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RADIOSHACK CORP
Form 10-Q
August 05, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
--- EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2004

OR

--- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-5571

RADIOSHACK CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	75-1047710
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

100 Throckmorton Street, Suite 1800, Fort Worth, Texas	76102
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (817) 415-3700

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes X No ___

The number of shares outstanding of the issuer's Common Stock, \$1 par value, on July 23, 2004 was 159,656,719.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RADIOSHACK CORPORATION AND SUBSIDIARIES

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Consolidated Statements of Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions, except per share amounts)	2004	2003	2004	2003
Net sales and operating revenues	\$1,053.8	\$1,025.0	\$2,146.4	\$2,095.3
Cost of products sold	514.2	503.8	1,053.8	1,046.7
Gross profit	539.6	521.2	1,092.6	1,048.6
Operating expenses:				
Selling, general and administrative	402.2	406.6	815.1	814.4
Depreciation and amortization	24.8	22.9	48.9	45.5
Total operating expenses	427.0	429.5	864.0	859.9
Operating income	112.6	91.7	228.6	188.7
Interest income	2.7	8.0	4.2	9.5
Interest expense	(7.1)	(9.8)	(14.5)	(19.4)
Other income	2.0	0.7	2.0	3.1
Income before income taxes	110.2	90.6	220.3	181.9
Provision for income taxes	41.9	33.1	83.7	67.8
Net income	\$ 68.3	\$ 57.5	\$ 136.6	\$ 114.1
Net income per share:				
Basic	\$ 0.42	\$ 0.34	\$ 0.84	\$ 0.67
Diluted	\$ 0.42	\$ 0.34	\$ 0.83	\$ 0.67
Weighted average shares used in computing earnings per share:				
Basic	161.7	168.9	162.3	170.1
Diluted	163.2	169.8	164.2	170.8

The accompanying notes are an integral part of these consolidated financial statements.

RADIOSHACK CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets (Unaudited)

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(In millions, except for share amounts)	June 30, 2004	December 31, 2003	June 30, 2003
Assets			
Current assets:			
Cash and cash equivalents	\$ 439.7	\$ 634.7	\$ 524.3
Accounts and notes receivable, net	161.7	182.4	137.5
Inventories, net	856.0	766.5	811.1
Other current assets	90.5	83.0	88.0
Total current assets	1,547.9	1,666.6	1,560.9
Property, plant and equipment, net	563.5	513.1	422.0
Other assets, net	61.1	64.2	98.4
Total assets	\$ 2,172.5	\$ 2,243.9	\$ 2,081.3
Liabilities and Stockholders' Equity			
Current liabilities:			
Short-term debt, including current maturities of long-term debt	\$ 110.5	\$ 77.4	\$ --
Accounts payable	288.8	300.2	284.1
Accrued expenses	267.1	343.0	253.6
Income taxes payable	95.9	137.5	140.8
Total current liabilities	762.3	858.1	678.5
Long-term debt, excluding current maturities	502.6	541.3	590.5
Other non-current liabilities	79.2	75.2	80.3
Total liabilities	1,344.1	1,474.6	1,349.3
Commitments and contingent liabilities (see Note 9)			
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, 191,033,000, 236,033,000 shares issued, respectively	191.0	191.0	236.0
Additional paid-in capital	80.2	75.2	67.8
Retained earnings	1,347.2	1,210.6	2,116.6
Treasury stock, at cost; 30,556,000, 28,481,000 and 69,249,000 shares, respectively	(789.6)	(707.2)	(1,687.8)
Accumulated other comprehensive loss	(0.4)	(0.3)	(0.6)
Total stockholders' equity	828.4	769.3	732.0
Total liabilities and stockholders' equity	\$ 2,172.5	\$ 2,243.9	\$ 2,081.3

The accompanying notes are an integral part of these consolidated financial statements.

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RADIOSHACK CORPORATION AND SUBSIDIARIES Consolidated Statements of Cash Flows (Unaudited)

(In millions)	Six Months Ended June 30,	
	2004	2003
Cash flows from operating activities:		
Net income	\$ 136.6	\$ 114.1
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	48.9	45.5
Provision for credit losses and bad debt	0.3	--
Other items	8.8	9.4
Changes in operating assets and liabilities:		
Accounts and notes receivable	20.7	68.7
Inventories	(89.5)	160.1
Other current assets	(8.3)	(7.9)
Accounts payable, accrued expenses and income taxes payable	(119.2)	(121.3)
Net cash (used in) provided by operating activities	(1.7)	268.6
Cash flows from investing activities:		
Additions to property, plant and equipment	(103.2)	(47.7)
Proceeds from sale of property, plant and equipment	2.2	0.1
Other investing activities	(3.9)	(0.2)
Net cash used in investing activities	(104.9)	(47.8)
Cash flows from financing activities:		
Purchases of treasury stock	(146.8)	(127.1)
Sale of treasury stock to employee benefit plans	19.4	18.8
Proceeds from exercise of stock options	37.6	1.3
Changes in short-term borrowings, net	1.5	(16.0)
Repayments of long-term borrowings	(0.1)	(20.0)
Net cash used in financing activities	(88.4)	(143.0)
Net (decrease) increase in cash and cash equivalents	(195.0)	77.8
Cash and cash equivalents, beginning of period	634.7	446.5
Cash and cash equivalents, end of period	\$ 439.7	\$ 524.3

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 - BASIS OF FINANCIAL STATEMENTS

We prepared the accompanying unaudited consolidated financial statements, which include the accounts of RadioShack Corporation, all majority-owned domestic and foreign subsidiaries and, as applicable, variable interest entities, in accordance with the rules of the Securities and Exchange Commission ("SEC"). Accordingly, we did not include all of the information and footnotes required by

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generally accepted accounting principles for complete financial statements. In management's opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement are included. However, our operating results for the six months ended June 30, 2004 and 2003, do not necessarily indicate the results you might expect for the full year. If you desire further information, you should refer to our consolidated financial statements and management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the year ended December 31, 2003.

NOTE 2 - STOCK-BASED COMPENSATION

We account for our stock-based employee compensation plans under the intrinsic value method. Accordingly, no compensation expense has been recognized for our fixed price stock option plans, as the exercise price of options must be equal to or greater than the average of the high and low stock prices on the date of grant under our incentive stock plans. The table below illustrates the effect on net income and net income per share as if we had accounted for our stock-based employee compensation under the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation."

(In millions, except per share amounts)	Three Months Ended June 30,		Six Months
	2004	2003	2004
Net income, as reported	\$ 68.3	\$ 57.5	\$136.6
Stock-based employee compensation expense included in reported net income, net of related tax effects	3.0	3.2	6.1
Total stock-based employee compensation expense determined under fair value method for all awards, net of related tax effects	(8.4)	(12.9)	(18.7)
Pro forma net income	\$ 62.9	\$ 47.8	\$124.0
Net income per share:			
Basic - as reported	\$ 0.42	\$ 0.34	\$ 0.84
Basic - pro forma	\$ 0.39	\$ 0.28	\$ 0.76
Diluted - as reported	\$ 0.42	\$ 0.34	\$ 0.83
Diluted - pro forma	\$ 0.39	\$ 0.28	\$ 0.76

NOTE 3 - BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is computed based only on the weighted average number of common shares outstanding for each period presented. Diluted earnings per share reflects the potential dilution that would have occurred if securities or other contracts to issue common stock were exercised, converted, or resulted in the issuance of common stock that would have then shared in our earnings. The following tables reconcile the numerator and denominator used in the basic and diluted earnings per share calculations for the periods presented.

(In millions, except per share amounts)	Three Months Ended June 30, 2004			Three Months Ended June 30, 2003
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)

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Basic EPS				
Net income	\$ 68.3	161.7	\$ 0.42	\$ 57.5
			=====	
Effect of dilutive securities:				
Plus: Assumed exercise of stock options		1.5		

Diluted EPS				
Net income plus assumed conversions	\$ 68.3	163.2	\$ 0.42	\$ 57.5
	=====	=====	=====	=====

	Six Months Ended June 30, 2004			Six Jun
(In millions, except per share amounts)	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator) (De
	-----	-----	-----	-----
Basic EPS				
Net income	\$136.6	162.3	\$ 0.84	\$114.1
			=====	
Effect of dilutive securities:				
Plus: Assumed conversion of stock options		1.9		

Diluted EPS				
Net income plus assumed conversions	\$136.6	164.2	\$ 0.83	\$114.1
	=====	=====	=====	=====

Options to purchase 11.6 million and 11.2 million shares of common stock for the quarter and six month periods ended June 30, 2004, respectively, as compared to options to purchase 19.6 million and 19.8 million shares of common stock for the corresponding prior year periods, were not included in the computation of diluted earnings per share because the option exercise price was greater than the average market price of the common stock during the periods reported.

NOTE 4 - REVOLVING CREDIT FACILITY

In the second quarter of 2004, we replaced our existing \$300.0 million 364-day revolving credit facility with a new five-year credit facility maturing in June 2009. The terms of this revolving credit facility are substantially similar to the previous facility. This credit facility, in addition to our existing \$300.0 million five-year credit facility which expires in June 2007, will support commercial paper borrowings and is otherwise available for general corporate purposes.

NOTE 5 - COMPREHENSIVE INCOME

Comprehensive income for the three months ended June 30, 2004 and 2003, was \$68.2 million and \$57.4 million, respectively, and comprehensive income for the six months ended June 30, 2004 and 2003, was \$136.5 million and \$114.0 million, respectively. Aside from net income, the only other component of comprehensive income during 2004 was the foreign currency translation adjustments; the only other component of comprehensive income during 2003 was the accretion of the gain on the 2001 interest rate swap transactions included in net income, as reported.

NOTE 6 - BUSINESS RESTRUCTURINGS

At June 30, 2004, the balance in the restructuring reserve related to the

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closure of various McDuff, Computer City and Incredible Universe retail stores in 1996 and 1997 was \$6.9 million. This reserve represents the expected costs to be paid in connection with the remaining real estate lease obligations. If these facilities' sublease income declines in their respective markets or if it takes longer than expected to sublease or dispose of these facilities, the actual losses could exceed this reserve estimate. Costs will continue to be incurred over the remaining terms of the related leases. During the six months ended June 30, 2004, costs of \$10.1 million were charged against this reserve, principally relating to the settlement of one location in Miami, Florida.

NOTE 7 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation 46, "Consolidation of Variable Interest Entities - An Interpretation of ARB No. 51." FIN 46 is intended to clarify the application of ARB No. 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. For those entities, a controlling financial interest cannot be identified based on an evaluation of voting interests and may be achieved through arrangements that do not involve voting interests. The consolidation requirement of FIN 46 is effective immediately to variable interests in variable interest entities ("VIEs") created or obtained after January 31, 2003. FIN 46 also sets forth certain disclosures regarding interests in VIEs that are deemed significant, even if consolidation is not required. In December 2003, the FASB issued FIN 46 (revised December 2003), "Consolidation of Variable Interest Entities" (FIN 46R), which delayed the effective date of the application to us of FIN 46 to non-special purpose VIEs acquired or created before February 1, 2003, to the interim period ending on March 31, 2004, and provided additional technical clarifications to implementation issues. We have determined that FIN 46 does not apply to our dealer/franchise outlets, and we did not make any adjustments to our consolidated financial statements as a result of the adoption of this interpretation.

NOTE 8 - LITIGATION

We are currently a party to a class action lawsuit, styled Alphonse L. Perez, et al. v. RadioShack Corporation, filed in the United States District Court for the Northern District of Illinois on October 31, 2002, alleging that we misclassified certain RadioShack store managers as exempt from overtime in violation of the Fair Labor Standards Act. While the alleged damages in this lawsuit are undetermined, they could be substantial. We believe that we have meritorious defenses, and we are vigorously defending this case. Furthermore, we fully expect this case to be favorably determined as a matter of federal law. If, however, an adverse resolution of the litigation occurs, we believe it could have a material adverse effect on our results of operations for the year in which resolution occurs. However, we do not believe that such an adverse resolution would have a material impact on our financial condition or liquidity. The liability, if any, associated with this matter was not determinable at June 30, 2004.

We have various other pending claims, lawsuits, disputes with third parties, investigations and actions incidental to the operation of our business. Although occasional adverse settlements or resolutions may occur and negatively impact earnings in the year of settlement, it is our opinion that their ultimate resolution will not have a material adverse effect on our financial condition or liquidity.

NOTE 9 - COMMITMENTS AND CONTINGENT LIABILITIES

We have contingent liabilities related to retail leases of locations which were assigned to other businesses. The majority of these contingent liabilities relate to various lease obligations arising from leases that were assigned to CompUSA, Inc. as part of the sale of our Computer City, Inc. subsidiary to

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CompUSA, Inc. in August 1998. In the event CompUSA or the other assignees, as applicable, are unable to fulfill these obligations, we would be responsible for rent due under the leases. Our rent exposure from the remaining undiscounted lease commitments with no projected sublease income is approximately \$170 million. However, we have no reason to believe that CompUSA or the other assignees will not fulfill their obligations under these leases or that we would be unable to sublet the properties; consequently, we do not believe there will be a material impact on our consolidated financial statements as a result of the eventual resolution of these lease obligations.

NOTE 10 - RADIOSHACK INVESTMENT PLAN

On April 30, 2004, we amended our employee stock purchase plan and renamed it the RadioShack Investment Plan (the "Plan"). Only employees participating in the former plan as of April 29, 2004, may participate in the Plan. New employees will not be eligible to participate in the Plan. Participants contribute from 1% to 7% of their annual compensation, based on the amount of their election in the employee stock purchase plan as of April 29, 2004. Participants may decrease, but not increase, the amount of their election. Participants may annually elect to receive their contributions either in the form of cash or our common stock. We match 40%, 60% or 80% of each participant's contribution, depending on the participant's length of continuous participation in the employee stock purchase plan as of April 29, 2004. This matching contribution is in the form of either cash or our common stock, based on the participant's election to receive his or her contribution in cash or common stock, as described above.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

RadioShack is primarily a retailer of consumer electronics goods and services. We seek to differentiate ourselves from our various competitors by focusing on dominating cost-effective solutions to meet everyone's routine electronics needs and families' distinct electronics wants. This strategy allows us to take advantage of the unique opportunities provided by our extensive retail presence, specially-trained sales staff and relationships with reputable vendors. We believe this strategy will provide us with the opportunity to increase our market share in the highly competitive consumer electronics area. In addition, we continue to focus on methods to reduce our costs of products sold and selling, general and administrative expense. Furthermore, we believe that, by focusing on opportunities such as innovative products, new markets, licensing opportunities and creative distribution channels, we can ultimately generate increased financial returns for our shareholders over the long term.

This section of our report discusses certain factors that may affect our future results (including economic and industry-wide factors), the results of our operations, our liquidity and financial condition, and our risk management practices.

FACTORS THAT MAY AFFECT FUTURE RESULTS

Matters discussed in MD&A and in other parts of this report include forward-looking statements within the meaning of the federal securities laws. These matters include statements concerning management's plans and objectives relating to our operations or economic performance and related assumptions. We specifically disclaim any duty to update any of the information set forth in this report, including any forward-looking statements. Forward-looking statements are made based on management's current expectations and beliefs concerning future events and, therefore, involve a number of risks and uncertainties. Management cautions that forward-looking statements are not guarantees, and our actual results could differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause

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our actual results of operations or financial condition to differ include, but are not necessarily limited to, the following factors.

General Business Factors

- o Changes in national or regional U.S. economic conditions, including, but not limited to, recessionary or inflationary trends, level of the equity markets, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence;
- o changes in the amount and degree of promotional intensity exerted by current competitors and potential new competition from both retail stores and alternative methods or channels of distribution, such as e-commerce, telephone shopping services and mail order;
- o the inability to attract, retain and grow an effective management team in a dynamic environment or changes in the cost or availability of a suitable workforce to manage and support our service-driven operating strategies;
- o any potential tariffs imposed on products that we import from China, as well as the potential strengthening of China's currency against the U.S. dollar;
- o continuing terrorist activities in the U.S., as well as the international war on terrorism;
- o the disruption of international, national or regional transportation systems;
- o the lack of availability or access to sources of inventory;
- o changes in the financial markets that would reduce or eliminate access to longer term capital or short-term credit availability;
- o the imposition of new restrictions or regulations regarding the products and/or services we sell or changes in tax rules and regulations applicable to us; and
- o the occurrence of severe weather events or natural disasters which could significantly damage or destroy outlets or prohibit consumers from traveling to our retail locations, especially during the peak winter holiday season.

RadioShack Specific Factors

- o The inability to successfully execute our solutions strategy to dominate cost-effective solutions to meet everyone's routine electronics needs and families' distinct electronics wants;
- o the failure to differentiate ourselves as an electronics specialty retailer in the U.S. marketplace;
- o the inability to create, maintain or renew profitable contracts or execute business plans with providers of third-party branded products and with service providers relating to cellular and PCS telephones;
- o the presence or absence of new services or products and product features in the merchandise categories we sell and unexpected changes in our actual merchandise sales mix;
- o the inability to collect the level of anticipated residual income, subscriber acquisition fees, and rebates for products and third-party services offered by us;
- o the existence of contingent lease obligations related to our discontinued retail operations arising from an assignee's or a sub-lessee's failure to fulfill its lease commitments, or from our inability to identify suitable sub-lessees for vacant facilities;
- o the inability to successfully identify and analyze emerging growth opportunities in the areas of strategic business alliances, acquisitions, licensing opportunities, new markets, non-store sales channels, and innovative products;
- o the inability to successfully identify and enter into relationships with developers of new technologies or the failure of these new technologies to be adopted by the market;

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- o the failure to maintain or increase the level of sales in our non-wireless business categories; and
- o any reductions or changes in the growth rate of the wireless industry and changes in the wireless communications industry dynamics, including the effects of industry consolidation.

OVERVIEW OF QUARTERLY FINANCIAL PERFORMANCE

Management reviews a number of key indicators to evaluate our financial performance, including:

- o net sales and operating revenues,
- o gross margin,
- o selling, general and administrative ("SG&A") expense, and
- o operating margin.

RadioShack's net sales and operating revenues increased 2.8%, and our gross margin improved to 51.2%, for the quarter ended June 30, 2004. Our SG&A expense decreased to 38.2% of net sales, contributing to the increase in our operating margin to 10.7%.

In managing our business, management uses various metrics for company-operated stores, including average tickets per store and average sales per ticket. See the table below for a summary of these statistics for the periods indicated.

	Three Months Ended June 30,		
	2004	2003	2002
Average tickets per store per day	62	66	66
Average sales per ticket	\$32.95	\$29.79	\$28.62

For a more detailed discussion of our financial performance, please continue reading our MD&A, as well as our Consolidated Financial Statements and Notes to Consolidated Financial Statements.

RadioShack Retail Outlets

The table below shows RadioShack's retail locations separated between company-operated stores and dealer/franchise outlets. While the dealer outlets represent approximately 27% of the total number of retail locations, our sales to dealer/franchisees are less than 10% of our net sales and operating revenues.

	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 2003
Company-operated	5,081	5,095	5,121	5,132	5,14
Dealer/franchise outlets	1,849	1,884	1,921	1,935	1,95
Total number of retail locations	6,930	6,979	7,042	7,067	7,09

In addition to our company-operated stores and dealer/franchise outlets, our existing sales channels include our www.radioshack.com Web site and catalog operations, as well as our outbound and inbound telephone call centers.

RESULTS OF OPERATIONS

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Net sales and operating revenues by channel of distribution are as follows:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Company-operated store sales	\$ 990.4	\$ 963.1	\$2,023.1	\$1,969.4
Dealer/franchise and other sales	63.4	61.9	123.3	125.9
Net sales and operating revenues	\$1,053.8	\$1,025.0	\$2,146.4	\$2,095.3

Net Sales and Operating Revenues

Sales increased 2.8% to \$1,053.8 million for the quarter ended June 30, 2004, compared to \$1,025.0 million in the corresponding prior year period. For the six months ended June 30, 2004, our overall sales increased 2.4% to \$2,146.4 million, compared to \$2,095.3 million for the same period in 2003. Comparable store sales increased 3.1% for the quarter and 2.9% for the six months ended June 30, 2004, respectively, when compared to the corresponding prior year periods. These increases were primarily the result of increases in wireless department sales and, to a lesser extent, increased sales in our computer department, as described below. These sales increases were partially offset by decreased sales in our remaining departments. We expect a sales gain for 2004 as discussed in further detail below.

Sales in the wireless communication department, which consists of wireless handsets (including related services), accessories, and wireless services such as prepaid airtime and bill payments, increased approximately 16% and 21% for the quarter and six months ended June 30, 2004, respectively, when compared to the corresponding prior year periods. These sales increases were due primarily to higher sales per handset, as well as an increase in the number of handsets sold over the prior year. In addition, wireless accessories sales increased over the prior year. We believe our plans featuring new technologies, sales promotions, and carrier compensation models will result in a wireless sales increase greater than 8% for 2004.

