmond Hill, Riverdale, Rockmart, Rome, Roswell, Royston, Savannah, Smyrna, Snellville, St. Marys, St. Simons Island, Statesboro, Stockbridge, Stone Mountain, Summerville, Suwanee, Sylvania, Sylvester, Thomaston, Thomasville, Thomson, Tifton, Toccoa, Trenton, Union City, Valdosta, Vidalia, Villa Rica, Warner Robins, Washington, Waycross, Winder, Woodbury, Woodstock *Hawaii* Aiea, Ewa Beach, Haleiwa, Hilo, Honolulu, Kahului, Kailua, Kailua-Kona, Kamuela, Kaneohe, Kapolei, Kihei, Lahaina, Lihue, Mililani, Wahiawa, Waianae, Waipahu *Idaho* American Falls, Blackfoot, Boise, Bonners Ferry, Buhl, Burley, Caldwell, Chubbuck, Coeur d'Alene, Cottonwood, Driggs, Emmett, Grangeville, Hailey, Idaho Falls, Lewiston, McCall, Meridian, Montpelier, Moscow, Mountain Home, Nampa, Orofino, Pocatello, Post Falls, Rexburg, Rigby, Salmon, Sandpoint, Twin Falls, Wendell *Illinois* Aledo, Alton, Anna, Antioch, Arcola, Arlington Heights, Arthur, Aurora, Bartlett, Batavia, Belleville, Belvidere, Bensenville, Benton, Berwyn, Bloomingdale, Bloomington, Blue Island, Bolingbrook, Bourbonnais, Burbank, Calumet City, Canton, Carbondale, Carlinville, Carmi, Centralia, Champaign, Channahon, Chester, Chicago, Chicago Heights, Cicero, Collinsville, Crystal Lake, Danville, Decatur, Des Plaines, Dixon, Dolton, Downers Grove, Du Quoin, Dwight, East Peoria, East St Louis, Effingham, El Paso, Elgin, Elk Grove Village, Eureka, Evanston, Fairbury, Fairfield, Fairview Heights, Flora, Fox Lake, Frankfort, Freeport, Galesburg, Geneseo, Gibson City, Glen Carbon, Glen Ellyn, Glencoe, Glenview, Granite City, Greenville, Gurnee, Harrisburg, Havana, Highland, Highland Park, Hoffman Estates, Homer Glen, Homewood, Hoopeston, Jacksonville, Jerseyville, Joliet, Kankakee, Kewanee, La Grange, Lake Zurich, Lansing, Lemont, Lincoln, Litchfield, Lake in the Hills, Lombard, Machesney Park, Macomb, Marengo, Marion, Markham, Mascoutah, Matteson, Mattoon, McHenry, Melrose Park, Mendota, Midlothian, Moline, Montgomery, Morris, Mount Vernon, Mundelein, Naperville, Nashville, Niles, Norridge, North Riverside, Oak Lawn, Oak Park, Olney, Ottawa, Palatine, Palos Heights, Paris, Pekin, Peoria, Peru, Petersburg, Pontiac, Princeton, Quincy, Robinson, Rochelle, Rockford, Round Lake Beach, Salem, Sandwich, Savanna, Savoy, Schaumburg, Seneca, Shiloh, Skokie, South Elgin, South Holland, Sparta, Springfield, St. Charles, Staunton, Sterling, Streator, Sullivan, Sycamore, Tinley Park, Tuscola, Urbana, Vernon Hills, Villa Park, Virden, Waterloo, Watseka, Waukegan, West Dundee, Wheaton, Wheeling, Willowbrook, Wilmington, Wood River, Yorkville, Zion *Indiana* Anderson, Angola, Argos, Auburn, Aurora, Avon, Batesville, Bedford, Berne, Bicknell, Bloomington, Bluffton, Brazil, Bremen, Brook, Brookville, Brownsburg, Brownstown, Cannelton, Carmel, Clarksville, Columbia City, Columbus, Corydon, Covington, Crawfordsville, Crown Point, Decatur, Demotte, Elkhart, Elwood, Evansville, Fishers, Fort Wayne, Fowler, Frankfort, Franklin, Gary, Goshen, Greencastle, Greenfield, Greensburg, Greenwood, Griffith, Hammond, Hobart, Huntington, Indianapolis, Jasper, Kendallville, Knox, Kokomo, La Porte, Lafayette, Lagrange, Lebanon, Ligonier, Linton, Madison, Marion, Martinsville, Merrillville, Michigan City, Mishawaka, Monticello, Mooresville, Muncie, Munster, Nappanee, New Albany, New Carlisle, New Castle, New Haven, Noblesville, North Manchester, North Vernon, Paoli, Peru, Petersburg, Plainfield, Plymouth, Portage, Portland, Princeton, Rensselaer, Richmond, Rising Sun, Rochester, Rockport, Rockville, Rushville, Schererville, Seymour, Shelbyville, South Bend, Syracuse, Terre Haute, Tipton, Valparaiso, Vincennes, W Lafayette, Wabash, Warsaw, Washington, Winamac, Winchester *Iowa* Adel, Altoona, Ames, Ankeny, Atlantic, Belle Plaine, Boone, Carroll, Cedar Falls, Cedar Rapids, Chariton, Charles City, Cherokee, Clarinda, Clinton, Coralville, Council Bluffs, Cresco, Creston, Davenport, Decorah, Denison, Des