<https://www.sec.gov/Archives/edgar/data/1085734/000119312510058339/d10k.htm>

**Results of Operations**

***Consolidated Results***

The following table sets forth a summary of consolidated results of certain operating and other financial data.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  | | |  | | |  |  |  | | |  |  | | |  |  | |  |  |  |
|  |  | | | **Fiscal Year Ended** | | | | | | | | | | | | | | | | |  |
|  | | | **January 3, 2010** **(52 weeks)** | | | |  |  | | | **January 4, 2009** **(52 weeks)** | | | |  |  | | **January 6, 2008** **(53 weeks)** | |  |
|  | | | **(In millions, except worldwide store data)** | | | | | | | | | | | | | | | | |  |
| **Statement of Operations Data:** |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues |  | $ | 4,062.4 | |  |  | $ | 5,065.4 |  |  | $ | 5,314.0 |  |  | $ | 5,337.6 |  |  | $ | 5,551.1 |  |
| Gross profit |  | $ | 2,178.2 | |  |  | $ | 2,630.3 |  |  | $ | 2,773.7 |  |  | $ | 2,959.0 |  |  | $ | 3,082.0 |  |
| Impairment of goodwill and other long-lived assets(5) |  | $ | 369.2 | |  |  | $ | 435.0 |  |  | $ | 2.2 |  |  | $ | 5.1 |  |  | $ | 341.9 |  |
| Operating income (loss)(6) |  | $ | (355.2 | | ) |  | $ | (304.3 | ) |  | $ | 27.3 |  |  | $ | 60.3 |  |  | $ | (396.9 | ) |
| Income (loss) from continuing operations |  | $ | (517.6 | | ) |  | $ | (382.9 | ) |  | $ | (84.2 | ) |  | $ | 53.1 |  |  | $ | (555.4 | ) |
| Income (loss) per common share from continuing operations—basic and diluted |  | $ | (2.72 | | ) |  | $ | (2.06 | ) |  | $ | (0.50 | ) |  | $ | 0.22 |  |  | $ | (3.02 | ) |
| Income (loss) from discontinued operations, net of tax(7) |  | $ | (40.6 | | ) |  | $ | 8.8 |  |  | $ | 10.4 |  |  | $ | (2.6 | ) |  | $ | (28.5 | ) |
| Net income (loss) |  | $ | (558.2 | | ) |  | $ | (374.1 | ) |  | $ | (73.8 | ) |  | $ | 50.5 |  |  | $ | (583.9 | ) |
| Preferred stock dividends(8) |  | $ | (11.1 | | ) |  | $ | (11.3 | ) |  | $ | (11.3 | ) |  | $ | (11.3 | ) |  | $ | — |  |
| Net income (loss) applicable to common stockholders |  | $ | (569.3 | | ) |  | $ | (385.4 | ) |  | $ | (85.1 | ) |  | $ | 39.2 |  |  | $ | (583.9 | ) |
| Net income (loss) per common share—basic and diluted |  | $ | (2.93 | | ) |  | $ | (2.01 | ) |  | $ | (0.45 | ) |  | $ | 0.21 |  |  | $ | (3.18 | ) |
| Cash dividends per common share |  | $ | — | |  |  | $ | — |  |  | $ | — |  |  | $ | — |  |  | $ | 0.04 |  |
| Weighted average shares outstanding—basic |  |  | 194.1 | |  |  |  | 191.8 |  |  |  | 190.3 |  |  |  | 187.1 |  |  |  | 183.9 |  |
| Weighted average shares outstanding—diluted |  |  | 194.1 | |  |  |  | 191.8 |  |  |  | 190.3 |  |  |  | 189.0 |  |  |  | 183.9 |  |
|  |  | | | | |  | | | |  | | | |  | | | |  | | | |
| **Balance Sheet Data:** |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents |  | $ | 188.7 | |  |  | $ | 154.9 |  |  | $ | 184.6 |  |  | $ | 394.9 |  |  | $ | 276.2 |  |
| Total assets |  | $ | 1,538.3 | |  |  | $ | 2,154.5 |  |  | $ | 2,733.6 |  |  | $ | 3,134.6 |  |  | $ | 3,184.0 |  |
| Long-term debt, including capital leases |  | $ | 855.9 | |  |  | $ | 611.3 |  |  | $ | 703.0 |  |  | $ | 899.5 |  |  | $ | 1,121.6 |  |
| Stockholders’ equity (deficit) |  | $ | (314.3 | | ) |  | $ | 214.3 |  |  | $ | 655.7 |  |  | $ | 723.3 |  |  | $ | 637.6 |  |

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| (1) | During fiscal 2009, we recorded a $41.9 million loss on the sale of our Ireland operations, which is included in discontinued operations. |

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| (2) | During fiscal 2007, we recorded an $81.5 million gain on sale of Gamestation and a $6.3 million gain on sale of our Australian subsidiary, both of which are included in Operating income (loss). |

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| (3) | During fiscal 2006, we recorded $111.9 million in tax benefits resulting from the resolution of multi-year income tax audits. |

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| (4) | During fiscal 2005, we recorded a valuation allowance of $101.6 million on our deferred tax assets in various jurisdictions. |