Sales in the wired communication department, which includes residential telephones, answering machines and other related telephony products, decreased approximately 10% and 11% for the quarter and six months ended June 30, 2004, respectively, when compared to the corresponding prior year periods. These decreases were the result of a decline in sales of wire-line telephones and accessories. We anticipate that sales in this department will be lower for 2004, compared to 2003, as customers continue to migrate to more advanced wireless and internet technologies.

Sales in the radio communication department decreased approximately 12% and 11% for the quarter and six months ended June 30, 2004, respectively, when compared to the corresponding prior year periods. These decreases were primarily the result of a decrease in sales of Family Radio Service ("FRS") and other two-way radios. We believe sales in this department will be lower for 2004, compared to 2003.

Sales in the home entertainment department, which consists of all home audio and video end-products and accessories, including DTH hardware and installation, decreased approximately 15% and 20% for the quarter and six months ended June 30, 2004, respectively, when compared to the corresponding prior year periods. These decreases were primarily attributable to the elimination of sales of

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DirectTV satellite dishes and their related installation services. Additionally, lower sales from home audio and home entertainment accessories contributed to the sales decreases. We anticipate that sales in the home entertainment department will be lower for 2004, compared to 2003.

Sales in the computer department, which includes desktop, laptop, handheld computers and related accessories, in addition to digital cameras and home networking products, increased 14% and 7% for the quarter and six months ended June 30, 2004, respectively, when compared to the corresponding prior year periods. These increases were due primarily to increased sales of digital imaging, home networking and computer accessory products. These increases were partially offset by a decrease in sales of desktop CPUs, monitors and laptop computers. We expect that sales in the computer department will increase in 2004, compared to 2003.

Sales for the power and technical department decreased approximately 2% and 3% for the quarter and six months ended June 30, 2004, respectively, when compared to the corresponding prior year periods. These decreases were primarily due to decreased sales in the technical product category. In addition, sales of radio-controlled toy specialty batteries were lower as a result of lower sales of end-products requiring them. We anticipate that sales will increase in this department in 2004, compared to 2003.

Sales in the personal electronics, toys and music department decreased approximately 12% and 15% for the quarter and six months ended June 30, 2004, respectively, when compared to the corresponding prior year periods. These decreases were broadly due to a lack of consumer response to our assortment plan and poor product transitions. The sales decreases in 2004 were partially offset by wellness products sold under our LifeWise(TM) brand. We believe sales growth over the prior year in this department will be less than three percent.

Gross Profit

For the quarter ended June 30, 2004, gross profit dollars increased \$18.4 million and gross margin improved 0.4 percentage points to 51.2% from 50.8% in the corresponding 2003 period. For the six months ended June 30, 2004, gross profit dollars increased \$44.0 million and gross margin improved 0.9 percentage points to 50.9% from 50.0% in the corresponding 2003 period.

We continue to experience a benefit from our supply chain vendor and strategic pricing initiatives. In connection with these initiatives, we have consolidated vendors, utilized online reverse auctions, realized more favorable terms from vendors, improved the impact of markdowns, priced our products more effectively, and utilized other techniques and incentives to optimize gross profit.

We anticipate that our gross margin rate during 2004 will continue to be above our 2003 gross margin rate, due primarily to the impact of additional supply chain management initiatives, particularly in vendor relations and end-of-life inventory management.

Selling, General and Administrative Expense

Our selling, general and administrative ("SG&A") expense decreased 1.1% or \$4.4 million for the quarter, but increased 0.1% or \$0.7 million for the six months ended June 30, 2004, when compared to the corresponding prior year periods. This represents 1.5 and 0.9 percentage point decreases to 38.2% and 38.0% of net sales and operating revenues for the quarter and six months ended June 30, 2004, respectively, when compared to the corresponding prior year periods. These percentage decreases were primarily due to higher overall sales in the current periods. The second quarter dollar decrease was primarily due to better expense management. The dollar increase for the six months was primarily due to an increase in property taxes and state unemployment tax rates. Advertising expense

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increased in dollars, but remained the same as a percentage of net sales and operating revenues for both the quarter and six months ended June 30, 2004, as spending levels were not lowered. Insurance expense decreased in both dollars and as a percentage of net sales and operating revenues as a result of fewer health-related claims. We have managed SG&A expense growth by, among other items, improving productivity, reducing employee headcount, lowering our absorption of increased health insurance costs, and consolidating and outsourcing certain functions and operations. Management will continue to review additional opportunities to reduce SG&A expense in the future. Compared to 2003, we expect our 2004 SG&A expense to increase 1.5% to 2.5% in dollars, but to decrease slightly as a percentage of net sales and operating revenues due to increased sales volume.

Net Interest Expense

Interest expense, net of interest income, for the quarter and six months ended June 30, 2004, was \$4.4 million and \$10.3 million, respectively, versus \$1.8 million and \$9.9 million for the comparable prior year periods.

Interest expense decreased \$2.7 million and \$4.9 million for the quarter and six months ended June 30, 2004, respectively. The decrease in interest expense was primarily due to the favorable impact of our interest rate swaps, reduced debt levels, and the capitalization of interest expense related to the construction of our new corporate campus.

Interest income decreased \$5.3 million for both the quarter and six months ended June 30, 2004, compared to the prior year periods. This decrease was the result of \$6.2 million received in the second quarter of 2003, compared to \$1.4 million received in the second quarter of 2004, both from tax settlements.

Interest expense, net of interest income, is expected to be flat in 2004, when compared to 2003. We anticipate that interest expense will increase in 2005, when compared to 2004, primarily due to the elimination of capitalized interest as a result of the scheduled completion of our new corporate headquarters.

Other Income

During the quarter and six months ended June 30, 2004, we received payments and recorded income of \$2.0 million under our tax sharing agreement with O'Sullivan Industries Holdings, Inc. ("O'Sullivan"), compared to \$0.7 million and \$3.1 million, respectively, received and recorded in the corresponding prior year periods. Future payments under the tax sharing agreement will vary based on the level of O'Sullivan's future earnings and are also dependent on O'Sullivan's overall financial condition and ability to pay. We cannot give any assurances as to the amount or frequency of payment, if any, that may be received each quarter.

Provision for Income Taxes

The provision for income taxes for each quarterly period is based on our current estimate of the annual effective tax rate for the full year. Our effective tax rate for the quarter and six months ended June 30, 2004, was approximately 38.0%. The effective tax rate for the quarter and six months ended June 30, 2003, was 36.5% and 37.3%, respectively. The lower effective tax rate for both the quarter and six months ended June 30, 2003, was the result of an IRS settlement in 2003 related to prior years' tax matters.

Recently-Issued Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation 46, "Consolidation of Variable Interest Entities - An

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Interpretation of ARB No. 51." FIN 46 is intended to clarify the application of ARB No. 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. For those entities, a controlling financial interest cannot be identified based on an evaluation of voting interests and may be achieved through arrangements that do not involve voting interests. The consolidation requirement of FIN 46 is effective immediately to variable interests in variable interest entities ("VIEs") created or obtained after January 31, 2003. FIN 46 also sets forth certain disclosures regarding interests in VIEs that are deemed significant, even if consolidation is not required. In December 2003, the FASB issued FIN 46 (revised December 2003), "Consolidation of Variable Interest Entities" (FIN 46R), which delayed the effective date of the application to us of FIN 46 to non-special purpose VIEs acquired or created before February 1, 2003, to the interim period ending on March 31, 2004, and provided additional technical clarifications to implementation issues. We have determined that FIN 46 does not apply to our dealer/franchise outlets, and we did not make any adjustments to our consolidated financial statements as a result of the adoption of this interpretation.

FINANCIAL CONDITION

Cash Flow - Operating Activities

Cash used in operating activities was \$1.7 million for the six month period ended June 30, 2004, compared to \$268.6 million provided by operating activities in the prior year comparable period.

At June 30, 2004, changes in accounts receivable provided \$20.7 million in cash since December 31, 2003, compared to \$68.7 million in cash provided for the six months ended June 30, 2003. Cash provided by accounts receivable was down for the six month period ended June 30, 2004, due to reductions in both dealer/franchise receivables and trade receivables resulting from lower sales in those areas and, to a lesser extent, improved collection efforts.

An increase in inventory since December 2003 used \$89.5 million in cash for the six months ended June 30, 2004, compared to \$160.1 million in cash provided by an inventory reduction for the six months ended June 30, 2003. A lower inventory position at December 31, 2003, when compared to target levels, prompted the inventory increase in the first half of 2004.

In addition, during the first half of 2004, \$25.1 million less in cash was used in accounts payable, while \$7.1 million and \$15.9 million more were used in accrued expenses and taxes payable, respectively.

Cash Flow - Investing Activities

Cash used in investing activities for the six months ended June 30, 2004, was \$104.9 million, compared to \$47.8 million in the previous year. Investing activities for the six months ended June 30, 2004, included capital expenditures totaling \$103.2 million, compared to \$47.7 million in 2003, primarily for the construction of our new corporate campus and, to a lesser extent, store and information systems upgrades. We anticipate that our capital expenditure requirements for 2004 will be approximately \$285.0 million, compared to \$190.0 million for 2003. This \$95.0 million increase over 2003 primarily relates to the construction of our new corporate headquarters. Store remodels and relocations and updated information systems account for almost half of the balance of our anticipated 2004 capital expenditures, which we plan to finance through cash from operations and, if needed, existing cash and cash equivalents.

Cash Flow - Financing Activities

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Cash used in financing activities for the six months ended June 30, 2004, was \$88.4 million, compared to \$143.0 million in the previous year. We repurchased \$146.8 million of common stock during the six months ended June 30, 2004, compared to \$127.1 million during the same period of 2003, under our employee programs and our board approved repurchase programs. These repurchases were partially funded by \$57.0 million and \$20.1 million received, respectively, from the sale of treasury stock to employee benefit plans and from stock option exercises during the corresponding prior year periods.

We intend to execute share repurchases from time to time, as determined by management. The timing and terms of the transactions depend on market conditions, our liquidity and other considerations. We anticipate that we will repurchase, under our authorized repurchase program, between \$200.0 million and \$250.0 million of our common stock during 2004. The funding required for this share repurchase program will come from cash generated from net sales and operating revenues and cash and cash equivalents. In addition to the program described above, we will also repurchase shares in the open market to offset the sales of shares to our employee benefit plans.

Other Financial Condition Information

We had \$439.7 million in cash and cash equivalents at June 30, 2004, as a resource for our funding needs. Additionally, borrowings are available under our \$600.0 million dollar commercial paper program, which is supported by bank credit facilities and could be utilized in the event the commercial paper market is unavailable to us. However, we currently do not expect that the commercial paper market would be unavailable to us, thus causing us to utilize the credit facilities. As of June 30, 2004, we had no commercial paper outstanding and had not utilized our credit facilities.

In the second quarter of 2004, we replaced our existing \$300.0 million 364-day revolving credit facility with a new five-year credit facility maturing in June 2009. The terms of this revolving credit facility are substantially similar to the previous facility. This credit facility, in addition to our existing \$300.0 million five-year credit facility which expires in June 2007, will support commercial paper borrowings and is otherwise available for general corporate purposes.

At June 30, 2004, total capitalization was \$1,441.5 million, which consisted of \$613.1 million of debt and \$828.4 million of stockholders' equity, resulting in a total debt to capitalization ratio of 42.5%. The debt to capitalization ratio was 44.6% at December 31, 2003, and 44.7% at June 30, 2003. These ratio decreases were primarily the result of an increase in stockholders' equity of \$59.1 million and \$96.4 million since December 31, 2003, and June 30, 2003, respectively. Long-term debt as a percentage of capitalization was 34.9% at June 30, 2004, 39.0% at December 31, 2003, and 44.7% at June 30, 2003. The ratio decreases since June 30, 2003, and December 31, 2003, were both due to the repayment of long term debt and an increase in stockholders' equity.

Our free cash flow, defined as cash flow from operating activities less dividends paid and capital expenditures for property, plant and equipment, was a cash usage of \$104.9 million for the six months ended June 30, 2004, compared to \$220.9 million provided by the corresponding period in 2003. This change in free cash flow primarily resulted from a cash usage within our working capital components in 2004, compared to cash provided from working capital in the corresponding prior year period. Inventory, the largest component of working capital, began fiscal year 2004 lower than the prior year, when compared to management's desired inventory levels, and its increase resulted in a cash usage of \$89.5 million, when compared to \$160.1 million in cash provided by inventory in the corresponding prior year period. Additionally, free cash flow was

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impacted by an increase in capital expenditures, when compared to the corresponding prior year period. We expect free cash flow to be approximately \$70.0 million for 2004. After 2004, we anticipate a return to a more historical annual free cash flow level of approximately \$200.0 million to \$250.0 million.

We believe free cash flow provides useful information to investors regarding our financial condition and operating results because it is an appropriate indication of our ability to fund share repurchases, repay maturing debt, change dividend payments or fund other uses of capital that management believes will enhance shareholder value. The comparable financial measure to free cash flow under generally accepted accounting principles is cash flow from operating activities, which was a usage of \$1.7 million for the six months ended June 30, 2004, compared to \$268.6 million provided during the corresponding prior year period. We do not intend the presentation of free cash flow, a non-GAAP financial measure, to be considered in isolation or as a substitute for measures prepared in accordance with GAAP.

The following table is a reconciliation of cash flows from operating activities to free cash flow.

(In millions)	Six Months Ended June 30,		Year Ended December 31
	2004	2003	2003
Net cash (used in) provided by operating activities	\$ (1.7)	\$ 268.6	\$ 651.9
Less:			
Additions to property, plant and equipment	103.2	47.7	189.6
Dividends paid	--	--	40.8
Free cash flow	\$ (104.9)	\$ 220.9	\$ 421.5

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to market risk principally from fluctuations in interest rates which could affect our cash flows and consolidated financial statements. We manage our exposure to interest rate risk, which results from changes in short-term interest rates, by managing our portfolio of fixed rate debt and, when we consider it appropriate, through the use of interest rate swaps to convert a portion of our long-term debt from fixed to variable rates to reduce our overall borrowing costs. At June 30, 2004, we did not have any derivative instruments that materially increased our exposure to market risks for interest rates, foreign currency rates, commodity prices or other market price risks, other than the interest rate swaps noted in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2003. We do not use derivatives for speculative purposes. We may continue to utilize interest rate swaps in the future as market conditions permit.

The fair value of our fixed rate long-term debt is sensitive to interest rate changes. Interest rate changes would result in increases or decreases in the fair value of our debt, due to differences between market interest rates and rates in effect at the inception of our debt obligation. Changes in the fair value of our fixed rate debt have no impact on our current cash flows or consolidated financial statements.

ITEM 4. CONTROLS AND PROCEDURES.

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- a) We have established a system of disclosure controls and procedures that are designed to ensure that material information relating to the Company, which is required to be timely disclosed, is accumulated and communicated to management in a timely fashion. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")) was performed as of the end of the period covered by this report. This evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer and Acting Chief Financial Officer. Based upon that evaluation, our CEO and Acting CFO have concluded that these disclosure controls and procedures are effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.
- b) There were no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We are currently a party to a class action lawsuit, styled *Alphonse L. Perez, et al. v. RadioShack Corporation*, filed in the United States District Court for the Northern District of Illinois on October 31, 2002, alleging that we misclassified certain RadioShack store managers as exempt from overtime in violation of the Fair Labor Standards Act. While the alleged damages in this lawsuit are undetermined, they could be substantial. We believe that we have meritorious defenses and we are vigorously defending this case. Furthermore, we fully expect this case to be favorably determined as a matter of federal law. If, however, an adverse resolution of the litigation occurs, we believe it could have a material adverse effect on our results of operations for the year in which resolution occurs. However, we do not believe that such an adverse resolution would have a material impact on our financial condition or liquidity. The liability, if any, associated with this matter was not determinable at June 30, 2004.

We have various other pending claims, lawsuits, disputes with third parties, investigations and actions incident to the operation of our business. Although occasional adverse settlements or resolutions may occur and negatively impact earnings in the year of settlement, it is our opinion that their ultimate resolution will not have a material adverse effect on our financial condition or liquidity.

ITEM 2. CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES.

The following table sets forth information concerning purchases made by or on behalf of RadioShack or any affiliated purchaser (as defined in the SEC's rules) of RadioShack common stock for the periods indicated.

PURCHASES OF EQUITY SECURITIES BY RADIOSHACK

Total Number of Shares	Maximum Number of
---------------------------	----------------------

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	Total Number of Shares Purchased (1)	Average Price Paid per Share	Purchased as Part of Publicly Announced Plans or Programs (2)	Shares that May Yet Be Purchased Under the Plans or Programs (2)
	-----	-----	-----	-----
April 1 - 30, 2004	850,000	\$ 32.23	850,000	7,161,400
May 1 - 31, 2004	725,000	\$ 29.57	725,000	6,436,400
June 1 - 30, 2004	500,000	\$ 29.76	350,000	6,086,400
	-----	-----	-----	
Total	2,075,000	\$ 30.71	1,925,000	
	=====	=====	=====	

(1) The total number of shares purchased includes all repurchases made during the periods indicated. In June 2004, 150,000 shares were repurchased through other than a publicly announced plan or program in open-market transactions. These repurchases were used to satisfy our obligations under our employee benefit plans.

(2) These publicly announced plans or programs consist of RadioShack's 15 million share repurchase program. This program was announced on February 20, 2003, and has no expiration date. During the period covered by the table, no publicly announced plan or program expired or was terminated, and no determination was made by the Company to suspend or cancel purchases under our program.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

- a) We held our Annual Meeting of Stockholders on May 20, 2004.
- b) (1) At the meeting, stockholders elected thirteen directors to serve for the ensuing year. Out of the 162,190,570 eligible votes, 140,118,380 votes were cast at the meeting either by proxies solicited in accordance with Regulation 14A under the Securities Act of 1934, or by security holders voting in person. In the case of directors, abstentions are treated as votes withheld and are included in the table. The tabulation of votes of the matters submitted to a vote of security holders is set forth below:

NAME OF DIRECTOR	VOTES FOR	VOTES WITHHELD
-----	-----	-----
Frank J. Belatti	127,357,000	12,761,380
Ronald E. Elmquist	130,507,325	9,611,055
Robert S. Falcone	132,003,197	8,115,183
Daniel R. Feehan	127,012,361	13,106,019
Richard J. Hernandez	130,570,215	9,548,165
Lawrence V. Jackson	76,330,529	63,787,851
Robert J. Kamerschen	130,065,027	10,053,353
H. Eugene Lockhart	132,119,662	7,998,718
Jack L. Messman	129,584,083	10,534,297
William G. Morton, Jr.	132,181,673	7,936,707
Thomas G. Plaskett	132,879,840	7,238,540
Leonard H. Roberts	133,404,569	6,713,811
Edwina D. Woodbury	131,554,973	8,563,407

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(2) The stockholders also voted to approve the adoption of the RadioShack Corporation 2004 Deferred Stock Unit Plan for Non-Employee Directors:

FOR ---	AGAINST -----	ABSTAIN -----	BROKER NON-VOTES -----
101,435,059	21,168,644	2,231,831	15,282,846

(3) Additionally, the stockholders voted to approve the adoption of the RadioShack Corporation 2004 Annual and Long-Term Incentive Compensation Plan:

FOR ---	AGAINST -----	ABSTAIN -----	BROKER NON-VOTES -----
122,404,671	15,587,283	2,126,426	0

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

a) Exhibits Required by Item 601 of Regulation S-K.

A list of the exhibits required by Item 601 of Regulation S-K and filed as part of this report is set forth in the Index to Exhibits on page 18, which immediately precedes such exhibits.

b) Reports on Form 8-K.