Moines, Dubuque, Dyersville, Eagle Grove, Estherville, Fairfield, Fort Dodge, Fort Madison, Garner, Glenwood, Greenfield, Grinnell, Hampton, Harlan, Humboldt, Independence, Iowa City, Iowa Falls, Jefferson, Keokuk, Knoxville, Le Mars, Logan, Manchester, Maquoketa, Marengo, Marshalltown, Mason City, Mount Pleasant, Muscatine, New Hampton, Newton, Orange City, Osage, Osceola, Ottumwa, Pella, Perry, Pocahontas, Red Oak, Rock Valley, Sac City, Sheldon, Sioux Center, Sioux City, Spencer, Spirit Lake, Stuart, Vinton, Washington, Waterloo, Webster City, West Burlington, West Des Moines, West Union, Winterset *Kansas* Abilene, Anthony, Arkansas City, Atchison, Atwood, Bonner Springs, Burlington, Chanute, Clay Center, Colby, Columbus, Concordia, Derby, Dodge City, El Dorado, Ellsworth, Emporia, Fort Scott, Garden City, Garnett, Girard, Goodland, Great Bend, Hays, Hillsboro, Horton, Hutchinson, Independence, Iola, Junction City, Kansas City, Lawrence, L ... rth, Lenexa, Liberal, Manhattan, McPherson, Mission, Newton, Oakley, Olathe, Osage City, Osawatomie, Ottawa, Overland Park, Parsons, Pittsburg, Pratt, Salina, Scott City, Seneca, Shawnee Mission ... Wellington, Wichita, Winfield *Kentucky* Alexandria, Ashland, Barbourville, Bardstown, Bardwell, Beaver Dam, Berea, Bowling Green, Brandenburg, Cadiz, Campbellsville, Campton, Carrollt... ral City, Columbia, ... a, Danville, Dry Ridge, Elizabethtown, Erlanger, Falmouth, Flemingsburg, Florence, Frankfort, Franklin, Georgetown, Glasgow, Grayson, Hazard, Henderson, Hopkinsville, Jackson, ... ter, La Grange, Latonia, Leba... exington, London, Louisville, Madisonville, Mayfield, Maysville, Middlesboro, Monticello, Morehead, Morgantown, Mount Sterling, Mount Vernon, Murray, Newport, Nichol... e, Owensboro, Paducah, Paris, Pike... Pineville, Prestonsburg, Princeton, Radcliff, Richmond, Russell Springs, Russellville, Salyersville, Scottsville, Shelbyville, Somerset, South Williamson, Stanton, Taylorsvil... arsaw, West Liberty, Whitley City, Williams... Winchester *Louisiana* Abbeville, Alexandria, Bastrop, Baton Rouge, Bogalusa, Bossier City, Boutte, Crowley, Cut Off, Denham Springs, Deridder, Eunice, Franklinton, G... ies, Hammond, Harahan, Harvey, Houma, Jea... te, Jena, Jennings, Kenner, Kentwood, La Place, Lafayette, Lake Charles, Leesville, Mandeville, Mansfield, Many, Metairie, Minden, Monroe, Morgan City, Natchit... s, New Iberia, New Orleans, New Roads, Oakdale, ... elousas, Pineville, Plaquemine, Rayne, Ruston, Shreveport, Slidell, Springhill, St. Francisville, Sulphur, Thibodaux, Ville Platte, West Monroe, Westwego, Winfiel... innsboro, Zachary *Maine* Auburn, Augusta, Bangor, B... arbor, Belfast, Biddeford, Boothbay Harbor, Brunswick, Bucksport, Damariscotta, Dover-Foxcroft, Ellsworth, Falmouth, Farmington, Fort Kent, Lewiston, Mac... s, Madawaska, Mexico, Millinocket, Oxford, Portland, P... ue Isle, Rockland, Sanford, Skowhegan, South Portland, Standish, Topsham, Waterville, Wells, Windham *Maryland* Aberdeen, Annapolis, Baltimore, Bel ... Beltsville. Bethesda. Bowie. Burtonsville, Cambridge, Cator... le, Charlotte Hall, Chestertown, Clinton, Cockeysville, College Park, Columbia, Denton, Derwood, Dunkirk, Easton, Edgewood, Eldersburg, Elkton, Ellicot... y, F... rederick, Gaithersburg, Gan... lls, Germantown, Glen Burnie, Greenbelt, Hagerstown, Hampstead, Hanover, Hyattsville, Kensington, La Plata, La Vale, Largo, Laurel, Leonardtown, Lexi... on Park, M... ights, M... Mount Airy, Oakland, Ocea... ity, Odenton, Olney, Owings Mills, Oxon Hill, Oxon Hill, Pasadena, Pocomoke City, Potomac, Prince Fredrick, Randallstown, Reisterstown, Rockville, S... bury, Seat... , Severna ... er Spring, Stevensville, ... oma Park, Towson, Waldorf, Westminster, Wheaton *Massachusetts* Acton, Andover, Ashland, Athol, Auburn, Bedford, Beverly, Billerica, Boston, Bra... ee, Bridge... ckton, Br... rlington, Cambridge, Che... sford, Chicopee, Danvers, Dedham, Dorchester, East