

**THQ Inc. and Subsidiaries**  
**Reconciliation of GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations<sup>(a)</sup>**  
**Three Months Ended December 31, 2010**  
(in thousands, except per share data)

	GAAP		Adjustments to reconcile GAAP and Non-GAAP amounts					Non-GAAP	
	Amount	% of net sales	Impact of deferred revenue	Business realignment expenses	Stock-based compensation and related costs	License impairment charges	Other	Amount	% of net sales
Net sales	\$314,589	100.0 %	\$ 8,527	\$ —	\$ —	\$ —	\$ —	\$323,116	100.0%
Cost of sales:									
Product costs	123,852	39.4	(80)	—	—	—	—	123,772	38.3
Software amortization and royalties	50,011	15.9	—	(9,882)	(1,323)	—	—	38,806	12.0
License amortization and royalties	78,775	25.0	1,157	—	—	(30,296)	—	49,636	15.4
Total cost of sales	<u>252,638</u>	<u>80.3</u>	<u>1,077</u>	<u>(9,882)</u>	<u>(1,323)</u>	<u>(30,296)</u>	<u>—</u>	<u>212,214</u>	<u>65.7</u>
Gross profit	61,951	19.7	7,450	9,882	1,323	30,296	—	110,902	34.3
Operating expenses:									
Product development	17,992	5.7	—	(798)	71	—	—	17,265	5.3
Selling and marketing	50,522	16.1	—	(37)	(270)	—	—	50,215	15.5
General and administrative	9,405	3.0	—	(49)	(947)	—	—	8,409	2.6
Restructuring	140	—	—	(140)	—	—	—	—	—
Total operating expenses	<u>78,059</u>	<u>24.8</u>	<u>—</u>	<u>(1,024)</u>	<u>(1,146)</u>	<u>—</u>	<u>—</u>	<u>75,889</u>	<u>23.4</u>
Operating income (loss)	(16,108)	(5.1)	7,450	10,906	2,469	30,296	—	35,013	10.9
Interest and other income (expense), net	1,223	0.4	—	—	—	—	(2,703)	(1,480)	(0.5)
Income (loss) before income taxes	<u>(14,885)</u>	<u>(4.7)</u>	<u>7,450</u>	<u>10,906</u>	<u>2,469</u>	<u>30,296</u>	<u>(2,703)</u>	<u>33,533</u>	<u>10.4</u>
Income tax expense (benefit)	<u>62</u>	<u>0.1</u>						<u>5,030</u>	<u>1.6</u>
Net income (loss)	<u><u>\$(14,947)</u></u>	<u><u>(4.8)%</u></u>						<u><u>\$ 28,503</u></u>	<u><u>8.8%</u></u>
Diluted earnings (loss) per share:									
Before "if-converted" method	\$ (0.22)							\$ 0.42	
Share count used	67,965							68,346	
After "if-converted" method	n/a							\$ 0.37	
Share count used	n/a							80,093	

<sup>(a)</sup> See explanation in the earnings press release regarding the company's practice on reporting non-GAAP financial measures.