We furnished a Form 8-K to the SEC on April 20, 2004, in which we disclosed an earnings release reporting our results of operations for the quarter ended March 31, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RadioShack Corporation
(Registrant)

Date: August 6, 2004

By /s/ David P. Johnson

David P. Johnson
Senior Vice President, Acting Chief Financial
Officer and Controller
(Principal Financial and Accounting Officer)

Date: August 6, 2004

/s/ Martin O. Moad

Martin O. Moad

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Vice President and Treasurer
(Authorized Officer)

RADIOSHACK CORPORATION INDEX TO EXHIBITS

Exhibit Number	Description
3a	Certificate of Amendment of Restated Certificate of Incorporation dated May 18, 2000 (filed as Exhibit 3a to RadioShack's Form 10-Q filed on August 11, 2000 for the fiscal quarter ended June 30, 2000).
3a(i)	Restated Certificate of Incorporation of RadioShack Corporation dated July 26, 1999 (filed as Exhibit 3a(i) to RadioShack's Form 10-Q filed on August 11, 1999 for the fiscal quarter ended June 30, 1999).
3b	RadioShack Corporation Bylaws, amended and restated as of October 17, 2003 (filed as Exhibit 3b to RadioShack's Form 10-Q filed on November 12, 2003 for the fiscal quarter ended September 30, 2003).
10(a) *	Five Year Credit Agreement dated as of June 16, 2004 among RadioShack Corporation, Citibank, N.A., as Administrative Agent, Paying Agent and Lender, Bank of America, N.A. as Administrative Agent, Initial Issuing Bank and Lender, Wachovia Bank, National Association as Co-Syndication Agent, Initial Issuing Bank and Lender, Keybank National Association and Suntrust Bank, as Co-Syndication Agents and Lenders, Citigroup Global Markets Inc. and Bank of America Securities, LLC as Joint Lead Arrangers and Bookrunners.
10(b)	RadioShack Corporation 2004 Deferred Stock Unit Plan for Non-Employee Directors (filed as Appendix B to RadioShack's Proxy Statement filed on April 8, 2004 for the 2004 Annual Meeting of Stockholders and incorporated herein by reference).
10(c)	RadioShack 2004 Annual and Long-Term Incentive Compensation Plan (the written description of which is contained on pages 26 through 29 of RadioShack's Proxy Statement filed on April 8, 2004 for the 2004 Annual Meeting of Stockholders and is incorporated herein by reference).
10(d) *	RadioShack Investment Plan.
31(a) *	Rule 13a-14(a) Certification of the Chief Executive Officer of RadioShack Corporation.
31(b) *	Rule 13a-14(a) Certification of the Acting Chief Financial Officer of RadioShack Corporation.
32*	Section 1350 Certifications.**

* Filed with this report

** These Certifications shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, as amended, or otherwise subject to the

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liability of that section. These Certifications shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates them by reference.

EXHIBIT 10(a)

FIVE YEAR CREDIT AGREEMENT

Dated as of June 16, 2004

RADIOSHACK CORPORATION, a Delaware corporation (the "Borrower"), the banks, financial institutions and other institutional lenders (the "Initial Lenders") and issuers of letters of credit (the "Initial Issuing Banks") listed on the signature pages hereof, BANK OF AMERICA, N.A., as administrative agent, WACHOVIA BANK, NATIONAL ASSOCIATION, KEYBANK NATIONAL ASSOCIATION and SUNTRUST BANK, as co-syndication agents, CITIGROUP GLOBAL MARKETS INC. and BANC OF AMERICA SECURITIES LLC, as joint lead arrangers and bookrunners, and CITIBANK, N.A. ("Citibank"), as administrative agent and as paying agent (the "Agent") for the Lenders (as hereinafter defined), agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means a Revolving Credit Advance or a Competitive Bid Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 5% or more of the Voting Stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agent's Account" means the account of the Agent maintained by the Agent at Citibank at its office at 388 Greenwich Street, New York, New York 10013, Account No. 36852248, Attention: Bank Loan Syndications.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance and, in the case of a Competitive Bid Advance, the office of such Lender notified by such Lender to the Agent as its Applicable Lending Office with respect to such Competitive Bid Advance.

"Applicable Margin" means (a) for Base Rate Advances, 0% per annum and (b) for Eurodollar Rate Advances, as of any date, a percentage per annum determined by reference to the Borrower's Rating Level in effect on such date as set forth below:

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Rating Level	Applicable Margin for Eurodollar Rate Advances
Level 1 A/A2/A or above	0.195%
Level 2 A-/A3/A-	0.300%
Level 3 BBB+/Baa1/BBB+	0.500%
Level 4 BBB/Baa2/BBB	0.600%
Level 5 Lower than Level 4	0.800%

"Applicable Percentage" means, as of any date a percentage per annum determined by reference to the Borrower's Rating Level in effect on such date as set forth below:

Rating Level	Applicable Percentage
Level 1 A/A2/A or above	0.080%
Level 2 A-/A3/A-	0.100%
Level 3 BBB+/Baa1/BBB+	0.125%
Level 4 BBB/Baa2/BBB	0.150%
Level 5 Lower than Level 4	0.200%

"Applicable Utilization Fee" means, as of any date that the sum of the aggregate Advances plus the Available Amount of all Letters of Credit exceeds 50% of the aggregate Revolving Credit Commitments, a percentage per annum determined by reference to the Borrower's Rating Level in effect on such date as set forth below:

Rating Level	Applicable Utilization Fee
Level 1 A/A2/A or above	0.050%
Level 2 A-/A3/A-	0.100%
Level 3 BBB+/Baa1/BBB+	0.125%

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Level 4	
BBB/Baa2/BBB	0.125%
-----	-----
Level 5	
Lower than Level 4	0.250%
-----	-----

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Agent, in substantially the form of Exhibit C hereto.

"Assuming Lender" has the meaning specified in Section 2.19(c).

"Assumption Agreement" has the meaning specified in Section 2.19(c).

"Available Amount" of any Letter of Credit means, at any time, the maximum amount available to be drawn under such Letter of Credit at such time (assuming compliance at such time with all conditions to drawing).

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate;

(b) the sum (adjusted to the nearest 1/4 of 1% or, if there is no nearest 1/4 of 1%, to the next higher 1/4 of 1%) of (i) 1/2 of 1% per annum, plus (ii) the rate obtained by dividing (A) the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average (adjusted to the basis of a year of 360 days) being determined weekly on each Monday (or, if such day is not a Business Day, on the next succeeding Business Day) for the three-week period ending on the previous Friday by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank from three New York certificate of deposit dealers of recognized standing selected by Citibank, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, but not limited to, any emergency, supplemental or other marginal reserve requirement) for Citibank with respect to liabilities consisting of or including (among other liabilities) three-month U.S. dollar non-personal time deposits in the United States, plus (iii) the average during such three-week period of the annual assessment rates estimated by Citibank for determining the then current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation (or any successor) for insuring U.S. dollar deposits of Citibank in the United States; and

(c) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means a Revolving Credit Advance that bears interest as provided in Section 2.08(a)(i).

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"Borrowing" means a Revolving Credit Borrowing or a Competitive Bid Borrowing.

"Business Day" means a day of the year on which banks are not required or authorized by law to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances or LIBO Rate Advances, on which dealings are carried on in the London interbank market.

"Capital Lease" means any lease required to be accounted for as a capital lease.

"Commitment" means a Revolving Credit Commitment or a Letter of Credit Commitment.

"Competitive Bid Advance" means an advance by a Lender to the Borrower as part of a Competitive Bid Borrowing resulting from the competitive bidding procedure described in Section 2.03 and refers to a Fixed Rate Advance or a LIBO Rate Advance.

"Competitive Bid Borrowing" means a borrowing consisting of simultaneous Competitive Bid Advances from each of the Lenders whose offer to make one or more Competitive Bid Advances as part of such borrowing has been accepted under the competitive bidding procedure described in Section 2.03.

"Competitive Bid Note" means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of Exhibit A-2 hereto, evidencing the indebtedness of the Borrower to such Lender resulting from a Competitive Bid Advance made by such Lender.

"Confidential Information" means information that the Borrower furnishes to the Agent or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Agent or such Lender from a source other than the Borrower.

"Consenting Lender" has the meaning specified in Section 2.19(b).

"Consolidated" refers to the consolidation of accounts in accordance with GAAP.

"Consolidated EBITDA" means, for any period, for the Borrower and its Subsidiaries, calculated on a Consolidated basis, the sum of (without duplication) the following: (a) Pretax Net Income (excluding therefrom, to the extent included in determining Pretax Net Income, any items of extraordinary gain, including net gains on the sale of assets other than asset sales in the ordinary course of business, and adding thereto, to the extent included in determining Pretax Net Income, any items of extraordinary loss, including net losses on the sale of assets other than asset sales in the ordinary course of business), plus (b) to the extent included in determining Pretax Net Income, interest expense (including interest expense in respect of Capital Leases), plus (c) to the extent included in determining Pretax Net Income, depreciation and amortization and other non-cash charges, minus (d) to the extent included in determining Pretax Net Income, non-cash credits.

"Consolidated EBITDAR" means, for any period, for the Borrower and its Subsidiaries, calculated on a Consolidated basis, the sum of (without duplication) the following: (a) Consolidated EBITDA plus (b) to the extent included in determining Pretax Net Income, rental expense

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(including rental expense in respect of Capital Leases).

"Consolidated Funded Debt" means, at any date, for the Borrower and its Subsidiaries on a Consolidated basis, Debt of the types described in clauses (a), (b), (c) and (e) of the definition of "Debt".

"Consolidated Tangible Net Worth" means, at any time, the total Consolidated stockholders' equity less the total amount of Consolidated intangible assets and plus the total amount of any subordinated indebtedness unless already included in stockholders' equity, in each case calculated for the Borrower and its Subsidiaries taken as a whole. Intangible assets shall include unamortized debt discount and expense, unamortized deferred charges and goodwill.

"Convert", "Conversion" and "Converted" each refers to a conversion of Revolving Credit Advances of one Type into Revolving Credit Advances of the other Type pursuant to Section 2.09 or 2.10.

"Debt" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under Capital Leases, (f) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters of credit or similar extensions of credit, (g) all obligations of such Person in respect of Hedge Agreements, (h) all Debt of others referred to in clauses (a) through (g) above or clause (i) below and other payment obligations guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (1) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor against loss, and (i) all Debt referred to in clauses (a) through (h) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assumption Agreement or the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

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"Effective Date" has the meaning specified in Section 3.01.

"Eligible Assignee" means (i) a Lender; (ii) an Affiliate of a Lender and (iii) any other Person approved by the Agent and, unless an Event of Default has occurred and is continuing at the time any assignment is effected in accordance with Section 8.07, the Borrower, such approval not to be unreasonably withheld or delayed; provided, however, that neither the Borrower nor an Affiliate of the Borrower shall qualify as an Eligible Assignee.

"Environmental Action" means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any Person that for purposes of Title IV of ERISA is a member of the Borrower's controlled group, or under common control with the Borrower, within the meaning of Section 414 of the Internal Revenue Code.

"ERISA Event" means (a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC, or (ii) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of such Section) are met with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of the Borrower or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial

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employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for the imposition of a lien under Section 302(f) of ERISA shall have been met with respect to any Plan; (g) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA; or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Plan.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assumption Agreement or the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

"Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upward to the nearest whole multiple of 1/16 of 1% per annum) appearing on Telerate Markets Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period or, if for any reason such rate is not available, the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to such Reference Bank's Eurodollar Rate Advance comprising part of such Revolving Credit Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. If the Telerate Markets Page 3750 (or any successor page) is unavailable, the Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.09.

"Eurodollar Rate Advance" means a Revolving Credit Advance that bears interest as provided in Section 2.08(a)(ii).

"Eurodollar Rate Reserve Percentage" for any Interest Period for all Eurodollar Rate Advances or LIBO Rate Advances comprising part of the same Borrowing means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to

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liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances or LIBO Rate Advances is determined) having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Extension Date" has the meaning specified in Section 2.19(b).

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent.

"Fitch" means Fitch, Inc.

"Fixed Rate Advances" has the meaning specified in Section 2.03(a) (i).

"GAAP" has the meaning specified in Section 1.03.

"Hazardous Materials" means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"Hedge Agreements" means interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

"Information Memorandum" means the information memorandum dated May 13, 2004 used by the Agent in connection with the syndication of the Commitments.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing and each LIBO Rate Advance comprising part of the same Competitive Bid Borrowing, the period commencing on the date of such Eurodollar Rate Advance or LIBO Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, with respect to Eurodollar Rate Advances, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, and subject to clause (c) of this definition, nine or twelve months, as the Borrower may, upon notice received by the Agent not later than 12:00 noon (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(a) the Borrower may not select any Interest Period that ends

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after the Termination Date;

(b) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Revolving Credit Borrowing or for LIBO Rate Advances comprising part of the same Competitive Bid Borrowing shall be of the same duration;

(c) in the case of any such Revolving Credit Borrowing, the Borrower shall not be entitled to select an Interest Period having duration of nine or twelve months unless, by 2:00 P.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, each Lender notifies the Agent that such Lender will be providing funding for such Revolving Credit Borrowing with such Interest Period (the failure of any Lender to so respond by such time being deemed for all purposes of this Agreement as an objection by such Lender to the requested duration of such Interest Period); provided that, if any or all of the Lenders object to the requested duration of such Interest Period, the duration of the Interest Period for such Revolving Credit Borrowing shall be one, two, three or six months, as specified by the Borrower in the applicable Notice of Revolving Credit Borrowing as the desired alternative to an Interest Period of nine or twelve months;

(d) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(e) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Issuing Bank" means each Initial Issuing Bank or any Eligible Assignee to which a portion of the Letter of Credit Commitment hereunder has been assigned pursuant to Section 8.07 so long as such Eligible Assignee expressly agrees to perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as an Issuing Bank and notifies the Agent of its Applicable Lending Office (which information shall be recorded by the Agent in the Register), for so long as such Initial Issuing Bank or Eligible Assignee, as the case may be, shall have a Letter of Credit Commitment.

"Investment" in any Person means any loan or advance to such Person, any purchase or other acquisition of any capital stock, warrants, rights, options, obligations or other securities or all or substantially all of the assets of such Person, any capital contribution to such Person or any other investment in such Person, including, without limitation, any arrangement pursuant to which the investor incurs Debt of the types referred to in clauses (h) and (i) of the definition of "Debt" in respect of such Person.

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"L/C Cash Collateral Account" means an interest bearing cash collateral account to be established and maintained by the Agent, over which the Agent shall have sole dominion and control, upon terms as may be satisfactory to the Agent.

"L/C Related Documents" has the meaning specified in Section 2.08(b)(i).

"Lenders" means the Initial Lenders, the Issuing Banks, each Assuming Lender that shall become a party hereto pursuant to Section 2.19 and each Person that shall become a party hereto pursuant to Section 8.07.

"Letter of Credit" has the meaning specified in Section 2.01(b).

"Letter of Credit Agreement" has the meaning specified in Section 2.04(a).

"Letter of Credit Commitment" means, with respect to each Initial Issuing Bank, the amount set forth opposite such Initial Issuing Bank's name on the signature pages hereto under the caption "Letter of Credit Commitment" or, if such Initial Issuing Bank has entered into one or more Assignment and Acceptances, the amount set forth for such Issuing Bank in the Register maintained by the Agent pursuant to Section 8.07(d) as such Issuing Bank's "Letter of Credit Commitment", as such amount may be reduced at or prior to such time pursuant to Section 2.07.

"Letter of Credit Facility" means, at any time, an amount equal to the lesser of (a) the amount of the Issuing Banks' Letter of Credit Commitments at such time and (b) \$100,000,000, as such amount may be reduced at or prior to such time pursuant to Section 2.07.

"LIBO Rate" means, for any Interest Period for all LIBO Rate Advances comprising part of the same Competitive Bid Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upward to the nearest whole multiple of 1/16 of 1% per annum) appearing on Telerate Markets Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period or, if for any reason such rate is not available, the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to the amount that would be the Reference Banks' respective ratable shares of such Borrowing if such Borrowing were to be a Revolving Credit Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. If the Telerate Markets Page 3750 (or any successor page) is unavailable, the LIBO Rate for any Interest Period for each LIBO Rate Advance comprising part of the same Competitive Bid Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.09.

"LIBO Rate Advance" means a Competitive Bid Advance bearing

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interest based on the LIBO Rate.

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Marketable Securities" means any of the following, to the extent owned by the Borrower or any of its Subsidiaries free and clear of all Liens and having a maturity of not greater than 360 days from the date of acquisition thereof: (a) readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States, (b) certificates of deposit of or time deposits with any commercial bank that is a Lender or a member of the Federal Reserve System, issues (or the parent of which issues) commercial paper rated as described in clause (c), is organized or licensed under the laws of the United States or any State thereof and has combined capital and surplus of at least \$1 billion, (c) commercial paper in an aggregate amount of no more than \$10,000,000 per issuer outstanding at any time, issued by any corporation organized under the laws of any State of the United States and rated at least "Prime-1" (or the then equivalent grade) by Moody's, "A-1" (or the then equivalent grade) by S&P or F-1 (or the then equivalent grade) by Fitch, (d) money market mutual funds with a minimum of \$500,000,000 net asset value rated at least Aaa by Moody's, AAA by S&P or AAA by Fitch, (e) readily marketable direct obligations of Federal National Mortgage Association, Federal Home Loan Mortgage Corporation and Student Loan Marketing Association, which have an implied backing of the Government of the United States, or (f) asset backed obligations or certificates of interest in such asset backed obligations, rated at least Aaa by Moody's, AAA by S&P or AAA by Fitch, issued by states, counties and municipalities, with a maturity not to exceed 180 days and with not more than \$15,000,000 in any one issuer.

"Material Adverse Change" means any material adverse change in the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower or the Borrower and its Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower or the Borrower and its Subsidiaries taken as a whole, (b) the rights and remedies of the Agent or any Lender under this Agreement or any Note or (c) the ability of the Borrower to perform its obligations under this Agreement or any Note.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and at least one Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate

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could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Non-Consenting Lender" has the meaning specified in Section 2.19(b).

"Note" means a Revolving Credit Note or a Competitive Bid Note.

"Notice of Competitive Bid Borrowing" has the meaning specified in Section 2.03(a).

"Notice of Revolving Credit Borrowing" has the meaning specified in Section 2.02(a).

"PBGC" means the Pension Benefit Guaranty Corporation (or any successor).

"Permitted Liens" means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(b) hereof; (b) Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 90 days; (c) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations; and (d) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Plan" means a Single Employer Plan or a Multiple Employer Plan.

"Pretax Net Income" means, for any period, net income (or loss) before taxes of the Borrower and its Subsidiaries, on a Consolidated basis for such period taken as a single accounting period, excluding, however, net income (or loss) attributable to any Person (other than the Borrower or any of its Subsidiaries) in which the Borrower or any of its Subsidiaries has a minority interest, except to the extent of the amount of cash dividends or other cash distributions actually paid to the Borrower or such Subsidiary by such other Person.

"Pro Rata Share" of any amount means, with respect to any Lender at any time, the product of such amount times a fraction the numerator of which is the amount of such Lender's Revolving Credit Commitment at such time (or, if the Revolving Credit Commitments shall have been terminated pursuant to Section 2.07 or 6.01, such Lender's Revolving Credit Commitment as in effect immediately prior to such termination) and the denominator of which is the aggregate amount of all Revolving Credit Commitments at such time (or, if the Revolving Credit Commitments shall have been terminated pursuant to Section 2.07 or 6.01, the aggregate amount of all Revolving Credit Commitments as in effect immediately prior to such termination).

"Public Debt Rating" means, as of any date, the rating that has been most recently announced by either S&P, Moody's or Fitch, as the

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case may be, for any class of non-credit enhanced long-term senior unsecured debt issued by the Borrower or, if any such rating agency shall have issued more than one such rating, the lowest such rating issued by such rating agency. For purposes of the foregoing, (a) if only one of S&P, Moody's or Fitch shall have in effect a Public Debt Rating, the Applicable Margin, the Applicable Percentage and the Applicable Utilization Fee shall be determined by reference to the available rating; (b) if none of S&P, Moody's or Fitch shall have in effect a Public Debt Rating, the Applicable Margin, the Applicable Percentage and the Applicable Utilization Fee will be set in accordance with Level 5 under the definition of "Applicable Margin", "Applicable Percentage" or "Applicable Utilization Fee", as the case may be; (c) if only two of S&P, Moody's or Fitch shall have in effect a Public Debt Rating, the Applicable Margin, the Applicable Percentage and the Applicable Utilization Fee shall be determined by reference to the higher rating unless such ratings differ by two or more levels, in which case the applicable level will be deemed to be one level below the higher of such levels, (d) if the ratings established by S&P, Moody's and Fitch shall fall within different levels, and two of the three are within the same level, the Applicable Margin, the Applicable Percentage and the Applicable Utilization Fee shall be based upon the rating of those two such agencies and if the ratings of no two agencies fall within the same level, the rating of the agency that is neither the highest nor the lowest shall apply and the Applicable, Margin, the Applicable Percentage and the Applicable Utilization Fee shall be based upon the rating of that agency; (e) if any rating established by S&P, Moody's or Fitch shall be changed, such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change; and (f) if S&P, Moody's or Fitch shall change the basis on which ratings are established, each reference to the Public Debt Rating announced by S&P, Moody's or Fitch, as the case may be, shall refer to the then equivalent rating by S&P, Moody's or Fitch, as the case may be.

"Rating Level" means, as of any date of determination, the numerically lowest level set forth below as then in effect, as determined in accordance with the following provisions of this definition:

- Level 1 The Public Debt Rating is A, A2 or A or better by two of S&P, Moody's and Fitch, respectively;
- Level 2 The Public Debt Rating is A-, A3 or A- by two of S&P, Moody's and Fitch, respectively;
- Level 3 The Public Debt Rating is BBB+, Baa1 or BBB+ by two of S&P, Moody's and Fitch, respectively;
- Level 4 The Public Debt Rating is BBB, Baa2 or BBB by two of S&P, Moody's and Fitch, respectively;
- Level 5 The Public Debt Rating is lower than Level 4.