Boston, East Walpole, East Wareham, Fairhaven, Fall River, Falmouth, Fitchburg, Foxboro, Fra... n, Gardner, ... r, Greenfi... Barrington, Hadley, Hano... Haverhill, Holyoke, Hyannis, Kingston, Lanesborough, Lenox, Leominster, Lowell, Lynn, Malden, Marlborough, Marshfield, Medford, Milford, Nan... ket, Natick, ... ford, New... Newton, North Adams, N... n Attleboro, North Dartmouth, Northampton, Orleans, Peabody, Pittsfield, Plymouth, Quincy, Raynham, Revere, Roslindale, Saugus, South Attle... o, South B... uth Denni... Easton, South Lawrence, ... uth Yarmouth, Southbridge, Springfield, Stoneham, Stoughton, Sudbury, Swampscott, Swansea, Taunton, Vineyard Haven, Waltham, Watertow... Webster, We... field, We... n, Westfield, Westford, Whi... sville, Wilmington, Woburn, Worcester *Michigan* Adrian, Albion, Allegan, Alpena, Ann Arbor, Auburn Hills, Bad Axe, Battle Creek, Bay City, Bellaire ... elleville, Ben... Big Rapids, Birmingham, Bloomfie... Boyne City, Brighton, Brooklyn, Brown City, Burton, Byron Center, Cadillac, Canton, Caro, Carson City, Cass City, Center Line, Charlevoix, Cheboygan ... nesaning, Cl... n Township, Clio, Coldwater, Co... erce, Davison, Dearborn, Dearborn Heights, Detroit, Dowagiac, Eastpointe, Eaton Rapids, Escanaba, Evart, Farmington Hills, Farmington, Fenton, Fe... dale, Flint, F... t, Fran... Fremont, Gaylord, Grand Bla... Grand Haven, Grand Rapids, Grayling, Greenville, Grosse Pointe, Hastings, Hemlock, Highland Park, Holland, Houghton Lake, Howell, Imlay City, Ion... ron Mount... ood, Ish... ackson, Jenison, Jonesville ... lamazoo, Kalkaska, Kentwood, Lake Orion, L'Anse, Lansing, Lapeer, Lincoln Park, Livonia, Ludington, Madison Heights, Manistee, Manistique, Marin... ty, Marque... hall, Mi... ord, Monroe, Mount Pleas... , Munising, Muskegon, Newberry, Niles, Novi, Oak Park, Okemos, Oscoda, Owosso, Petoskey, Pinconning, Plainwell, Pontiac, Port Huron, Portage, Re... d, Reed C... ond, Roc... s, Rogers City, Roseville, ... al Oak, Saginaw, Sandusky, Sault St. Marie, Shelby, South Haven, Southfield, Southgate, St. Ignace, St. Johns, Standish, Stanton, Sturgis, Suttons Bay, ... as City, T... ee Oaks, ... rs, Traverse City, Troy, ... a, Vassar, Washington Township, Waterford, Wayne, Westland, White Cloud, White Pigeon, Whitehall, Woodhaven, Wyoming, Ypsilanti *Minnesota* Ada, ... in, Alba... Lea, Alex... ple Valley, Austin, Ba... te, Baxter, Bemidji, Benson, Blaine, Bloomington, Brooklyn Center, Burnsville, Cambridge, Chanhassen, Coon Rapids, Cottage Grove, Crystal, Detroit Lakes, ... uth, D... gan, Eden ... na, Elk River, Erskine ... irmont, Faribault, Fergus Falls, Forest Lake, Golden Valley, Grand Marais, Grand Rapids, Hibbing, Hilltop, Hutchinson, International Falls, Jackson, Lake City, L... ueur ... Little Falls ... airie, Mankato, Ma... Grove, Marshall, Minneapolis, Minnetonka, Montevideo, Monticello, Moorhead, Moose Lake, Mora, Morris, New Ulm, North Branch, Ortonville, Owatonna, Pa... pids, Pi... eton, Red W... Redwood Falls, Richfield, Rochester, Roseau, Roseville, Saint Cloud, Saint Paul, Savage, Shakopee, Sleepy Eye, St. Cloud, St. James, St. Louis Park, St. Paul, S... ter, Stillwater, Thief River Falls, Vadnais Height... rginia, Walker, Warroad, Waseca, Wayzata, Willmar, Windom, Winona, Woodbury, Worthington, Young America *Mississippi* Amory, Batesville, Biloxi, Booneville, Bro... ven, Canton, Carthage, Clarksdale, Clevela... Clinton, Columbia, Columbus, Corinth, Crystal Springs, D'Iberville, Flora, Greenville, Greenwood, Grenada, Gulfport, Hattiesburg, Houston, Jackson, Laurel, Lucedale, Mag... McComb, Mendenhall, Meridian, Mont... , Morton, Natchez, New Albany, Ocean Springs, Olive Branch, Oxford, Pascagoula, Pearl, Philadelphia, Picayune, Pontotoc, Poplarville, Prentiss, Purvis, Quitman, Ridgeland, Se... e, Southaven, Starkville, Tupel... rtown, Vicksburg, Waynesboro, West Point, Wiggins, Yazoo City *Missouri* Alton, Arnold,

