

**THQ Inc. and Subsidiaries**  
**Reconciliation of GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations<sup>(a)</sup>**  
**Twelve Months Ended March 31, 2011**  
**(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	Capitalization of interest	Other	Amount	% of net sales
Net sales	\$ 665,258	100.0 %	\$ 137,075	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 802,333	100.0 %
Cost of sales:										
Product costs	272,021	40.9	30,997	—	—	—	—	—	303,018	37.8
Software amortization and royalties	129,237	19.4	32,580	(9,922)	(2,761)	—	(672)	—	148,462	18.5
License amortization and royalties	118,287	17.8	4,941	(375)	—	(30,296)	—	—	92,557	11.5
Total cost of sales	<u>519,545</u>	<u>78.1</u>	<u>68,518</u>	<u>(10,297)</u>	<u>(2,761)</u>	<u>(30,296)</u>	<u>(672)</u>	<u>—</u>	<u>544,037</u>	<u>67.8</u>
Gross profit	145,713	21.9	68,557	10,297	2,761	30,296	672	—	258,296	32.2
Operating expenses:										
Product development	79,374	11.9	—	(1,727)	(1,098)	—	—	—	76,549	9.6
Selling and marketing	156,075	23.5	—	(166)	(1,192)	—	—	—	154,717	19.3
General and administrative	45,356	6.8	—	(353)	(3,792)	—	—	—	41,211	5.1
Restructuring	602	0.1	—	(602)	—	—	—	—	—	—
Total operating expenses	<u>281,407</u>	<u>42.3</u>	<u>—</u>	<u>(2,848)</u>	<u>(6,082)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>272,477</u>	<u>34.0</u>
Operating income (loss)	(135,694)	(20.4)	68,557	13,145	8,843	30,296	672	—	(14,181)	(1.8)
Interest and other income (expense), net	524	0.1	—	—	—	—	(4,990)	(179)	(4,645)	(0.6)
Income (loss) before income taxes	(135,170)	(20.3)	68,557	13,145	8,843	30,296	(4,318)	(179)	(18,826)	(2.4)
Income tax expense (benefit)	928	0.1	—	—	—	—	—	—	(2,824)	(0.4)
Net income (loss)	<u>\$ (136,098)</u>	<u>(20.4)%</u>	—	—	—	—	—	—	<u>\$ (16,002)</u>	<u>(2.0)%</u>
Diluted earnings (loss) per share:										
Before "if-converted" method	\$ (2.00)								\$ (0.24)	
Share count used	67,910								67,910	
After "if-converted" method	n/a								n/a	
Share count used	n/a								n/a	

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