"Reference Banks" means Citibank, Bank of America, N.A. and Wachovia Bank, National Association.

"Register" has the meaning specified in Section 8.07(d).

"Required Lenders" means at any time Lenders owed at least a majority in interest of the then aggregate unpaid principal amount of the Revolving Credit Advances owing to Lenders or, if no such principal amount is then outstanding, Lenders having at least a majority in

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interest of the Revolving Credit Commitments.

"Revolving Credit Advance" means an advance by a Lender to the Borrower as part of a Revolving Credit Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance (each of which shall be a "Type" of Revolving Credit Advance).

"Revolving Credit Borrowing" means a borrowing consisting of simultaneous Revolving Credit Advances of the same Type made by each of the Lenders pursuant to Section 2.01.

"Revolving Credit Commitment" means, with respect to any Lender at any time, the amount set forth opposite such Lender's name on the signature pages hereto under the caption "Revolving Credit Commitment" or, if such Lender has entered into one or more Assignment and Acceptances, set forth for such Lender in the Register maintained by the Agent pursuant to Section 8.07(d) as such Lender's "Revolving Credit Commitment", as such amount may be reduced at or prior to such time pursuant to Section 2.06.

"Revolving Credit Note" means a promissory note of the Borrower payable to the order of any Lender, delivered pursuant to a request made under Section 2.17 in substantially the form of Exhibit A-1 hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Revolving Credit Advances made by such Lender.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Single Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and no Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Termination Date" means the earlier of (a) June 16, 2009, subject to the extension thereof pursuant to Section 2.19 and (b) the date of termination in whole of the Commitments pursuant to Section 2.06 or 6.01; provided, however, that the Termination Date of any Lender that is a Non-Consenting Lender to any requested extension pursuant to Section 2.19 shall be the Termination Date in effect immediately prior to the applicable Extension Date for all purposes of this Agreement.

"Unused Commitment" means, with respect to each Lender at any time, (a) such Lender's Revolving Credit Commitment at such time minus (b) the sum of (i) the aggregate principal amount of all Revolving

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Credit Advances made by such Lender (in its capacity as a Lender) and outstanding at such time, plus (ii) such Lender's Pro Rata Share of (A) the aggregate Available Amount of all the Letters of Credit outstanding at such time, (B) the aggregate principal amount of all Revolving Credit Advances made by each Issuing Bank pursuant to Section 2.04(c) that have not been ratably funded by such Lender and outstanding at such time and (C) the aggregate principal amount of Competitive Bid Advances then outstanding.

"Usage" means, at any time the sum of the aggregate principal amount of the Advances then outstanding plus the Available Amount of the outstanding Letters of Credit.

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) ("GAAP").

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Revolving Credit Advances and Letters of Credit.

(a) Revolving Credit Advances. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Revolving Credit Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date in an aggregate amount not to exceed at any time such Lender's Unused Commitment at such time. Each Revolving Credit Borrowing shall be in an aggregate amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and shall consist of Revolving Credit Advances of the same Type made on the same day by the Lenders ratably according to their respective Revolving Credit Commitments. Within the limits of each Lender's Revolving Credit Commitment, the Borrower may borrow under this Section 2.01, repay pursuant to Section 2.11 and reborrow under this Section 2.01.

(b) Letters of Credit. Each Issuing Bank agrees, on the terms and conditions hereinafter set forth, in reliance upon the agreements of the other Lenders set forth in this Agreement, to issue letters of credit (each, a "Letter of Credit") for the account of the Borrower from time to time on any Business Day during the period from the Effective Date until 30 days before the Termination Date in an aggregate Available Amount (i) for all Letters of Credit issued by each Issuing Bank not to exceed at any time the lesser of (x) the Letter of Credit Facility at such time and (y) such Issuing Bank's Letter of Credit Commitment at such time and (ii) for each such Letter of Credit not to exceed an amount equal to the Unused Commitments of the Lenders at such time. No Letter of Credit shall have an expiration date (including all rights of the Borrower or the beneficiary to require renewal) later than 10 Business Days before the Termination Date. Within the limits referred to above, the Borrower may request the issuance of Letters of Credit under this Section 2.01(b), repay any Revolving Credit Advances resulting from drawings thereunder pursuant to

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Section 2.04(c) and request the issuance of additional Letters of Credit under this Section 2.01(b).

SECTION 2.02. Making the Revolving Credit Advances. (a) Each Revolving Credit Borrowing shall be made on notice, given not later than (x) 12:00 noon (New York City time) on the third Business Day prior to the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances or (y) 12:00 noon (New York City time) on the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Base Rate Advances, by the Borrower to the Agent, which shall give to each Lender prompt notice thereof by telecopier or telex. Each such notice of a Revolving Credit Borrowing (a "Notice of Revolving Credit Borrowing") shall be by telephone, confirmed immediately in writing, or telecopier or telex in substantially the form of Exhibit B-1 hereto, specifying therein the requested (i) date of such Revolving Credit Borrowing, (ii) Type of Advances comprising such Revolving Credit Borrowing, (iii) aggregate amount of such Revolving Credit Borrowing, and (iv) in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Revolving Credit Advance. Each Lender shall, before 1:00 P.M. (New York City time) on the date of such Revolving Credit Borrowing make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's ratable portion of such Revolving Credit Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the Borrower at the Agent's address referred to in Section 8.02.

(b) Anything in subsection (a) above to the contrary notwithstanding, the Borrower may not select Eurodollar Rate Advances for any Revolving Credit Borrowing if the aggregate amount of such Revolving Credit Borrowing is less than \$5,000,000 or if the obligation of the Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.09 or 2.13.

(c) Each Notice of Revolving Credit Borrowing shall be irrevocable and binding on the Borrower. In the case of any Revolving Credit Borrowing that the related Notice of Revolving Credit Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Revolving Credit Borrowing for such Revolving Credit Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Revolving Credit Advance to be made by such Lender as part of such Revolving Credit Borrowing when such Revolving Credit Advance, as a result of such failure, is not made on such date. The loss of a Lender shall include an amount equal to the excess, if any, as reasonably determined by such Lender of (A) its cost of obtaining funds for the Revolving Credit Advance not borrowed, to the last day of the Interest Period for such Revolving Credit Advance which would have commenced on the date of such failure to borrow over (B) the amount of interest (as reasonably determined by such Lender) that could be realized by such Lender in reemploying during such period the funds not borrowed.

(d) Unless the Agent shall have received notice from a Lender prior to the time of any Revolving Credit Borrowing that such Lender will not make available to the Agent such Lender's ratable portion of such Revolving Credit Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such Revolving Credit Borrowing in accordance with subsection (a) of this Section 2.02 and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so

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made such ratable portion available to the Agent, such Lender and the Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Revolving Credit Advances comprising such Revolving Credit Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's Revolving Credit Advance as part of such Revolving Credit Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Revolving Credit Advance to be made by it as part of any Revolving Credit Borrowing shall not relieve any other Lender of its obligation hereunder to make its Revolving Credit Advance on the date of such Revolving Credit Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Revolving Credit Advance to be made by such other Lender on the date of any Revolving Credit Borrowing.

SECTION 2.03. The Competitive Bid Advances. (a) Each Lender severally agrees that the Borrower may make Competitive Bid Borrowings under this Section 2.03 from time to time on any Business Day during the period from the date hereof until the date occurring 30 days prior to the Termination Date in the manner set forth below; provided that, following the making of each Competitive Bid Borrowing, the Usage shall not exceed the aggregate amount of the Revolving Credit Commitments of the Lenders.

(i) The Borrower may request a Competitive Bid Borrowing under this Section 2.03 by delivering to the Agent, by telecopier or telex, a notice of a Competitive Bid Borrowing (a "Notice of Competitive Bid Borrowing"), in substantially the form of Exhibit B-2 hereto, specifying therein the requested (v) date of such proposed Competitive Bid Borrowing, (w) aggregate amount of such proposed Competitive Bid Borrowing, (x) in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, Interest Period, or in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances, maturity date for repayment of each Fixed Rate Advance to be made as part of such Competitive Bid Borrowing (which maturity date may not be earlier than the date occurring 7 days after the date of such Competitive Bid Borrowing or later than the earlier of (I) 180 days after the date of such Competitive Bid Borrowing and (II) the Termination Date), (y) interest payment date or dates relating thereto, and (z) other terms (if any) to be applicable to such Competitive Bid Borrowing, not later than 11:00 A.M. (New York City time) (A) at least one Business Day prior to the date of the proposed Competitive Bid Borrowing, if the Borrower shall specify in the Notice of Competitive Bid Borrowing that the rates of interest to be offered by the Lenders shall be fixed rates per annum (the Advances comprising any such Competitive Bid Borrowing being referred to herein as "Fixed Rate Advances") and (B) at least four Business Days prior to the date of the proposed Competitive Bid Borrowing, if the Borrower shall instead specify in the Notice of Competitive Bid Borrowing that the Advances comprising such Competitive Bid Borrowing shall be LIBO Rate Advances. Each Notice of Competitive Bid Borrowing shall be irrevocable and binding on the Borrower. The Agent shall in turn promptly notify each Lender of each request for a Competitive Bid Borrowing received by it from the Borrower by sending such Lender a copy of the related Notice of Competitive Bid Borrowing.

(ii) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Competitive Bid Advances to the Borrower as part of such proposed Competitive Bid Borrowing at a rate or rates of interest specified by such Lender in its sole

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discretion, by notifying the Agent (which shall give prompt notice thereof to the Borrower), (A) before 10:30 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances and (B) before 11:00 A.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, of the minimum amount and maximum amount of each Competitive Bid Advance which such Lender would be willing to make as part of such proposed Competitive Bid Borrowing (which amounts may, subject to the proviso to the first sentence of this Section 2.03(a), exceed such Lender's Commitment), the rate or rates of interest therefor and such Lender's Applicable Lending Office with respect to such Competitive Bid Advance; provided that if the Agent in its capacity as a Lender shall, in its sole discretion, elect to make any such offer, it shall notify the Borrower of such offer at least 30 minutes before the time and on the date on which notice of such election is to be given to the Agent, by the other Lenders. If any Lender shall elect not to make such an offer, such Lender shall so notify the Agent before 11:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Agent by the other Lenders, and such Lender shall not be obligated to, and shall not, make any Competitive Bid Advance as part of such Competitive Bid Borrowing; provided that the failure by any Lender to give such notice shall not cause such Lender to be obligated to make any Competitive Bid Advance as part of such proposed Competitive Bid Borrowing.

(iii) The Borrower shall, in turn, (A) before 11:30 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances and (B) before 12:00 noon (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, either:

(x) cancel such Competitive Bid Borrowing by giving the Agent notice to that effect, or

(y) accept one or more of the offers made by any Lender or Lenders pursuant to paragraph (ii) above, in its sole discretion, by giving notice to the Agent of the amount of each Competitive Bid Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Borrower by the Agent on behalf of such Lender for such Competitive Bid Advance pursuant to paragraph (ii) above) to be made by each Lender as part of such Competitive Bid Borrowing, and reject any remaining offers made by Lenders pursuant to paragraph (ii) above by giving the Agent notice to that effect. The Borrower shall accept the offers made by any Lender or Lenders to make Competitive Bid Advances in order of the lowest to the highest rates of interest offered by such Lenders. If two or more Lenders have offered the same interest rate, the amount to be borrowed at such interest rate will be allocated among such Lenders in proportion to the amount that each such Lender offered at such interest rate.

(iv) If the Borrower notifies the Agent that such Competitive Bid Borrowing is cancelled pursuant to paragraph (iii)(x) above, the Agent shall give prompt notice thereof to the Lenders and such Competitive Bid Borrowing shall not be made.

(v) If the Borrower accepts one or more of the offers made by

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any Lender or Lenders pursuant to paragraph (iii)(y) above, the Agent shall in turn promptly notify (A) each Lender that has made an offer as described in paragraph (ii) above, of the date and aggregate amount of such Competitive Bid Borrowing and whether or not any offer or offers made by such Lender pursuant to paragraph (ii) above have been accepted by the Borrower, (B) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, of the amount of each Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing, and (C) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, upon receipt, that the Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article III. Each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing shall, before 1:00 P.M. (New York City time) on the date of such Competitive Bid Borrowing specified in the notice received from the Agent pursuant to clause (A) of the preceding sentence or any later time when such Lender shall have received notice from the Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's portion of such Competitive Bid Borrowing. Upon fulfillment of the applicable conditions set forth in Article III and after receipt by the Agent of such funds, the Agent will make such funds available to the Borrower at the Agent's address referred to in Section 8.02. Promptly after each Competitive Bid Borrowing the Agent will notify each Lender of the amount of the Competitive Bid Borrowing and the dates upon which such Competitive Bid Borrowing commenced and will terminate.

(vi) If the Borrower notifies the Agent that it accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (iii)(y) above, such notice of acceptance shall be irrevocable and binding on the Borrower. The Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in the related Notice of Competitive Bid Borrowing for such Competitive Bid Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing when such Competitive Bid Advance, as a result of such failure, is not made on such date. The loss of a Lender shall include an amount equal to the excess, if any, as reasonably determined by such Lender of (A) its cost of obtaining funds for the Competitive Bid Advance not borrowed, to the last day of the Interest Period for such Competitive Bid Advance which would have commenced on the date of such failure to borrow over (B) the amount of interest (as reasonably determined by such Lender) that could be realized by such Lender in reemploying during such period the funds not borrowed.

(b) Each Competitive Bid Borrowing shall be in an aggregate amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and, following the making of each Competitive Bid Borrowing, the Borrower shall be in compliance with the limitation set forth in the proviso to the first sentence of subsection (a) above.

(c) Within the limits and on the conditions set forth in this Section 2.03, the Borrower may from time to time borrow under this Section 2.03, repay or prepay pursuant to subsection (d) below, and reborrow under this Section 2.03, provided that a Competitive Bid Borrowing shall not be made within three Business Days of the date of any other Competitive Bid Borrowing.

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(d) The Borrower shall repay to the Agent for the account of each Lender that has made a Competitive Bid Advance, on the maturity date of each Competitive Bid Advance (such maturity date being that specified by the Borrower for repayment of such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above and provided in the Competitive Bid Note evidencing such Competitive Bid Advance), the then unpaid principal amount of such Competitive Bid Advance. The Borrower shall have no right to prepay any principal amount of any Competitive Bid Advance unless, and then only on the terms, specified by the Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above and set forth in the Competitive Bid Note evidencing such Competitive Bid Advance.

(e) The Borrower shall pay interest on the unpaid principal amount of each Competitive Bid Advance from the date of such Competitive Bid Advance to the date the principal amount of such Competitive Bid Advance is repaid in full, at the rate of interest for such Competitive Bid Advance specified by the Lender making such Competitive Bid Advance in its notice with respect thereto delivered pursuant to subsection (a)(ii) above, payable on the interest payment date or dates specified by the Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above, as provided in the Competitive Bid Note evidencing such Competitive Bid Advance. Upon the occurrence and during the continuance of an Event of Default under Section 6.01(a), the Borrower shall pay interest on the amount of unpaid principal of and interest on each Competitive Bid Advance owing to a Lender, payable in arrears on the date or dates interest is payable thereon, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such Competitive Bid Advance under the terms of the Competitive Bid Note evidencing such Competitive Bid Advance unless otherwise agreed in such Competitive Bid Note.

(f) The indebtedness of the Borrower resulting from each Competitive Bid Advance made to the Borrower as part of a Competitive Bid Borrowing shall be evidenced by a separate Competitive Bid Note of the Borrower payable to the order of the Lender making such Competitive Bid Advance.

SECTION 2.04. Issuance of and Drawings and Reimbursement Under Letters of Credit(a) Request for Issuance. (i) Each Letter of Credit shall be issued upon notice, given not later than 12:00 noon (New York City time) on the third Business Day prior to the date of the proposed issuance of such Letter of Credit, by the Borrower to any Issuing Bank, and such Issuing Bank shall give the Agent, prompt notice thereof by telex, telecopier, telephone or cable. Each such notice of issuance of a Letter of Credit (a "Notice of Issuance") shall be by telex, telecopier, telephone or cable, confirmed immediately in writing, specifying therein the requested (A) date of such issuance (which shall be a Business Day), (B) Available Amount of such Letter of Credit, (C) expiration date of such Letter of Credit, (D) name and address of the beneficiary of such Letter of Credit and (E) form of such Letter of Credit, and shall be accompanied by such application and agreement for letter of credit as such Issuing Bank may reasonably specify to the Borrower for use in connection with such requested Letter of Credit (a "Letter of Credit Agreement"). If the requested form of such Letter of Credit is acceptable to such Issuing Bank in its sole discretion, such Issuing Bank will, upon fulfillment of the applicable conditions set forth in Article III, make such Letter of Credit available to the Borrower at its office referred to in Section 8.02 or as otherwise agreed with the Borrower in connection with such issuance. In the event and to the extent that the provisions of any Letter of Credit Agreement shall conflict with this Agreement, the provisions of this Agreement shall govern.

(b) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders,

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such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Pro Rata Share of the aggregate amount available to be drawn under such Letter of Credit. The Borrower hereby agrees to each such participation. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Agent, for the account of such Issuing Bank, such Lender's Pro Rata Share of each drawing made under a Letter of Credit funded by such Issuing Bank and not reimbursed by the Borrower on the date made, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(c) Drawing and Reimbursement. The payment by an Issuing Bank of a draft drawn under any Letter of Credit shall constitute for all purposes of this Agreement the making by any such Issuing Bank of a Revolving Credit Advance, which shall be a Base Rate Advance, in the amount of such draft. Upon written demand by such Issuing Bank, with a copy of such demand to the Agent, each Lender shall pay to the Agent such Lender's Pro Rata Share of such outstanding Revolving Credit Advance, by making available for the account of its Applicable Lending Office to the Agent for the account of such Issuing Bank, by deposit to the Agent's Account, in same day funds, an amount equal to the portion of the outstanding principal amount of such Revolving Credit Advance to be funded by such Lender. Promptly after receipt thereof, the Agent shall transfer such funds to such Issuing Bank. Each Lender agrees to fund its Pro Rata Share of an outstanding Revolving Credit Advance on (i) the Business Day on which demand therefor is made by such Issuing Bank, provided that notice of such demand is given not later than 12:00 noon (New York City time) on such Business Day, or (ii) the first Business Day next succeeding such demand if notice of such demand is given after such time. If and to the extent that any Lender shall not have so made the amount of such Revolving Credit Advance available to the Agent, such Lender agrees to pay to the Agent forthwith on demand such amount together with interest thereon, for each day from the date of demand by any such Issuing Bank until the date such amount is paid to the Agent, at the Federal Funds Rate for its account or the account of such Issuing Bank, as applicable. If such Lender shall pay to the Agent such amount for the account of any such Issuing Bank on any Business Day, such amount so paid in respect of principal shall constitute a Revolving Credit Advance made by such Lender on such Business Day for purposes of this Agreement, and the outstanding principal amount of the Revolving Credit Advance made by such Issuing Bank shall be reduced by such amount on such Business Day.

(d) Letter of Credit Reports. Each Issuing Bank shall furnish (A) to the Agent on the first Business Day of each week a written report summarizing issuance and expiration dates of Letters of Credit issued during the previous week and drawings during such week under all Letters of Credit, (B) to each Lender on the first Business Day of each month a written report summarizing issuance and expiration dates of Letters of Credit during the preceding month and drawings during such month under all Letters of Credit and (C) to the Agent and each Lender on the first Business Day of each calendar quarter a written report setting forth the average daily aggregate Available Amount during the preceding calendar quarter of all Letters of Credit.

(e) Failure to Make Revolving Credit Advances. The failure of any Lender to make the Revolving Credit Advance to be made by it on the date specified in Section 2.04(c) shall not relieve any other Lender of its obligation hereunder to make its Revolving Credit Advance on such date, but no

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Lender shall be responsible for the failure of any other Lender to make the Revolving Credit Advance to be made by such other Lender on such date.

SECTION 2.05. Fees. (a) Facility Fee. The Borrower agrees to pay to the Agent for the account of each Lender a facility fee on the aggregate amount of such Lender's Revolving Credit Commitment from the date hereof in the case of each Initial Lender and from the effective date specified in the Assumption Agreement or in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date at a rate per annum equal to the Applicable Percentage in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December, commencing June 30, 2004, and on the Termination Date.

(b) Letter of Credit Fees (i) The Borrower shall pay to the Agent for the account of each Lender a commission on such Lender's Pro Rata Share of the average daily aggregate Available Amount of all Letters of Credit outstanding from time to time at a rate per annum equal to the Applicable Margin for Eurocurrency Rate Advances in effect from time to time plus the Applicable Utilization Fee, if any, payable in arrears quarterly on the last day of each March, June, September and December, commencing June 30, 2004, and on the Termination Date.