RadioShack.

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CONSOLIDATED BALANCE SHEETS
RadioShack Corporation and Subsidiaries

(In millions, except for share amounts)	December 31, 2007	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	$ 509.7	$ 472.0
Accounts and notes receivable, net	256.0	247.9
Inventories	705.4	752.1
Other current assets	95.7	127.6
Total current assets	1,566.8	1,599.6
Property, plant and equipment, net	317.1	386.3
Other assets, net	105.7	84.1
Total assets	$ 1,989.6	$ 2,070.0
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term debt, including current maturities of long-term debt	$ 61.2	$ 194.9
Accounts payable	257.6	254.5
Accrued expenses and other current liabilities	393.5	442.2
Income taxes payable	35.7	92.6
Total current liabilities	748.0	984.2
Long-term debt, excluding current maturities	348.2	345.8
Other non-current liabilities	123.7	86.2
Total liabilities	1,219.9	1,416.2
Commitments and contingent liabilities		
Stockholders' equity:		
Preferred stock, no par value, 1,000,000 shares authorized:		
Series A junior participating, 300,000 shares designated and none issued	—	—
Common stock, $1 par value, 650,000,000 shares authorized; 191,033,000 shares issued	191.0	191.0
Additional paid-in capital	108.4	92.6
Retained earnings	1,992.1	1,780.9
Treasury stock, at cost; 59,940,000 and 55,196,000 shares, respectively	(1,516.5)	(1,409.1)
Accumulated other comprehensive loss	(5.3)	(1.6)
Total stockholders' equity	769.7	653.8
Total liabilities and stockholders' equity	$ 1,989.6	$ 2,070.0

CONSOLIDATED STATEMENTS OF INCOME
RadioShack Corporation and Subsidiaries

	Year Ended December 31,					
	2007		2006		2005	
(In millions, except per share amounts)	**Dollars**	**% of Revenues**	**Dollars**	**% of Revenues**	**Dollars**	**% of Revenues**
Net sales and operating revenues	$4,251.7	100.0%	$4,777.5	100.0%	$5,081.7	100.0%
Cost of products sold (includes depreciation amounts of $10.0 million, $10.7 million and $10.3 million, respectively)	2,225.9	52.4	2,648.1	55.4	2,815.0	55.4
Gross profit	2,025.8	47.6	2,129.4	44.6	2,266.7	44.6
Operating expenses:						
Selling, general and administrative	1,538.5	36.2	1,810.7	37.9	1,803.3	35.5
Depreciation and amortization	102.7	2.4	117.5	2.5	113.5	2.2
Impairment of long-lived assets and other charges	2.7	—	44.3	0.9	—	—
Total operating expenses	1,643.9	38.6	1,972.5	41.3	1,916.8	37.7
Operating income	381.9	9.0	156.9	3.3	349.9	6.9
Interest income	22.6	0.5	7.4	0.1	5.9	0.1
Interest expense	(38.8)	(0.9)	(44.3)	(0.9)	(44.5)	(0.8)
Other income (loss)	0.9	—	(8.6)	(0.2)	10.2	0.2
Income before income taxes	366.6	8.6	111.4	2.3	321.5	6.4
Income tax provision	129.8	3.0	38.0	0.8	51.6	1.0
Income before cumulative effect of change in accounting principle	236.8	5.6	73.4	1.5	269.9	5.4
Cumulative effect of change in accounting principle, net of $1.8 million tax benefit in 2005	—	—	—	—	(2.9)	(0.1)
Net income	$ 236.8	5.6%	$ 73.4	1.5%	$ 267.0	5.3%3

Net income per share

Basic:

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Income before cumulative effect of change in accounting principle	$ 1.76	$ 0.54	$ 1.82
Cumulative effect of change in accounting principle, net of taxes	—	—	(0.02)
Basic income per share	$ 1.76	$ 0.54	$ 1.80
Assuming dilution:			
Income before cumulative effect of change in accounting principle	$ 1.74	$ 0.54	$ 1.81
Cumulative effect of change in accounting principle, net of taxes	—	—	(0.02)
Diluted income per share	$ 1.74	$ 0.54	$ 1.79
Shares used in computing income per share:			
Basic	134.6	136.2	148.1
Diluted	135.9	136.2	148.8

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
RadioShack Corporation and Subsidiaries