(ii) The Borrower shall pay to each Issuing Bank, for its own account, such commissions, issuance fees, fronting fees, transfer fees and other fees and charges in connection with the issuance or administration of each Letter of Credit as the Borrower and such Issuing Bank shall agree.

(c) Agent's Fees. The Borrower shall pay to the Agent for its own account such fees as may from time to time be agreed between the Borrower and the Agent.

SECTION 2.06. Optional Termination or Reduction of the Commitments. The Borrower shall have the right, upon at least three Business Days' notice to the Agent, to terminate in whole or permanently reduce ratably in part the Unused Commitments of the Lenders, provided that each partial reduction shall be in the aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof.

SECTION 2.07. Repayment of Revolving Credit Advances. (a) The Borrower shall repay to the Agent for the ratable account of the Lenders on the Termination Date the aggregate principal amount of the Revolving Credit Advances then outstanding.

(b) The obligations of the Borrower under this Agreement, any Letter of Credit Agreement and any other agreement or instrument relating to any Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement, such Letter of Credit Agreement and such other agreement or instrument under all circumstances, including, without limitation, the following circumstances (it being understood that any such payment by the Borrower is without prejudice to, and does not constitute a waiver of, any rights the Borrower might have or might acquire as a result of the payment by any Lender of any draft or the reimbursement by the Borrower thereof):

(i) any lack of validity or enforceability of this Agreement, any Note, any Letter of Credit Agreement, any Letter of Credit or any other agreement or instrument relating thereto (all of the foregoing being, collectively, the "L/C Related Documents");

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the obligations of the Borrower in respect of any L/C Related Document or any other amendment or waiver of

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or any consent to departure from all or any of the L/C Related Documents;

(iii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for which any such beneficiary or any such transferee may be acting), any Issuing Bank, any Agent, any Lender or any other Person, whether in connection with the transactions contemplated by the L/C Related Documents or any unrelated transaction;

(iv) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit;

(vi) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any guarantee, for all or any of the obligations of the Borrower in respect of the L/C Related Documents; or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including, without limitation, any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or a guarantor.

SECTION 2.08. Interest on Revolving Credit Advances. (a) Scheduled Interest. The Borrower shall pay interest on the unpaid principal amount of each Revolving Credit Advance owing to each Lender from the date of such Revolving Credit Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. During such periods as such Revolving Credit Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate in effect from time to time plus (y) the Applicable Margin in effect from time to time plus (z) the Applicable Utilization Fee in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances. During such periods as such Revolving Credit Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Revolving Credit Advance to the sum of (x) the Eurodollar Rate for such Interest Period for such Revolving Credit Advance plus (y) the Applicable Margin in effect from time to time plus (z) the Applicable Utilization Fee in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate Advance shall be Converted or paid in full.

(b) Default Interest. Upon the occurrence and during the continuance of an Event of Default under Section 6.01(a), the Agent may, and upon the request of the Required Lenders shall, require the Borrower to pay interest ("Default Interest") on (i) the unpaid principal amount of each

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Revolving Credit Advance owing to each Lender, payable in arrears on the dates referred to in clause (a)(i) or (a)(ii) above, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such Revolving Credit Advance pursuant to clause (a)(i) or (a)(ii) above and (ii) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable hereunder that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to clause (a)(i) above, provided, however, that following acceleration of the Advances pursuant to Section 6.01, Default Interest shall accrue and be payable hereunder whether or not previously required by the Agent.

SECTION 2.09. Interest Rate Determination. (a) Each Reference Bank agrees to furnish to the Agent timely information for the purpose of determining each Eurodollar Rate and each LIBO Rate. If any one or more of the Reference Banks shall not furnish such timely information to the Agent for the purpose of determining any such interest rate, the Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks. The Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Agent for purposes of Section 2.08(a)(i) or (ii), and the rate, if any, furnished by each Reference Bank for the purpose of determining the interest rate under Section 2.08(a)(ii).

(b) If, with respect to any Eurodollar Rate Advances, the Required Lenders notify the Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (ii) the obligation of the Lenders to make, or to Convert Revolving Credit Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, have a subsequent Interest Period of one month.

(d) Upon the occurrence and during the continuance of any Event of Default, (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

(e) If Telerate Markets Page 3750 is unavailable and fewer than two Reference Banks furnish timely information to the Agent for determining the Eurodollar Rate or LIBO Rate for any Eurodollar Rate Advances or LIBO Rate Advances, as the case may be,

(i) the Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances or LIBO Rate Advances, as the case may be,

(ii) with respect to Eurodollar Rate Advances, each such Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance (or if such

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Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make Eurodollar Rate Advances or LIBO Rate Advances or to Convert Revolving Credit Advances into Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.10. Optional Conversion of Revolving Credit Advances. The Borrower may on any Business Day, upon notice given to the Agent not later than 12:00 noon (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.09 and 2.13, Convert all Revolving Credit Advances of one Type comprising the same Borrowing into Revolving Credit Advances of the other Type; provided, however, that any Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate Advances and any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Revolving Credit Advances to be Converted, and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

SECTION 2.11. Prepayments of Revolving Credit Advances. The Borrower may, upon notice at least two Business Days' prior to the date of such prepayment, in the case of Eurodollar Rate Advances, and not later than 12:00 noon (New York City time) on the date of such prepayment, in the case of Base Rate Advances, to the Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amount of the Revolving Credit Advances comprising part of the same Revolving Credit Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (y) in the event of any such prepayment of a Eurodollar Rate Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

SECTION 2.12. Increased Costs. (a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances or LIBO Rate Advances or of agreeing to issue or of issuing or maintaining or participating in Letters of Credit (excluding for purposes of this Section 2.12 any such increased costs resulting from (i) Taxes or Other Taxes (as to which Section 2.15 shall govern) and (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender is organized or has its Applicable Lending Office or any political subdivision thereof), then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to the Borrower and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other

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governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, upon demand by such Lender (with a copy of such demand to the Agent), the Borrower shall pay to the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder. A certificate as to such amounts submitted to the Borrower and the Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.13. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for any Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or LIBO Rate Advances or to fund or maintain Eurodollar Rate Advances or LIBO Rate Advances hereunder, (a) each Eurodollar Rate Advance or LIBO Rate Advance, as the case may be, will automatically, upon such demand, Convert into a Base Rate Advance or an Advance that bears interest at the rate set forth in Section 2.08(a)(i), as the case may be, and (b) the obligation of the Lenders to make Eurodollar Rate Advances or LIBO Rate Advances or to Convert Revolving Credit Advances into Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist; provided, however, that before making any such demand, each Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Eurodollar Lending Office if the making of such a designation would allow such Lender or its Eurodollar Lending Office to continue to perform its obligations to make Eurodollar Rate Advances or to continue to fund or maintain Eurodollar Rate Advances and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.14. Payments and Computations. (a) The Borrower shall make each payment hereunder, irrespective of any right of counterclaim or set-off, not later than 12:00 noon (New York City time) on the day when due in U.S. dollars to the Agent at the Agent's Account in same day funds. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal, interest, facility fees or letter of credit commissions ratably (other than amounts payable pursuant to Section 2.03, 2.12, 2.15 or 8.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon any Assuming Lender becoming a Lender hereunder as a result of an extension of the Termination Date pursuant to Section 2.19, and upon the Agent's receipt of such Lender's Assumption Agreement and recording of the information contained therein in the Register, from and after the applicable Extension Date, the Agent shall make all payments hereunder and under any Notes issued in connection therewith in respect of the interest assumed thereby to the Assuming Lender. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender, if and to the

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extent payment owed to such Lender is not made by the Borrower to the Agent when due hereunder or under the Note held by such Lender, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on clause (i) of the definition of Base Rate shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate, the LIBO Rate, the Federal Funds Rate or clause (ii) of the definition of Base Rate or in respect of Fixed Rate Advances and of fees and Letter of Credit commissions shall be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, fees or commissions are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, provided, however, that, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances or LIBO Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day, and such extension or decrease of time shall in such case be included in the computation of payment of interest, fee or commission, as the case may be.

(e) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.15. Taxes. (a) Any and all payments by the Borrower to or for the account of any Lender or the Agent hereunder or under the Notes or any other documents to be delivered hereunder shall be made, in accordance with Section 2.14 or the applicable provisions of such other documents, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, apart from Excluded Taxes. As used in this Section 2.15, "Excluded Taxes" means with respect to each Lender and the Agent, (x) taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction under the laws of which such Lender or the Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof and (y) taxes that are directly attributable to such Lender's failure to comply with the provisions of Section 2.15(e), (f) and (g) (all such taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under the Notes, other than Excluded Taxes, being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note or any other documents to be delivered hereunder to any Lender or the Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.15) such Lender or the Agent (as the case may be) receives

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an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or under the Notes or any other documents to be delivered hereunder or from the execution, delivery or registration of, performing under, or otherwise with respect to, this Agreement or the Notes or any other documents to be delivered hereunder (hereinafter referred to as "Other Taxes").

(c) The Borrower shall indemnify each Lender and the Agent for and hold it harmless against the full amount of Taxes or Other Taxes (including, without limitation, taxes of any kind imposed or asserted by any jurisdiction on amounts payable under this Section 2.15) imposed on or paid by such Lender or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender or the Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Borrower shall furnish to the Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing such payment to the extent such a receipt is issued therefor, or other written proof of payment thereof that is reasonably satisfactory to the Agent. For purposes of this subsection (d) and subsection (e), the terms "United States" and "United States person" shall have the meanings specified in Section 7701 of the Internal Revenue Code.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender and on the date of the Assumption Agreement or the Assignment and Acceptance pursuant to which it becomes a Lender in the case of each other Lender, and from time to time thereafter as reasonably requested in writing by the Borrower (but only so long as such Lender remains lawfully able to do so), shall provide each of the Agent and the Borrower with two original Internal Revenue Service forms W-8BEN or W-8ECI, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or the Notes. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered Excluded Taxes unless and until such Lender provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered Excluded Taxes for periods governed by such form; provided, however, that, if at the date of the Assignment and Acceptance pursuant to which a Lender assignee becomes a party to this Agreement, the Lender assignor was entitled to payments under subsection (a) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender assignee on such date.

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form, certificate or other document described in Section 2.15(e) (other than if such failure is due to a change in law, or in the interpretation or application thereof, occurring subsequent to the date on which a form, certificate or other document originally was required

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to be provided, or if such form, certificate or other document otherwise is not required under subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.15(a) or (c) with respect to Taxes imposed by the United States by reason of such failure; provided, however, that should a Lender become subject to Taxes because of its failure to deliver a form, certificate or other document required hereunder, the Borrower, at the Lender's expense, shall take such steps as the Lender shall reasonably request to assist the Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.15 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to file any certificate or document requested by the Borrower or to change the jurisdiction of its Eurodollar Lending Office if the making of such a filing or change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(h) If any Lender determines, in its sole discretion, that it has actually and finally realized, by reason of a refund, deduction or credit of any Taxes paid or reimbursed by the Borrower pursuant to subsection (a) or (c) above in respect of payments under the Credit Agreement or the Notes, a current monetary benefit that it would otherwise not have obtained, and that would result in the total payments under this Section 2.15 exceeding the amount needed to make such Lender whole, such Lender shall pay to the Borrower, with reasonable promptness following the date on which it actually realizes such benefit, an amount equal to the lesser of the amount of such benefit or the amount of such excess, in each case net of all out-of-pocket expenses in securing such refund, deduction or credit. Nothing in this paragraph (h) shall be construed to require the Agent, any Lender or any Issuing Bank to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.16. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Revolving Credit Advances owing to it (other than pursuant to Section 2.12, 2.15 or 8.04(c)) in excess of its ratable share of payments on account of the Revolving Credit Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Revolving Credit Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.16 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.17. Evidence of Debt. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Revolving Credit Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder in respect of Revolving Credit Advances. The Borrower agrees that upon notice by any Lender to the Borrower (with a copy of such notice to the Agent)

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to the effect that a Revolving Credit Note is required or appropriate in order for such Lender to evidence (whether for purposes of pledge, enforcement or otherwise) the Revolving Credit Advances owing to, or to be made by, such Lender, the Borrower shall promptly execute and deliver to such Lender a Revolving Credit Note payable to the order of such Lender in a principal amount up to the Revolving Credit Commitment of such Lender.

(b) The Register maintained by the Agent pursuant to Section 8.07(d) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Borrowing made hereunder, the Type of Advances comprising such Borrowing and, if appropriate, the Interest Period applicable thereto, (ii) the terms of each Assumption Agreement and each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iv) the amount of any sum received by the Agent from the Borrower hereunder and each Lender's share thereof.

(c) Entries made in good faith by the Agent in the Register pursuant to subsection (b) above, and by each Lender in its account or accounts pursuant to subsection (a) above, shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement, absent manifest error; provided, however, that the failure of the Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement.

SECTION 2.18. Use of Proceeds. The proceeds of the Advances and issuances of Letters of Credit shall be available (and the Borrower agrees that it shall use such proceeds) solely for general corporate purposes (which shall include refunding of commercial paper) of the Borrower and its Subsidiaries.

SECTION 2.19. Extension of Termination Date. (a) At least 60 days but not more than 90 days prior to any anniversary of the Effective Date, the Borrower, by written notice to the Agent, may request an extension of the Termination Date in effect at such time by one year from its then scheduled expiration. The Agent shall promptly notify each Lender of such request, and each Lender shall in turn, in its sole discretion, not later than 20 days prior to such anniversary date, notify the Borrower and the Agent in writing as to whether such Lender will consent to such extension. If any Lender shall fail to notify the Agent and the Borrower in writing of its consent to any such request for extension of the Termination Date at least 20 days prior to such anniversary date, such Lender shall be deemed to be a Non-Consenting Lender with respect to such request. The Agent shall notify the Borrower not later than 15 days prior to such anniversary date of the decision of the Lenders regarding the Borrower's request for an extension of the Termination Date.

(b) If all the Lenders consent in writing to any such request in accordance with subsection (a) of this Section 2.19, the Termination Date in effect at such time shall, effective as at the applicable anniversary date (the "Extension Date"), be extended for one year; provided that on each Extension Date the applicable conditions set forth in Article III shall be satisfied. If less than all of the Lenders consent in writing to any such request in accordance with subsection (a) of this Section 2.19, the Termination Date in effect at such time shall, effective as at the applicable Extension Date and subject to subsection (d) of this Section 2.19, be extended as to those Lenders that so consented (each a "Consenting Lender") but shall not be extended as to any other Lender (each a "Non-Consenting Lender"). To the extent that the Termination Date is not extended as to any Lender pursuant to this Section 2.19 and the Revolving Credit Commitment of such Lender is not assumed in accordance

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with subsection (c) of this Section 2.19 on or prior to the applicable Extension Date, the Revolving Credit Commitment of such Non-Consenting Lender shall automatically terminate in whole on such unextended Termination Date without any further notice or other action by the Borrower, such Lender or any other Person; provided that such Non-Consenting Lender's rights under Sections 2.12, 2.15 and 8.04, and its obligations under Section 7.05, shall survive the Termination Date for such Lender as to matters occurring prior to such date. It is understood and agreed that no Lender shall have any obligation whatsoever to agree to any request made by the Borrower for any requested extension of the Termination Date.

(c) If less than all of the Lenders consent to any such request pursuant to subsection (a) of this Section 2.19, the Agent shall promptly so notify the Consenting Lenders, and each Consenting Lender may, in its sole discretion, give written notice to the Agent not later than 10 days prior to the Extension Date of the amount of the Non-Consenting Lenders' Revolving Credit Commitments for which it is willing to accept an assignment. If the Consenting Lenders notify the Agent that they are willing to accept assignments of Commitments in an aggregate amount that exceeds the amount of the Revolving Credit Commitments of the Non-Consenting Lenders, such Revolving Credit Commitments shall be allocated among the Consenting Lenders willing to accept such assignments in such amounts as are agreed between the Borrower and the Agent. If after giving effect to the assignments of Revolving Credit Commitments described above there remains any Revolving Credit Commitments of Non-Consenting Lenders, the Borrower may arrange for one or more Consenting Lenders or other Eligible Assignees (an "Assuming Lender") to assume, effective as of the Extension Date, any Non-Consenting Lender's Revolving Credit Commitment and all of the obligations of such Non-Consenting Lender under this Agreement thereafter arising, without recourse to or warranty by, or expense to, such Non-Consenting Lender; provided, however, that the amount of the Revolving Credit Commitment of any such Assuming Lender as a result of such substitution shall in no event be less than \$10,000,000 unless the amount of the Commitment of such Non-Consenting Lender is less than \$1,000,000,10,000,000, in which case such Assuming Lender shall assume all of such lesser amount; and provided further that:

(i) any such Consenting Lender or Assuming Lender shall have paid to such Non-Consenting Lender (A) the aggregate principal amount of, and any interest accrued and unpaid to the effective date of the assignment on, the outstanding Advances, if any, of such Non-Consenting Lender plus (B) any accrued but unpaid facility fees and letter of credit commissions owing to such Non-Consenting Lender as of the effective date of such assignment;

(ii) all additional costs, reimbursements, expense reimbursements and indemnities payable to such Non-Consenting Lender, and all other accrued and unpaid amounts owing to such Non-Consenting Lender hereunder, as of the effective date of such assignment shall have been paid to such Non-Consenting Lender; and

(iii) with respect to any such Assuming Lender, the applicable processing and recordation fee required under Section 8.07(a) for such assignment shall have been paid;

provided further that such Non-Consenting Lender's rights under Sections 2.12, 2.15 and 8.04, and its obligations under Section 7.05, shall survive such substitution as to matters occurring prior to the date of substitution. At least three Business Days prior to any Extension Date, (A) each such Assuming Lender, if any, shall have delivered to the Borrower and the Agent an agreement (an "Assumption Agreement") in form and substance satisfactory to the Borrower and the Agent, duly executed by such Assuming Lender, such Non-Consenting Lender, the Borrower and the Agent, (B) any such Consenting Lender shall have delivered

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confirmation in writing satisfactory to the Borrower and the Agent as to the increase in the amount of its Revolving Credit Commitment and (C) each Non-Consenting Lender being replaced pursuant to this Section 2.19 shall have delivered to the Agent any Note or Notes held by such Non-Consenting Lender. Upon the payment or prepayment of all amounts referred to in clauses (i), (ii) and (iii) of the immediately preceding sentence, each such Consenting Lender or Assuming Lender, as of the Extension Date, will be substituted for such Non-Consenting Lender under this Agreement and shall be a Lender for all purposes of this Agreement, without any further acknowledgment by or the consent of the other Lenders, and the obligations of each such Non-Consenting Lender hereunder shall, by the provisions hereof, be released and discharged.

(d) If (after giving effect to any assignments or assumptions pursuant to subsection (c) of this Section 2.19) Lenders having Revolving Credit Commitments equal to at least 75% of the Revolving Credit Commitments in effect immediately prior to the Extension Date consent in writing to a requested extension (whether by execution or delivery of an Assumption Agreement or otherwise) not later than one Business Day prior to such Extension Date, the Agent shall so notify the Borrower, and, subject to the satisfaction of the applicable conditions in Article III, the Termination Date then in effect shall be extended for the additional one year period as described in subsection (a) of this Section 2.19, and all references in this Agreement and in the Notes, if any, to the "Termination Date" shall, with respect to each Consenting Lender and each Assuming Lender for such Extension Date, refer to the Termination Date as so extended. Promptly following each Extension Date, the Agent shall notify the Lenders (including, without limitation, each Assuming Lender) of the extension of the scheduled Termination Date in effect immediately prior thereto and shall thereupon record in the Register the relevant information with respect to each such Consenting Lender and each such Assuming Lender.

ARTICLE III

CONDITIONS TO EFFECTIVENESS AND LENDING

SECTION 3.01. Conditions Precedent to Effectiveness of Sections 2.01 and 2.03. Sections 2.01 and 2.03 of this Agreement shall become effective on and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied:

(a) There shall have occurred no Material Adverse Change since December 31, 2003.

(b) There shall exist no action, suit, investigation, litigation or proceeding affecting the Borrower or any of its Subsidiaries pending or threatened before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

(c) Nothing shall have come to the attention of the Lenders during the course of their due diligence investigation to lead them to believe that the Information Memorandum was or has become misleading, incorrect or incomplete in any material respect; without limiting the generality of the foregoing, the Lenders shall have been given such access to the management, records, books of account, contracts and properties of the Borrower and its Subsidiaries as they shall have requested.

(d) All governmental and third party consents and approvals necessary in connection with the transactions contemplated hereby shall have been obtained (without the imposition of any conditions that are

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not acceptable to the Lenders) and shall remain in effect, and no law or regulation shall be applicable in the reasonable judgment of the Lenders that restrains, prevents or imposes materially adverse conditions upon the transactions contemplated hereby.