(In millions)	Shares at December 31, 2007	2006	2005	Dollars at December 31, 2007	2006	2005
Common stock						
Beginning and end of year	191.0	191.0	191.0	$ 191.0	$ 191.0	$ 191.0
Treasury stock						
Beginning of year	(55.2)	(56.0)	(32.8)	$(1,409.1)	$(1,431.6)	$ (859.4)
Purchase of treasury stock	(8.7)	—	(25.3)	(208.5)	—	(625.8)
Issuance of common stock	0.5	0.6	1.2	12.8	18.6	31.8
Exercise of stock options and grant of stock awards	3.5	0.2	0.9	88.3	3.9	21.8
End of year	(59.9)	(55.2)	(56.0)	$(1,516.5)	$(1,409.1)	$(1,431.6)
Additional paid-in capital						
Beginning of year				$ 92.6	$ 87.7	$ 82.7
Issuance of common stock				6.2	(5.7)	3.5
Excercise of stock options and grant of stock awards				(8.4)	(1.7)	(5.0)
Stock option compensation				10.7	12.0	—
Net stock-based compensation income tax benefits				7.3	0.3	6.5
End of year				$ 108.4	$ 92.6	$ 87.7
Retained earnings						
Beginning of year				$ 1,780.9	$ 1,741.4	$1,508.1
Net income				236.8	73.4	267.0
Implementation of FIN 48				7.2	—	—
Common stock cash dividends declared				(32.8)	(33.9)	(33.7)
End of year				$ 1,992.1	$ 1,780.9	$1,741.4
Accumulated other comprehensive (loss) income						
Beginning of year				$ (1.6)	$ 0.3	$ (0.3)
Pension adjustments, net of tax				0.4	(1.0)	—
Other comprehensive (loss) income				(4.1)	(0.9)	0.6
End of year				$ (5.3)	$ (1.6)	$ 0.3
Total stockholders' equity				$ 769.7	$ 653.8	$ 588.8
Comprehensive income						
Net income				$ 236.8	$ 73.4	$ 267.0
Other comprehensive (loss) income, net of tax:						
Foreign currency translation adjustments				(4.0)	0.3	(0.4)
Amortization of gain on cash flow hedge				(0.1)	(0.1)	(0.1)
Unrealized (loss) gain on securities				—	(1.1)	1.1
Other comprehensive (loss) income				(4.1)	(0.9)	0.6
Comprehensive income				$ 232.7	$ 72.5	$ 267.6

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CONSOLIDATED STATEMENTS OF CASH FLOWS
RadioShack Corporation and Subsidiaries

(In millions)	Year Ended December 31, 2007	2006	2005
Cash flows from operating activities:			
Net income	$ 236.8	$ 73.4	$ 267.0
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	112.7	128.2	123.8
Cumulative effect of change in accounting principle	—	—	4.7
Impairment of long-lived assets and other charges	2.7	44.3	—
Stock option compensation	10.7	12.0	—
Reversal of unrecognized tax benefits	(11.9)	—	—
Deferred income taxes	16.5	(32.7)	(74.0)
Other non-cash items	(9.0)	5.1	(2.9)
Provision for credit losses and bad debts	0.4	0.4	0.1
Changes in operating assets and liabilities:			
Accounts and notes receivable	(0.7)	61.8	(68.2)
Inventories	46.8	212.8	38.8
Other current assets	5.3	2.5	28.5
Accounts payable, accrued expenses, income taxes payable and other	(31.3)	(193.0)	45.1
Net cash provided by operating activities	379.0	314.8	362.9
Cash flows from investing activities:			
Additions to property, plant and equipment	(45.3)	(91.0)	(170.7)
Proceeds from sale of property, plant and equipment	1.5	11.1	226.0
Other investing activities	1.8	0.6	(16.0)
Net cash (used in) provided by investing activities	(42.0)	(79.3)	39.3
Cash flows from financing activities:			
Purchases of treasury stock	(208.5)	—	(625.8)
Sale of treasury stock to employee benefit plans	—	10.5	30.1
Proceeds from exercise of stock options	81.3	1.7	17.4
Payments of dividends	(32.8)	(33.9)	(33.7)
Changes in short-term borrowings and outsanding checks in excess of cash balances, net	10.7	42.2	(4.0)
Reductions of long-term borrowings	(150.0)	(8.0)	(0.1)
Net cash (used in) provided by financing activities	(299.3)	12.5	(616.1)
Net increase (decrease) in cash and cash equivalents	37.7	248.0	(213.9)
Cash and cash equivalents, beginning of period	472.0	224.0	437.9
Cash and cash equivalents, end of period	$ 509.7	$ 472.0	$ 224.0
Supplemental cash flow information:			
Interest paid	$ 42.6	$ 44.0	$ 43.4
Income taxes paid	112.2	52.9	158.5