(e) The Borrower shall have notified each Lender and the Agent in writing as to the proposed Effective Date.

(f) The Borrower shall have paid all accrued fees and expenses of the Agent and the Lenders (including the accrued fees and expenses of counsel to the Agent) that have been billed to the Borrower.

(g) On the Effective Date, the following statements shall be true and the Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Effective Date, stating that:

(i) The representations and warranties contained in Section 4.01 are correct on and as of the Effective Date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(h) The Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Agent and (except for the Revolving Credit Notes) in sufficient copies for each Lender:

(i) The Revolving Credit Notes to the order of the Lenders to the extent requested by any Lender pursuant to Section 2.17.

(ii) Certified copies of the resolutions of the Board of Directors of the Borrower approving this Agreement and the Notes, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement and the Notes.

(iii) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the Notes and the other documents to be delivered hereunder.

(iv) A favorable opinion of Mark C. Hill, Vice President, Secretary and General Counsel of the Borrower, substantially in the form of Exhibit D hereto and as to such other matters as any Lender through the Agent may reasonably request.

(v) A favorable opinion of Shearman & Sterling LLP, counsel for the Agent, in form and substance satisfactory to the Agent.

(i) The termination of the commitments of the lenders and the payment in full of all Debt outstanding under (i) the \$300,000,000 Revolving 364-Day Credit Agreement (Facility A) dated as of June 25, 1998 among the Borrower, the lenders parties thereto, 19, 2002, amended and NationsBank, N.A, as administrative agent, and (ii) \$300,000,000 Revolving Credit Agreement (Facility B) dated restated as of June 25, 18, 1998 2003, among the Borrower, the lenders parties thereto and

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NationsBankCitibank, N.A., as administrative agent. By execution of this Agreement, each of the Lenders that is a lender under the credit agreement referred to in clause (i) or (ii) above hereby waives any requirement set forth in such credit agreement of prior notice relating to the termination of their commitments thereunder.

SECTION 3.02. Conditions Precedent to Each Revolving Credit Borrowing, Letter of Credit Issuance and Extension Date. The obligation of each Lender to make a Revolving Credit Advance on the occasion of each Revolving Credit Borrowing, the obligation of each Issuing Bank to issue a Letter of Credit and each extension of Revolving Credit Commitments pursuant to Section 2.19 shall be subject to the conditions precedent that the Effective Date shall have occurred and on the date of such Revolving Credit Borrowing, issuance or the applicable Extension Date (a) the following statements shall be true (and each of the giving of the applicable Notice of Revolving Credit Borrowing, Notice of Issuance, request for Commitment Extension and the acceptance by the Borrower of the proceeds of such Revolving Credit Borrowing or Letter of Credit shall constitute a representation and warranty by the Borrower that on the date of such Borrowing, such issuance or such Extension Date such statements are true):

(i) the representations and warranties contained in Section 4.01 (except, in the case of Revolving Credit Borrowings and the issuance of a Letter of Credit, the representation set forth in subsection (j) thereof) are correct on and as of such date, before and after giving effect to such Revolving Credit Borrowing, such issuance or such Extension Date and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) no event has occurred and is continuing, or would result from such Revolving Credit Borrowing, such issuance or such Extension Date or from the application of the proceeds therefrom, that constitutes a Default;

and (b) the Agent shall have received such other approvals, opinions or documents as any Lender through the Agent may reasonably request.

SECTION 3.03. Conditions Precedent to Each Competitive Bid Borrowing. The obligation of each Lender that is to make a Competitive Bid Advance on the occasion of a Competitive Bid Borrowing to make such Competitive Bid Advance as part of such Competitive Bid Borrowing is subject to the conditions precedent that (i) the Agent shall have received the written confirmatory Notice of Competitive Bid Borrowing with respect thereto, (ii) on or before the date of such Competitive Bid Borrowing, but prior to such Competitive Bid Borrowing, the Agent shall have received a Competitive Bid Note payable to the order of such Lender for each of the one or more Competitive Bid Advances to be made by such Lender as part of such Competitive Bid Borrowing, in a principal amount equal to the principal amount of the Competitive Bid Advance to be evidenced thereby and otherwise on such terms as were agreed to for such Competitive Bid Advance in accordance with Section 2.03, and (iii) on the date of such Competitive Bid Borrowing the following statements shall be true (and each of the giving of the applicable Notice of Competitive Bid Borrowing and the acceptance by the Borrower of the proceeds of such Competitive Bid Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Competitive Bid Borrowing such statements are true):

(a) the representations and warranties contained in Section 4.01(a) through (i) are correct on and as of the date of such Competitive Bid Borrowing, before and after giving effect to such Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date,

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(b) no event has occurred and is continuing, or would result from such Competitive Bid Borrowing or from the application of the proceeds therefrom, that constitutes a Default, and

(c) no event has occurred and no circumstance exists of which the Borrower has become aware, as a result of which the information concerning the Borrower that has been provided to the Agent and each Lender by the Borrower in connection herewith is shown to contain an untrue statement of a material fact or is shown to have omitted to state any material fact or any fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading as if the date such information was provided.

SECTION 3.04. Determinations Under Section 3.01. For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the date that the Borrower, by notice to the Lenders, designates as the proposed Effective Date, specifying its objection thereto. The Agent shall promptly notify the Lenders of the occurrence of the Effective Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Borrower of this Agreement and the Notes to be delivered by it, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws or (ii) law or any contractual restriction binding on or affecting the Borrower.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Borrower of this Agreement or the Notes to be delivered by it.

(d) This Agreement has been, and each of the Notes to be delivered by it when delivered hereunder will have been, duly executed and delivered by the Borrower. This Agreement is, and each of the Notes when delivered hereunder will be, the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with their respective terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, moratorium and similar laws affecting creditors rights generally).

(e) The Consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2003, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, accompanied by an opinion

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of PricewaterhouseCoopers LLP, independent public accountants, and the Consolidated balance sheet of the Borrower and its Subsidiaries as at March 31, 2004, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the three months then ended, duly certified by the chief financial officer of the Borrower, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at March 31, 2004, and said statements of income and cash flows for the three months then ended, to year-end audit adjustments, the Consolidated financial condition of the Borrower and its Subsidiaries as at such dates and the Consolidated results of the operations of the Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with generally accepted accounting principles consistently applied.

(f) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

(g) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(h) The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(i) Neither this Agreement, the Information Memorandum nor any other document delivered by or on behalf of the Borrower or any of its Subsidiaries in connection with this Agreement or included therein contained or contains any material misstatement of fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) Since December 31, 2003, there has been no Material Adverse Change.

ARTICLE V

COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder or any Letter of Credit shall be outstanding, the Borrower will:

(a) Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(b) Payment of Taxes, Etc. Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or

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levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(c) Maintenance of Insurance. Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates.

(d) Preservation of Corporate Existence, Etc. Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided, however, that the Borrower and its Subsidiaries may consummate any merger or consolidation permitted under Section 5.02(b) and provided further that neither the Borrower nor any of its Subsidiaries shall be required to preserve any right or franchise if the Board of Directors of the Borrower or such Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower, such Subsidiary or the Lenders.

(e) Visitation Rights. At any reasonable time during normal business hours and from time to time upon reasonable notice, permit the Agent or any of the Lenders or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and any of its Subsidiaries with any of their officers and with their independent certified public accountants.

(f) Keeping of Books. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Subsidiary in accordance with generally accepted accounting principles in effect from time to time.

(g) Maintenance of Properties, Etc. Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(h) Transactions with Affiliates. Conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of their Affiliates (other than the Borrower and its Subsidiaries) on terms that are fair and reasonable and no less favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

(i) Reporting Requirements. Furnish to the Lenders:

(i) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Borrower, the Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter

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and Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer or treasurer of the Borrower as having been prepared in accordance with generally accepted accounting principles and certificates of the chief financial officer or treasurer of the Borrower as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, provided that in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, the Borrower shall also provide within a reasonable time, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP;

(ii) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Subsidiaries, containing the Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders by PricewaterhouseCoopers LLP or other independent public accountants acceptable to the Required Lenders and certificates of the chief financial officer or treasurer of the Borrower as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, provided that in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, the Borrower shall also provide within a reasonable time, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP;

(iii) as soon as possible and in any event within five days after the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all reports that the Borrower sends to any of its securityholders, and copies of all reports and registration statements that the Borrower or any Subsidiary files with the Securities and Exchange Commission or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Borrower or any of its Subsidiaries of the type described in Section 4.01(f); and

(vi) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Agent may from time to time reasonably request.

SECTION 5.02. Negative Covenants. So long as any Advance shall

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remain unpaid or any Lender shall have any Commitment hereunder or any Letter of Credit shall be outstanding, the Borrower will not:

(a) Liens, Etc. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

(i) Permitted Liens,

(ii) purchase money Liens upon or in any real property or equipment acquired or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property) or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, provided, however, that no such Lien shall extend to or cover any properties of any character other than the real property or equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced, provided further that the aggregate principal amount of the indebtedness secured by the Liens referred to in this clause (ii) shall not exceed \$100,000,000 at any time outstanding,

(iii) the Liens existing on the Effective Date and described on Schedule 5.02(a) hereto,

(iv) other Liens securing Debt in an aggregate principal amount not to exceed \$50,000,000,

(v) the replacement, extension or renewal of any Lien permitted by clause (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby, and

(vi) Liens secured by property occupied or to be occupied by the Borrower as its corporate headquarters, securing obligations incurred to acquire or construct and finishout such headquarters.

(b) Mergers, Etc. Merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or any substantial part of its assets (whether now owned or hereafter acquired) to, any Person, or permit any of its Subsidiaries to do so, except that (x) (i) the Borrower or any of its Subsidiaries may sell or transfer real property including improvements thereon in connection with a sale and leaseback transaction, (ii) any Subsidiary of the Borrower may merge or consolidate with or into, or dispose of assets to, any other Subsidiary of the Borrower, (iii) any Subsidiary of the Borrower may merge into or dispose of assets to the Borrower and (iv) the Borrower may merge with any other Person so long as the Borrower is the surviving corporation, provided, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result

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therefrom and (y) the Borrower and its Subsidiaries may (1) sell inventory in the ordinary course of business and (2) sell, transfer, convey, lease or otherwise dispose of less than any substantial part of the assets of the Borrower and its Subsidiaries, taken as a whole.

For purposes of this subsection (b), a sale, transfer, conveyance, lease or other disposition of assets shall be deemed to be a "substantial part" of the assets of the Borrower and its Subsidiaries only if the value of such assets, when added to the value of all other assets sold, transferred, conveyed, leased or otherwise disposed of by the Borrower and its Subsidiaries (other than as expressly permitted pursuant to this subsection (b)) during the same fiscal year, exceeds 15% of the Borrower's consolidated total assets determined as of the end of the immediately preceding fiscal year. As used in the preceding sentence, the term "value" shall mean, with respect to any asset disposed of, the greater of such asset's book or fair market value as of the date of disposition, with "book value" being the value of such asset as would appear immediately prior to such disposition on a balance sheet of the owner of such asset prepared in accordance with generally accepted accounting principles.

(c) Accounting Changes. Make or permit, or permit any of its Subsidiaries to make or permit, any change in accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles.

(d) Change in Nature of Business. Make, or permit any of its Subsidiaries to make, any material change in the nature of its business as carried on at the date hereof.

(e) Investments in Other Persons. Make or hold, or permit any of its Subsidiaries to make or hold, any Investment in any Person other than:

(i) Investments by the Borrower and its Subsidiaries in their Subsidiaries outstanding on the date hereof and additional Investments in directly or indirectly wholly-owned Subsidiaries;

(ii) loans and advances to employees in the ordinary course of the business of the Borrower and its Subsidiaries as presently conducted in an aggregate principal amount not to exceed \$10,000,000 at any time outstanding;

(iii) Investments in Marketable Securities;

(iv) Investments consisting of extensions or credit in the nature of accounts receivable or notes receivable arising from the sale of goods and services, or shares of stock, obligations or other securities received in settlement of claims, in each case, arising in the ordinary course of business;

(v) Investments existing on the Effective Date and described on Schedule 5.02(e) hereto;

(vi) deposits in bank accounts maintained for operational purposes, within the limits established by the Borrower's corporate cash investment policy; and

(vii) other Investments in an aggregate amount invested not to exceed 15% of Consolidated Tangible Net Worth

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at any time.

SECTION 5.03. Financial Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder or any Letter of Credit shall be outstanding, the Borrower will:

(a) Leverage Ratio. Maintain a ratio of Consolidated Funded Debt to Consolidated EBITDA for the period of four fiscal quarters most recently ended of not more than the 3.0:1.0.

(b) Fixed Charge Coverage Ratio. Maintain a ratio of Consolidated EBITDAR of the Borrower and its Subsidiaries to the sum of (i) interest payable on, and amortization of debt discount in respect of, all Debt during the period of four fiscal quarters most recently ended plus (ii) rentals payable under leases of real or personal, or mixed, property during such period, in each case, by the Borrower and its Subsidiaries of not less than 2.0:1.0.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement or any Note within three Business Days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(d) (as to the Borrower's corporate existence), (e), (h) or (i), 5.02 or 5.03, or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for 10 days after written notice thereof shall have been given to the Borrower by the Agent or any Lender; or

(d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal or notional amount of at least \$50,000,000 in the aggregate (but excluding Debt outstanding hereunder) of the Borrower or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or

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defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Judgments or orders for the payment of money in excess of \$50,000,000 in the aggregate shall be rendered against the Borrower or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; provided, however, that any such judgment or order shall not be an Event of Default under this Section 6.01(f) if and for so long as (i) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least "A" by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order; or

(g) (i) Any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Stock of the Borrower (or other securities convertible into such Voting Stock) representing 20% or more of the combined voting power of all Voting Stock of the Borrower; or (ii) during any period of up to 24 consecutive months, commencing before or after the date of this Agreement, individuals who at the beginning of such 24-month period were directors of the Borrower shall cease for any reason to constitute a majority of the board of directors of the Borrower (except to the extent that individuals who at the beginning of such 24-month period were replaced by individuals (x) elected by 66-2/3% of the remaining members of the board of directors of the Borrower or (y) nominated for election by a majority of the remaining members of the board of directors of the Borrower and thereafter elected as directors by the shareholders of the Borrower); or

(i) The Borrower or any of its ERISA Affiliates shall incur, or shall be reasonably likely to incur, liability in excess of \$50,000,000 in the aggregate as a result of one or more of the

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following: (i) the occurrence of any ERISA Event; (ii) the partial or complete withdrawal of the Borrower or any of its ERISA Affiliates from a Multiemployer Plan; or (iii) the reorganization or termination of a Multiemployer Plan;

then, and in any such event, the Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances (other than Revolving Credit Advances by an Issuing Bank or a Lender pursuant to Section 2.02(b)) and of the Issuing Banks to issue Letters of Credit to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances (other than Revolving Credit Advances by an Issuing Bank or a Lender pursuant to Section 2.02(b)) and of the Issuing Banks to issue Letters of Credit shall automatically be terminated and (B) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

SECTION 6.02. Actions in Respect of the Letters of Credit upon Default. If any Event of Default shall have occurred and be continuing, the Agent may with the consent, or shall at the request, of the Required Lenders, irrespective of whether it is taking any of the actions described in Section 6.01 or otherwise, make demand upon the Borrower to, and forthwith upon such demand the Borrower will, (a) pay to the Agent on behalf of the Lender PartiesLenders in same day funds at the Agent's office designated in such demand, for deposit in the L/C Cash Collateral Account, an amount equal to the aggregate Available Amount of all Letters of Credit then outstanding or (b) make such other arrangements in respect of the outstanding Letters of Credit as shall be acceptable to the Required Lenders. If at any time the Agent determines that any funds held in the L/C Cash Collateral Account are subject to any right or claim of any Person other than the Agent and the Lender PartiesLenders or that the total amount of such funds is less than the aggregate Available Amount of all Letters of Credit, the Borrower will, forthwith upon demand by the Agent, pay to the Agent, as additional funds to be deposited and held in the L/C Cash Collateral Account, an amount equal to the excess of (a) such aggregate Available Amount over (b) the total amount of funds, if any, then held in the L/C Cash Collateral Account that the Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit, to the extent funds are on deposit in the L/C Cash Collateral Account, such funds shall be applied to reimburse the Issuing Banks to the extent permitted by applicable law.

ARTICLE VII

THE AGENT

SECTION 7.01. Authorization and Action. Each Lender (in its capacities as a Lender and Issuing Bank (as applicable)) hereby appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Notes), the Agent shall not be required to exercise any discretion or take any

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action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the Agent shall not be required to take any action that exposes the Agent to personal liability or that is contrary to this Agreement or applicable law. The Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Agent's Reliance, Etc. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent: (i) may treat the Lender that made any Advance as the holder of the Debt resulting therefrom until the Agent receives and accepts an Assumption Agreement entered into by an Assuming Lender as provided in Section 2.19 or an Assignment and Acceptance entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance, observance or satisfaction of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or the existence at any time of any Default or to inspect the property (including the books and records) of the Borrower; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, this Agreement or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03. Citibank and Affiliates. With respect to its Commitment, the Advances made by it and the Note issued to it, Citibank shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Citibank in its individual capacity. Citibank and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, the Borrower, any of its Subsidiaries and any Person who may do business with or own securities of the Borrower or any such Subsidiary, all as if Citibank were not the Agent and without any duty to account therefor to the Lenders. The Agent shall have no duty to disclose information obtained or received by it or any of its Affiliates relating to the Borrower or its Subsidiaries to the extent such information was obtained or received in any capacity other than as Agent.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or

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not taking action under this Agreement.

SECTION 7.05. Indemnification. (a) The Lenders ratably agree to indemnify the Agent (to the extent not reimbursed by the Borrower) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under this Agreement (collectively, the "Indemnified Costs"), provided that no Lender shall be liable for any portion of the Indemnified Costs resulting from the Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrower. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 7.05 applies whether any such investigation, litigation or proceeding is brought by the Agent, any Lender or a third party.

(b) Each Lender severally agrees to indemnify the Issuing Banks (to the extent not promptly reimbursed by the Borrower) from and against such Lender's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against any such Issuing Bank in any way relating to or arising out of this Agreement or any action taken or omitted by such Issuing Bank hereunder or in connection herewith; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Issuing Bank's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse any such Issuing Bank promptly upon demand for its ratable share of any costs and expenses (including, without limitation, reasonable fees and expenses of counsel) payable by the Borrower under Section 8.04, to the extent that such Issuing Bank is not promptly reimbursed for such costs and expenses by the Borrower.

(c) For purposes of this Section 7.05, the Lenders' respective ratable shares of any amount shall be determined, at any time, according to the sum of (i) the aggregate principal amount of the Advances (other than Competitive Bid Advances) outstanding at such time and owing to the respective Lenders, (ii) their respective Pro Rata Shares of the aggregate Available Amount of all Letters of Credit outstanding at such time and (iii) their respective Unused Commitments at such time; provided that the aggregate principal amount of Revolving Credit Advances owing to the Issuing Banks as a result of drawings under Letters of Credit shall be considered to be owed to the Lenders ratably in accordance with their respective Revolving Credit Commitments. The failure of any Lender to reimburse the Agent or any such Issuing Bank, as the case may be, promptly upon demand for its ratable share of any amount required to be paid by the Lenders to the Agent or such Issuing Bank, as the case may be, as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse the Agent or such Issuing Bank, as the case may be, for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Agent or any such Issuing Bank, as the case may be, for such other Lender's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 7.05 shall survive the

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payment in full of principal, interest and all other amounts payable hereunder and under the Notes.

SECTION 7.06. Successor Agent. The Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

SECTION 7.07. Other Agents. Each Lender hereby acknowledges that neither any syndication agent nor any other Lender designated as any "Agent" on the signaturecover pagespage hereof has any liability hereunder other than in its capacity as a Lender.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or the Revolving Credit Notes, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (a) waive any of the conditions specified in Section 3.01, (b) increase the Commitments of the Lenders, (c) reduce the principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (e) change the percentage of the Revolving Credit Commitments, the aggregate Available Amount of outstanding Letters of Credit or the aggregate unpaid principal amount of the Revolving Credit Advances, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder or (f) amend this Section 8.01; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent under this Agreement or any Note; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Issuing Banks in addition to the Lenders required above to take such action, affect the rights or obligation of the Issuing Banks under this Agreement.

SECTION 8.02. Notices, Etc. (a) All notices and other communications provided for hereunder shall be either (x) in writing (including telecopier, telegraphic or telex communication) and mailed, telecopied, telegraphed, telexed or delivered or (y) as and to the extent set forth in Section 8.02(b) and in the proviso to this Section 8.02(a), if to the Borrower, at its address at 100 Throckmorton Street, Suite 1800, Fort Worth, Texas 76102, Attention: Martin Moad, Treasurer, if to any Initial Lender, at its Domestic

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Lending Office specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assumption Agreement or the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, at its address at Two Penns Way, New Castle, Delaware 19720, Attention: Bank Loan Syndications Department; or, as to the Borrower or the Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Agent, provided that materials required to be delivered pursuant to Section 5.01(i)(i), (ii) or (iv) shall be delivered to the Agent as specified in Section 8.02(b) or as otherwise specified to the Borrower by the Agent. All such notices and communications shall, when mailed, telecopied, telegraphed or e-mailed, be effective when deposited in the mails, telecopied, delivered to the telegraph company or confirmed by e-mail, respectively, except that notices and communications to the Agent pursuant to Article II, III or VII shall not be effective until received by the Agent. Delivery by telecopier of an executed counterpart of any amendment or waiver of any provision of this Agreement or the Notes or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) So long as Citicorp or any of its Affiliates is the Agent, materials required to be delivered pursuant to Section 5.01(i)(i), (ii) and (iv) (the "Communications") may be delivered to the Agent in an electronic medium in a format acceptable to the Agent and the Lenders by e-mail at oploanswebadmin@citigroup.com. The Borrower agrees that the Agent may make such materials, as well as any other written information, documents, instruments and other material relating to the Borrower, any of its Subsidiaries or any other materials or matters relating to this Agreement, the Notes or any of the transactions contemplated hereby available to the Lenders by posting such notices on Intralinks, "e-Disclosure", the Agent's internet delivery system that is part of Fixed Income Direct, Global Fixed Income's primary web portal, or a substantially similar electronic system (the "Platform"). The Borrower acknowledges that (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (ii) the Platform is provided "as is" and "as available" and (iii) neither the Agent nor any of its Affiliates warrants the accuracy, adequacy or completeness of the Communications or the Platform and each expressly disclaims liability for errors or omissions in the Communications or the Platform. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Agent or any of its Affiliates in connection with the Platform.

(c) Each Lender agrees that notice to it (as provided in the next sentence) (a "Notice") specifying that any Communications have been posted to the Platform shall constitute effective delivery of such information, documents or other materials to such Lender for purposes of this Agreement; provided that if requested by any Lender the Agent shall deliver a copy of the Communications to such Lender by email or telecopier. Each Lender agrees (i) to notify the Agent in writing of such Lender's e-mail address to which a Notice may be sent by electronic transmission (including by electronic communication) on or before the date such Lender becomes a party to this Agreement (and from time to time thereafter to ensure that the Agent has on record an effective e-mail address for such Lender) and (ii) that any Notice may be sent to such e-mail address.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or the Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein

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provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs and Expenses. (a) The Borrower agrees to pay on demand all reasonable costs and expenses of the Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, (A) all reasonable due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (B) the reasonable fees and expenses of counsel for the Agent with respect thereto and with respect to advising the Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay on demand all costs and expenses of the Agent and the Lenders, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Agent and each Lender in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower agrees to indemnify and hold harmless the Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances or the Letters of Credit or (ii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, equityholders or creditors or an Indemnified Party or any other Person, whether or not any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower also agrees not to assert any claim for special, indirect, consequential or punitive damages against the Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, arising out of or otherwise relating to the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances.

(c) If any payment of principal of, or Conversion of, any Eurodollar Rate Advance or LIBO Rate Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.09(d) or (e), 2.11 or 2.13, acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, or by an Eligible Assignee to a Lender other than on the last day of the Interest Period for such Advance upon an assignment of rights and obligations under this Agreement pursuant to Section 8.07 as a result of a demand by the Borrower pursuant to Section 8.07(a), the Borrower shall, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without

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limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance. The loss of a Lender shall include an amount equal to the excess, if any, as reasonably determined by such Lender of (A) its cost of obtaining the funds for the Advance paid or Converted on other than the last day of an Interest Period, to the last day of such Interest Period over (B) the amount of interest (as reasonably determined by such Lender) that could be realized by such Lender in reemploying during such period the funds paid or Converted.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.12, 2.15 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the Notes.

SECTION 8.05. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Advances due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Note held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmaturing. Each Lender agrees promptly to notify the Borrower after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective (other than Sections 2.01 and 2.03, which shall only become effective upon satisfaction of the conditions precedent set forth in Section 3.01) when it shall have been executed by the Borrower and the Agent and when the Agent shall have been notified by each Initial Lender that such Initial Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 8.07. Assignments and Participations. (a) Each Lender may and, if demanded by the Borrower (following a demand by such Lender pursuant to Section 2.12 or 2.15, or an assertion by such Lender of illegality under Section 2.13) upon at least five Business Days' notice to such Lender and the Agent, will assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Revolving Credit Commitment, the Revolving Credit Advances owing to it and the Revolving Credit Note or Notes held by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement (other than any right to make Competitive Bid Advances, Competitive Bid Advances owing to it and Competitive Bid Notes), (ii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of the Revolving Credit Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof unless the Borrower and the

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Agent otherwise agree, (iii) each such assignment shall be to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Borrower pursuant to this Section 8.07(a) shall be arranged by the Borrower after consultation with the Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v) no Lender shall be obligated to make any such assignment as a result of a demand by the Borrower pursuant to this Section 8.07(a) unless and until such Lender shall have received one or more payments from either the Borrower or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, and (vi) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Revolving Credit Note subject to such assignment and a processing and recordation fee of \$3,500 payable by the parties to each such assignment, provided, however, that in the case of each assignment made as a result of a demand by the Borrower, such recordation fee shall be payable by the Borrower except that no such recordation fee shall be payable in the case of an assignment made at the request of the Borrower to an Eligible Assignee that is an existing Lender, and (vii) any Lender may, without the approval of the Borrower and the Agent, assign all or a portion of its rights to any of its Affiliates. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (other than its rights under Sections 2.12, 2.15 and 8.04 to the extent any claim thereunder relates to an event arising prior such assignment) and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and

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authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender or as an Issuing Bank, as the case may be.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Revolving Credit Note or Notes subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(d) The Agent shall maintain at its address referred to in Section 8.02 a copy of each Assumption Agreement and each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent demonstrable error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Each Lender may sell participations to one or more banks or other entities (other than the Borrower or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitments, the Advances owing to it and any Note or Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Revolving Credit Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of this Agreement or any Note, or any consent to any departure by the Borrower therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Advances or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from such Lender.

(g) Each Issuing Bank may assign to an Eligible Assignee its rights and obligations or any portion of the undrawn Letter of Credit Commitment at any time; provided, however, that (i) the amount of the Letter of Credit

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Commitment of the assigning Issuing Bank being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$1,000,000 or an integral multiple of \$1,000,000 in excess thereof, and (ii) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with a processing and recordation fee of \$3,500.

(h) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and any Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

SECTION 8.08. Confidentiality. Neither the Agent nor any Lender shall disclose any Confidential Information to any other Person without the written consent of the Borrower, other than (a) to the Agent's or such Lender's Affiliates and to their officers, directors, employees, agents and advisors as are necessary and appropriate for the administration of this Agreement and, as contemplated by Section 8.07(f), to actual or prospective assignees and participants, and then only on a confidential basis, (b) as required by any law, rule or regulation or judicial process, (c) as requested or required by any state, federal or foreign authority or examiner regulating banks or banking and (d) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder.

SECTION 8.09. Governing Law. This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8.10. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.11. Jurisdiction, Etc. (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the Notes, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. The Borrower does business in the State of New York through numerous locations in such State. The Borrower has appointed Ct Corporation System as its agent for service of process in the State of New York, and until such time as the Borrower notifies the Agent of a change in agent for service of process, the Borrower hereby agrees that service of process in any such action or proceeding brought in the any such New York State court or in such federal court may be made upon CT Corporation System at its offices at 111 Eighth Avenue, 13th Floor, New York, New York 10011 (the "Process Agent") and agrees that the failure of the Process Agent to give any notice of any such service shall not impair or affect the validity of such service or of any judgment rendered in any action or proceeding based thereon. The Borrower shall give the Agent notice of any change in agent for service of process in the State of New York. The Borrower hereby further irrevocably consents to the service of

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process in any action or proceeding in such courts by the mailing thereof by any parties hereto by registered or certified mail, postage prepaid, to the Borrower at its address specified pursuant to Section 8.02. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or the Notes in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the Notes in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 8.12. No Liability of the Issuing Banks. The Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. Neither an Issuing Bank nor any of its officers or directors shall be liable or responsible for: (a) the use that may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by such Issuing Bank against presentation of documents that do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit, except that the Borrower shall have a claim against such Issuing Bank, and such Issuing Bank shall be liable to the Borrower, to the extent of any direct, but not consequential, damages suffered by the Borrower that the Borrower proves were caused by (i) such Issuing Bank's willful misconduct or gross negligence as determined in a final, non-appealable judgment by a court of competent jurisdiction in determining whether documents presented under any Letter of Credit comply with the terms of such Letter of Credit or (ii) such Issuing Bank's willful failure to make lawful payment under a Letter of Credit after the presentation to it of a draft and certificates strictly complying with the terms and conditions of the Letter of Credit. In furtherance and not in limitation of the foregoing, such Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

SECTION 8.13. Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each borrower, guarantor or grantor (the "Loan Parties"), which information includes the name and address of each Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Act.

SECTION 8.14. Waiver of Jury Trial. Each of the Borrower, the Agent and the Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the Notes or the actions of the Agent or any Lender in the negotiation, administration, performance or enforcement thereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

RADIOSHACK CORPORATION

By _____
Title:

CITIBANK, N.A.,
as Agent

By _____
Title:

Initial Issuing Banks

Letter of Credit Commitment

\$50,000,000

BANK OF AMERICA, N.A.

By _____
Title:

\$50,000,000

WACHOVIA BANK, NATIONAL ASSOCIATION

By _____
Title:

\$100,000,000

Total of the Letter of Credit Commitments

Initial Lenders

Commitment

\$42,000,000

CITIBANK, N.A.

By _____
Title:

\$42,000,000

BANK OF AMERICA, N.A.

By _____
Title:

\$27,500,000

KEYBANK NATIONAL ASSOCIATION

By _____
Title:

\$27,500,000

WACHOVIA BANK, NATIONAL ASSOCIATION

By _____
Title:

\$27,500,000

SUNTRUST BANK

By _____
Title:

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\$18,000,000	WELLS FARGO BANK, N.A.
	By _____
	Title:
\$18,000,000	THE ROYAL BANK OF CANADA
	By _____
	Title:
\$15,000,000	U.S. BANK, NATIONAL ASSOCIATION
	By _____
	Title:
\$15,000,000	COMERICA BANK
	By _____
	Title:
\$15,000,000	CALYON NEW YORK BRANCH
	By _____
	Title:
	By _____
	Title:
\$12,500,000	FIFTH THIRD BANK
	By _____
	Title:
\$12,500,000	NATIONAL CITY BANK
	By _____
	Title:
\$10,000,000	THE BANK OF NEW YORK
	By _____
	Title:
\$10,000,000	BANK OF TEXAS, N.A.
	By _____
	Title:
\$7,500,000	HIBERNIA NATIONAL BANK
	By _____
	Title:
\$300,000,000	Total of the Commitments

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APPLICA

Name of Initial Lender	Domestic Lending Office	Eurodollar
Bank of America, N.A.	1850 Gateway Blvd, 5th Floor Concord, CA 84520 Attn: Nina Lemmer T: 925 675-7817 F: 888 969-9317	1850 Gateway Blvd Concord, CA 845 Attn: Jessical T: 925 675-7817 F: 888 969-9317
The Bank of New York	One Wall Street - 8th floor New York, NY 10286 Attn: Diane Burgess T: 212 635-1311 F: 212 635-1483	One Wall Street New York, NY 10 Attn: Diane Bur T: 212 635-1311 F: 212 635-1483
Bank of Texas, N.A.		
Calyon New York Branch		
Citibank, N.A.	Two Penns Way, Suite 200 New Castle, DE 19720 Attn: Vincent Farrell T: 302 894-6032 F: 302 894-6120	Two Penns Way, S New Castle, DE Attn: Vincent F T: 302 894-6032 F: 302 894-6120
Comerica Bank	4100 Spring Valley Road Suite 400 Dallas, TX 75244 Attn: Pat Britton T: 972 361-2598 F: 972 361-2519	4100 Spring Vall Suite 400 Dallas, TX 7524 Attn: Pat Britt T: 972 361-2598 F: 972 361-2519
Fifth Third Bank	38 Fountain Square Plaza MD 10906 Cincinnati, OH 45202 Attn: Andrew Jones T: 513 534-0836 F: 513 534-5947	38 Fountain Squa MD 10906 Cincinnati, OH Attn: Andrew Jo T: 513 534-0836 F: 513 534-5947
Hibernia National Bank	313 Carondelet Street New Orleans, LA 70130 Attn: Shelly Strada T: 504 533-2808 F: 504 533-5344	313 Carondelet S New Orleans, LA Attn: Shelly St T: 504 533-2808 F: 504 533-5344
KeyBank National Association	127 Public Square Cleveland, OH 44114 Attn: Laura Binkley T: 216 689-4448 F: 216 689-4981	127 Public Squar Cleveland, OH 4 Attn: Laura Bin T: 216 689-4448 F: 216 689-4981
National City Bank	155 East Broad Street	155 East Broad S

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Columbus, OH
 Attn: Vicki Niemela
 T: 614 463-7133
 F: 614 463-8572

Columbus, OH
 Attn: Vicki Nie
 T: 614 463-7133
 F: 614 463-8572

The Royal Bank of Canada

Royal Bank of Canada
 New York Branch
 One Liberty Plaza
 New York, NY 10006-1404

Royal Bank of Ca
 New York Branch
 One Liberty Plaz
 New York, NY 10

Address for Notices:
 Royal Bank of Canada
 New York Branch
 One Liberty Plaza, 3rd Floor
 New York, NY 10006
 Attn: David Banning
 T: 212 428-6369
 F: 212 428-2372

Address for Noti
 Royal Bank of Ca
 New York Branch
 One Liberty Plaz
 New York, NY 10
 Attn: David Ban
 T: 212-428-6369
 F: 212 428-2372

With a copy to:
 Royal Bank of Canada
 One Liberty Plaza, 3rd Floor
 New York, NY 10006
 Attn: B. Lund
 T: 212 428-6509
 F: 212 428-2319

With a copy to:
 Royal Bank of Ca
 One Liberty Plaz
 New York, NY 10
 Attn: B. Lund
 T: 212 428-6509
 F: 212 428-2319

SunTrust Bank

303 Peachtree Street, 10th Floor
 Atlanta, GA 30302
 Attn: Shonda Bankston
 T: 404 230-1938
 F: 4040 575-2730

303 Peachtree St
 Atlanta, GA 303
 Attn: Shonda Ba
 T: 404 230-1938
 F: 4040 575-273

U.S. Bank, National Association

400 City Center
 Mail Code: OS-WI-CCO
 Oshkosh, WI 54901
 Attn: Connie Sweeney
 T: 920 237-7604
 F: 920 237-7993

400 City Center
 Mail Code: OS-W
 Oshkosh, WI 549
 Attn: Connie Sw
 T: 920 237-7604
 F: 920 237-7993

Wachovia Bank, National Association

201 S. College Street, CP-17
 Charlotte, NC 28288
 Attn: Cynthia Rawson
 T: 704 374-4425
 F: 704 383-7997

201 S. College S
 Charlotte, NC 2
 Attn: Cynthia R
 T: 704 374-4425
 F: 704 383-7997

Wells Fargo Bank, N.A.

201 Third Street, 8th Floor
 MAC A0187-081
 San Francisco, CA 94103
 Attn: Rosanna Roxas
 T: 415 477-5425
 F: 415 979-0675

201 Third Street
 MAC A0187-081
 San Francisco, C
 Attn: Rosanna R
 T: 415 477-5425
 F: 415 979-0675

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Schedule 5.02(e)
Investments as of June 16, 2004

Investment made as part of a community effort to provide low income housing, including a note maturing on 9-30-2022, and a limited partnership interest.	Note amount Ltd. Partnership	\$ 330,000.00 \$ 1,598,375.00
RadioShack de Mexico S.A. de C.V.		\$ 7,653,410.00
Loan to Leonard Roberts Children's Trust		\$ 2,000,000.00
Total investments		\$11,581,785.00

Schedule 5.02(a)

Existing Liens

None

EXHIBIT A-1 - FORM OF
REVOLVING CREDIT
PROMISSORY NOTE

U.S.\$ _____

Dated: _____, 200_

FOR VALUE RECEIVED, the undersigned, Radioshack Corporation, a Delaware corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of _____ (the "Lender") for the account of its Applicable Lending Office on the Termination Date (each as defined in the Credit Agreement referred to below) the principal sum of U.S.\$[amount of the Lender's Commitment in figures] or, if less, the aggregate principal amount of the Revolving Credit Advances made by the Lender to the Borrower pursuant to the Five Year Credit Agreement dated as of June 16, 2004 among the Borrower, the Lender and certain other lenders parties thereto, Bank of America, N.A., as administrative agent, Wachovia Bank, National Association, KeyBank National Association and SunTrust Bank, as co-syndication agents, Citigroup Global Markets Inc. and Banc of America Securities LLC, as joint lead arrangers and bookrunners, and Citibank, N.A., as Agent for the Lender and such other lenders (as amended or modified from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein defined) outstanding on such date.

The Borrower promises to pay interest on the unpaid principal amount of each Revolving Credit Advance from the date of such Revolving Credit Advance until such principal amount is paid in full, at such interest rates, and

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payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to Citibank, as Agent, at 388 Greenwich Street, New York, New York 10013, in same day funds. Each Revolving Credit Advance owing to the Lender by the Borrower pursuant to the Credit Agreement, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Promissory Note.

This Promissory Note is one of the Revolving Credit Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, (i) provides for the making of Revolving Credit Advances by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Revolving Credit Advance being evidenced by this Promissory Note and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

RADIOSHACK CORPORATION

By _____
Title:

ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Unpaid Principal Balance
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EXHIBIT A-2 - FORM OF
COMPETITIVE BID
PROMISSORY NOTE

U.S.\$ _____

Dated: _____, 200_

FOR VALUE RECEIVED, the undersigned, Radioshack Corporation, a Delaware corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of _____ (the "Lender") for the account of its Applicable Lending Office (as defined in the Five Year Credit Agreement dated as of June 16, 2004 among the Borrower, the Lender and certain other lenders parties thereto, Bank of America, N.A., as administrative agent, Wachovia Bank, National Association, KeyBank National Association and SunTrust Bank, as co-syndication agents, Citigroup Global Markets Inc. and Banc of America Securities LLC, as joint lead arrangers and bookrunners, and Citibank, N.A., as Agent for the Lender and such other lenders (as amended or modified from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein defined)), on _____, 200_, the principal amount of U.S.\$ _____].

The Borrower promises to pay interest on the unpaid principal amount hereof from the date hereof until such principal amount is paid in full, at the interest rate and payable on the interest payment date or dates provided below:

Interest Rate: _____% per annum (calculated on the basis of a year of _____ days for the actual number of days elapsed).

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Both principal and interest are payable in lawful money of the United States of America to Citibank, as agent, for the account of the Lender at the office of Citibank, at 388 Greenwich Street, New York, New York 10013 in same day funds.

This Promissory Note is one of the Competitive Bid Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York.

RADIOSHACK CORPORATION

By _____
Title:

EXHIBIT B-1 - FORM OF NOTICE OF
REVOLVING CREDIT BORROWING

Citibank, N.A., as Agent
for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Way
New Castle, Delaware 19720

[Date]

Attention: Bank Loan Syndications Department

Ladies and Gentlemen:

The undersigned, Radioshack Corporation, refers to the Five Year Credit Agreement, dated as of June 16, 2004 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto, Bank of America, N.A., as administrative agent, Wachovia Bank, National Association, KeyBank National Association and SunTrust Bank, as co-syndication agents, Citigroup Global Markets Inc. and Banc of America Securities LLC, as joint lead arrangers and bookrunners, and Citibank, N.A., as Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Revolving Credit Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Revolving Credit Borrowing (the "Proposed Revolving Credit Borrowing") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Revolving Credit Borrowing is _____, 200_.

(ii) The Type of Advances comprising the Proposed Revolving Credit Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The aggregate amount of the Proposed Revolving Credit

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Borrowing is \$_____.

[(iv) The initial Interest Period for each Eurodollar Rate Advance made as part of the Proposed Revolving Credit Borrowing is _____ month[s].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Revolving Credit Borrowing:

(A) the representations and warranties contained in Section 4.01(a) through (i) of the Credit Agreement are correct, before and after giving effect to the Proposed Revolving Credit Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(B) no event has occurred and is continuing, or would result from such Proposed Revolving Credit Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

RADIOSHACK CORPORATION

By _____
Title:

EXHIBIT B-2 - FORM OF NOTICE OF
COMPETITIVE BID BORROWING

Citibank, N.A., as Agent
for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Way
New Castle, Delaware 19720

[Date]

Attention: Bank Loan Syndications Department

Ladies and Gentlemen:

The undersigned, Radioshack Corporation, refers to the Five Year Credit Agreement, dated as of June 16, 2004 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto, Bank of America, N.A., as administrative agent, Wachovia Bank, National Association, KeyBank National Association and SunTrust Bank, as co-syndication agents, Citigroup Global Markets Inc. and Banc of America Securities LLC, as joint lead arrangers and bookrunners, and Citibank, N.A., as Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.03 of the Credit Agreement that the undersigned hereby requests a Competitive Bid Borrowing under the Credit Agreement, and in that connection sets forth the terms on which such Competitive Bid Borrowing (the "Proposed Competitive Bid Borrowing") is

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requested to be made:

- (A) Date of Competitive Bid Borrowing _____
- (B) Amount of Competitive Bid Borrowing _____
- (C) [Maturity Date] [Interest Period] _____
- (D) Interest Rate Basis _____
- (E) Interest Payment Date(s) _____
- (F) _____

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Competitive Bid Borrowing:

(a) the representations and warranties contained in Section 4.01(a) through (i) of the Credit Agreement are correct, before and after giving effect to the Proposed Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date;

(b) no event has occurred and is continuing, or would result from the Proposed Competitive Bid Borrowing or from the application of the proceeds therefrom, that constitutes a Default;

(c) no event has occurred and no circumstance exists of which the Borrower has become aware, as a result of which the information concerning the Borrower that has been provided to the Agent and each Lender by the Borrower in connection herewith is shown to contain an untrue statement of a material fact or is shown to have omitted to state any material fact or any fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading as if the date such information was provided; and

(d) the aggregate amount of the Proposed Competitive Bid Borrowing and all other Borrowings to be made on the same day under the Credit Agreement is within the aggregate amount of the Unused Commitments of the Lenders.

The undersigned hereby confirms that the Proposed Competitive Bid Borrowing is to be made available to it in accordance with Section 2.03(a) (v) of the Credit Agreement.

Very truly yours,

RADIOSHACK CORPORATION

By _____
Title:

EXHIBIT C - FORM OF
ASSIGNMENT AND ACCEPTANCE

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Reference is made to the Five Year Credit Agreement dated as of June 16, 2004 (as amended or modified from time to time, the "Credit Agreement") among Radioshack Corporation, a Delaware corporation (the "Borrower"), the Lenders and Initial Issuing Banks (each as defined in the Credit Agreement), Bank of America, N.A., as administrative agent, Wachovia Bank, National Association, KeyBank National Association and SunTrust Bank, as co-syndication agents, Citigroup Global Markets Inc. and Banc of America Securities LLC, as joint lead arrangers and bookrunners, and Citibank, N.A., as agent for the Lenders (the "Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

The "Assignor" and the "Assignee" referred to on Schedule I hereto agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof (other than in respect of Competitive Bid Advances and Competitive Bid Notes) equal to the percentage interest specified on Schedule 1 hereto of all outstanding rights and obligations under the Credit Agreement (other than in respect of Competitive Bid Advances and Competitive Bid Notes) together with participations in Letters of Credit held by the Assignor on the date hereof. After giving effect to such sale and assignment, the Assignee's Revolving Credit Commitment and the amount of the Revolving Credit Advances owing to the Assignee will be as set forth on Schedule 1 hereto.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iv) attaches the Revolving Credit Note, if any, held by the Assignor [and requests that the Agent exchange such Revolving Credit Note for a new Revolving Credit Note payable to the order of [the Assignee in an amount equal to the Revolving Credit Commitment assumed by the Assignee pursuant hereto or new Revolving Credit Notes payable to the order of the Assignee in an amount equal to the Revolving Credit Commitment assumed by the Assignee pursuant hereto and] the Assignor in an amount equal to the Revolving Credit Commitment retained by the Assignor under the Credit Agreement[, respectively,] as specified on Schedule 1 hereto].

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform

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in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) attaches any U.S. Internal Revenue Service forms required under Section 2.15 of the Credit Agreement.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Agent for acceptance and recording by the Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of acceptance hereof by the Agent, unless otherwise specified on Schedule 1 hereto.

5. Upon such acceptance and recording by the Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement and the Revolving Credit Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest, facility fees and letter of credit commissions with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Revolving Credit Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

Schedule 1
to
Assignment and Acceptance for
Five Year Credit Agreement, dated as of June 16, 2004
among Radioshack Corporation, the Lenders parties thereto
and Citibank, N.A., as Agent

Percentage interest assigned: _____%

Assignee's Revolving Credit Commitment: \$_____

Aggregate outstanding principal amount of Revolving Credit Advances assigned: \$_____

Principal amount of Revolving Credit Note payable to Assignee: \$_____

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Principal amount of Revolving Credit Note payable to Assignor: \$_____

Effective Date*: _____, 200_

[NAME OF ASSIGNOR], as Assignor

By _____
Title:

Dated: _____, 200_

[NAME OF ASSIGNEE], as Assignee

By _____
Title:

Dated: _____, 200_

Domestic Lending Office:
[Address]

Eurodollar Lending Office:
[Address]

* This date should be no earlier than five Business Days after the delivery of this Assignment and Acceptance to the Agent.

Accepted [and Approved]** this
_____ day of _____, 200_

CITIBANK, N.A., as Agent

By _____
Title:

[Approved this _____ day
of _____, 200_

RADIOSHACK CORPORATION

By _____]*
Title:

** Required if the Assignee is an Eligible Assignee solely by reason of clause (iii) of the definition of "Eligible Assignee".

* Required if the Assignee is an Eligible Assignee solely by reason of clause (iii) of the definition of "Eligible Assignee".

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EXHIBIT D - FORM OF
OPINION OF COUNSEL
FOR THE BORROWER

[Effective Date]

To each of the Lenders parties
to the Credit Agreement dated
as of June 16, 2004
among Radioshack Corporation,
said Lenders and Citibank, N.A.,
as Agent for said Lenders, and
to Citibank, N.A., as Agent

Radioshack Corporation

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 3.01(h)(iv) of the Five Year Credit Agreement, dated as of June 16, 2004 (the "Credit Agreement"), among Radioshack Corporation (the "Borrower"), the Lenders parties thereto, Bank of America, N.A., as administrative agent, Wachovia Bank, National Association, KeyBank National Association and SunTrust Bank, as co-syndication agents, Citigroup Global Markets Inc. and Banc of America Securities LLC, as joint lead arrangers and bookrunners, and Citibank, N.A., as Agent for said Lenders. Terms defined in the Credit Agreement are used herein as therein defined.

We have acted as counsel for the Borrower in connection with the preparation, execution and delivery of the Credit Agreement.

In that connection, we have examined:

- (1) The Credit Agreement.
- (2) The documents furnished by the Borrower pursuant to Article III of the Credit Agreement.
- (3) The [Articles] [Certificate] of Incorporation of the Borrower and all amendments thereto (the "Charter").
- (4) The by-laws of the Borrower and all amendments thereto (the "By-laws").
- (5) A certificate of the Secretary of State of Delaware, dated _____, 2004, attesting to the continued corporate existence and good standing of the Borrower in that State.

We have also examined the originals, or copies certified to our satisfaction, of the indentures, loan or credit agreements, leases, guarantees, mortgages, security agreements, bonds, notes and other agreements or instruments, and orders, writs, judgments, awards, injunctions and decrees, that affect or purport to affect the Borrower's right to borrow money or the Borrower's obligations under the Credit Agreement or the Notes. In addition, we have examined the originals, or copies certified to our satisfaction, of such other corporate records of the Borrower, certificates of public officials and of

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officers of the Borrower, and agreements, instruments and other documents, as we have deemed necessary as a basis for the opinions expressed below. As to questions of fact material to such opinions, we have, when relevant facts were not independently established by us, relied upon certificates of the Borrower or its officers or of public officials. We have assumed the due execution and delivery, pursuant to due authorization, of the Credit Agreement by the Initial Lenders and the Agent.

Our opinions expressed below are limited to the law of the State of Texas, the General Corporation Law of the State of Delaware and the Federal law of the United States.

Based upon the foregoing and upon such investigation as we have deemed necessary, we are of the following opinion:

1. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

2. The execution, delivery and performance by the Borrower of the Credit Agreement and the Notes, and the consummation of the transactions contemplated thereby, are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Charter or the By-laws or (ii) any law, rule or regulation applicable to the Borrower (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System) or (iii) any contractual or legal restriction binding on or affecting the Borrower. The Credit Agreement and the Notes have been duly executed and delivered on behalf of the Borrower.

3. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Borrower of the Credit Agreement and the Notes.

4. To the best of our knowledge, there are no pending or overtly threatened actions or proceedings against the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator that purport to affect the legality, validity, binding effect or enforceability of the Credit Agreement or any of the Notes or the consummation of the transactions contemplated thereby or that are likely to have a materially adverse effect upon the financial condition or operations of the Borrower or any of its Subsidiaries.

5. In any action or proceeding arising out of or relating to the Credit Agreement or the Notes in any court of the State of Texas or in any Federal court sitting in the State of Texas, such court would recognize and give effect to the provisions of Section 8.09 of the Credit Agreement wherein the parties thereto agree that the Credit Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York. Without limiting the generality of the foregoing, a court of the State of Texas or a Federal court sitting in the State of Texas would apply the usury law of the State of New York, and would not apply the usury law of the State of Texas, to the Credit Agreement and the Notes. However, if a court of the State of Texas or a Federal court sitting in the State of Texas were to hold that the Credit Agreement and the Notes are governed by, and to be construed in accordance with, the laws of the State of Texas, the Credit Agreement and the Notes would be, under the laws of the State of Texas, legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms provided that the rate of interest charged under the Credit Agreement and the Notes does not exceed the highest lawful rate

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then in effect in the State of Texas, which rate is equal to twice the rate of interest paid in respect of U.S. treasury bills, but is not less than 18%, nor more than 28% per annum.

The opinions set forth above are subject to the following qualifications:

(a) Our opinion in paragraph 5 above as to enforceability is subject to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar law affecting creditors' rights generally.

(b) Our opinion in paragraph 5 above as to enforceability is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(c) We express no opinion as to (i) Section 2.16 of the Credit Agreement insofar as it provides that any Lender purchasing a participation from another Lender pursuant thereto may exercise set-off or similar rights with respect to such participation and (ii) the effect of the law of any jurisdiction other than the State of Texas wherein any Lender may be located or wherein enforcement of the Credit Agreement or the Notes may be sought that limits the rates of interest legally chargeable or collectible.

Very truly yours,

DRAFT

EXECUTION 6/7/04COPY

U.S. \$300,000,000

FIVE YEAR CREDIT AGREEMENT

Dated as of June 16, 2004

Among

RADIOSHACK CORPORATION
as Borrower

and

THE INITIAL LENDERS NAMED HEREIN
as Initial Lenders

and

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CITIBANK, N.A.
as Administrative Agent and Paying Agent

and

BANK OF AMERICA, N.A.
as Administrative Agent and Initial Issuing Bank

and

WACHOVIA BANK, NATIONAL ASSOCIATION
as Co-Syndication Agent and Initial Issuing Bank

and

KEYBANK NATIONAL ASSOCIATION
and
SUNTRUST BANK
as Co-Syndication Agents

and

CITIGROUP GLOBAL MARKETS INC.
and
BANC OF AMERICA SECURITIES LLC
as Joint Lead Arrangers and Bookrunners

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* This date should be no earlier than five Business Days after the delivery of this Assignment and Acceptance to the Agent.

** Required if the Assignee is an Eligible Assignee solely by reason of clause (iii) of the definition of "Eligible Assignee". * Required if the Assignee is an Eligible Assignee solely by reason of clause (iii) of the definition of "Eligible Assignee".

EXHIBIT 10(d)

RADIOSHACK INVESTMENT PLAN
Amended and Restated Effective as of April 30, 2004

I.
PURPOSE AND SCOPE

The RadioShack Investment Plan (the "Plan") provides certain Employees of RadioShack Corporation ("RadioShack") and any Participating Company (collectively with RadioShack, the "Company") an opportunity to conveniently contribute a portion of their paychecks and receive Company Contributions on those contributions, which amounts may be used, at the election of such Employees, to invest in the common stock of RadioShack Corporation ("Stock"). Capitalized terms not otherwise defined herein shall have the definitions set forth in Section XVIII.

The Plan enables Employees to receive Company Contributions on Employee Payroll Deductions, which they may use to monthly purchase Stock.

The Plan provides for Company Contributions from 40% to 80% of Employee Payroll Deductions.

Effective April 30, 2004, participation in the Plan is frozen. Only employees of the Company participating in the Plan on April 29, 2004 are eligible to participate in the Plan on and after April 30, 2004.

II.
PARTICIPATION IN THE PLAN

A. ADOPTION OF PLAN. Prior to April 30, 2004, RadioShack and each of its divisions, subsidiaries and affiliates could adopt the Plan for all or some of its employees to the extent such adoption was approved by the Board of Directors of RadioShack (the "Board"). On and after April 30, 2004, participation in the Plan is frozen and no additional divisions, subsidiaries and affiliates of RadioShack may adopt the Plan on and after April 30, 2004.

B. ELIGIBILITY. Effective April 30, 2004, only those Employees of the Company who were participating in the Plan on April 29, 2004 (a "Participant") may continue participating in the Plan on and after April 30, 2004. Any Participant who withdraws from the Plan pursuant to Section VIII will no longer be eligible to participate in the Plan following such withdrawal.

C. ANNUAL ELECTION FOR PARTICIPATION. An eligible Employee must annually make an investment election, or be deemed to have made an election, to purchase

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Stock, or must make an election not to purchase Stock (such election, an "Annual Election") at the beginning of each Plan year during a specified time frame as determined by the Plan Administrator. If a Participant does not timely complete an Annual Election form for any Plan Year, he will be deemed to have elected to purchase Stock. The Annual Election shall evidence the Employee's:

1. Intent to continue participation in the Plan;
2. Consent for Employee Payroll Deductions (as defined in Section III below);
3. Intent to (a) make monthly purchases of Stock and therefore receive the distribution of the Employee's Plan account in Stock, or (b) to make and receive monthly cash contributions in order to receive the distribution of the Employee's Plan account in cash; and
4. Acknowledgment and consent to pay the taxes resulting from the Company Contributions (and/or Other Deferrals) during the taxable year in which the Company Contributions (and/or Other Deferrals) are made, in accordance with Section 451 of the Internal Revenue Code of 1986, as amended, or its successor provision.

For payroll periods ending during the period beginning on April 30, 2004 and ending on the earlier of the date an eligible Employee makes an initial Annual Election pursuant to this Section II.C. or May 28, 2004, an eligible Employee will be deemed to have elected to participate in the Plan by making Employee Payroll Deductions at the level in effect on April 29, 2004 to be used (along with Company Contributions and Other Contributions) to purchase Stock. If no initial election, with respect to the Plan as amended and restated effective as of April 30, 2004, is received for an eligible Employee on or before May 28, 2004, such eligible Employee will be deemed to have elected to participate in the Plan for the first Plan Year by making Employee Payroll Deductions at the level in effect on April 29, 2004 to be used (along with Company Contributions and Other Contributions) to purchase Stock.

III. INVESTMENT OPTIONS

A. RATE OF PAYROLL DEDUCTION. The rate of payroll deduction authorized by a Participant (an "Employee Payroll Deduction") and in effect as of April 29, 2004 shall continue in effect for each Plan Year, notwithstanding any change in the Participant's Earnings, until the Participant authorizes a decrease in his or her rate of Employee Payroll Deductions (or a suspension of Employee Payroll Deductions), as provided in Section III.B. Participants may not elect to increase Employee Payroll Deductions; provided, however, when a Participant automatically resumes participation after suspending participation, the Participant will resume participation at the same rate of Employee Payroll Deductions in effect immediately prior to such suspension and such resumption of participation will not be deemed an increase in Employee Payroll Deductions. RadioShack's Chief Executive Officer may, with respect to all or any group of Employees, limit the maximum authorized payroll deduction to a percentage less than 7% of Earnings (the maximum rate of payroll deductions in effect on April 29, 2004) which reduction will automatically reduce the Employee Payroll Deductions exceeding the new limit to the new limit established by the Chief Executive Officer. Upon the adoption of any such limitation, prompt notice thereof shall be given to the affected Employees.

B. CHANGES IN RATE OF DEDUCTIONS. Without withdrawing from the Plan, a Participant may suspend or decrease contributions to the Plan pursuant to procedures established by the Plan Administrator. A Participant may:

1. Suspend Employee Payroll Deductions, effective as soon as

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administratively feasible following the date on which receipt of notice to suspend is received by the Plan Administrator in the form and manner specified by the Plan Administrator. The suspension shall be for a period of six (6) months. At the beginning of the first pay period immediately following the six (6) month suspension, Employee Payroll Deductions will automatically be resumed at the rate in effect immediately prior to the suspension and the Participant's Annual Election to purchase Stock or receive a cash distribution will be retained; provided, however, if the Participant's automatic resumption of participation occurs in a Plan Year following the Plan Year in which the suspension election was made, the Participant's Annual Election at the beginning of such later plan year shall govern. A Participant may have only one (1) six (6) month suspension in any twelve (12) month period.

2. Permanently reduce the percentage rate of Employee Payroll Deductions, effective as soon as administratively feasible following receipt of the election by the Plan Administrator in the form and manner specified by the Plan Administrator. Participants may not increase their rate of Employee Payroll Deductions under the Plan. Any reduction in Employee Payroll Deductions will be irrevocable and a Participant will not be entitled to increase Employee Payroll Deductions after electing a reduction.

IV.
CREDITS TO PARTICIPANTS

As of the end of each calendar month, the following credits shall be made to each Participant's account:

A. EMPLOYEE PAYROLL DEDUCTION. The amount of Employee Payroll Deductions withheld during such month shall be credited to each Participant's account.

B. COMPANY CONTRIBUTION. A monthly amount (the "Company Contribution") calculated in accordance with Section IV.B.1. below shall be credited to each Participant's account.

The amount of the Company Contribution shall be determined on the basis of each payroll period by multiplying the following appropriate percentage times each Employee Payroll Deduction:

Period of Continuous Participation in the Plan As of April 29, 2004 -----	Amount of Company's Contribution -----
Day One (1) through Three (3) Years	Forty Percent (40%) of Employee Payroll Deductions
Over Three (3) Years through Five (5) Years	Sixty Percent (60%) of Employee Payroll Deductions
Over Five (5) Years	Eighty Percent (80%) of Employee Payroll Deductions

Effective April 30, 2004, the percentage of Company Contributions matching Employee Payroll Deductions with respect to each Participant will be frozen and only the period of continuous participation in the Plan as of April 29, 2004 will be used to determine the amount of Company Contributions. Therefore, continuous participation in the Plan on and after April 30, 2004 will not result in any increase in the amount of Company Contributions.

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C. Employee Payroll Deductions and Company Contributions are to be credited to the Participant's account monthly as soon as administratively feasible following the end of the last payroll period of the month.

D. OTHER CONTRIBUTIONS-DIVIDEND INCOME ON STOCK. All cash dividends on all Stock credited to the account of a Participant on the record date designated by RadioShack for such dividend shall be allocated to the Participant's account on the date of payment (such dividend payments are referred to as "Other Contributions") and applied to the purchase of Stock in accordance with Section VII.B.3. The amount allocated as Other Contributions shall be reduced by any required withholding of taxes. These Other Contributions will not be subject to matching Company Contributions. Participants electing not to purchase Stock under the Plan will not receive dividends on cash amounts credited to their Plan accounts.

E. DIVIDENDS OTHER THAN CASH AND STOCK. All dividends on Stock not payable in cash or Stock shall be allocated to a Participant's account as a credit in an amount equal to the fair market value of such property. The amount of such credit shall be applied to a Participant's account as Other Contributions and used to purchase Stock in accordance with Section VII.B.3. Participants electing not to purchase Stock under the Plan will not receive dividends on cash amounts credited to their Plan accounts.

V.

TRANSFERS TO RADIOSHACK

A. EMPLOYEE PAYROLL DEDUCTIONS. The Company shall transfer to RadioShack the Employee Payroll Deductions of each Participant as soon as practicable after the last payroll period of the calendar month in which such Employee Payroll Deductions are withheld.

B. COMPANY CONTRIBUTIONS. The Company shall transfer to RadioShack the Company Contribution for each Participant as soon as practicable after the last payroll period of the calendar month in which such Employee Payroll Deduction is withheld.

VI.

INVESTMENT

A. STOCK.

1. Up to 10,000,000 shares of Stock may be purchased under this Plan. In the event that the number or kind of outstanding shares of Stock shall be changed by reason of recapitalization, reorganization, redesignation, merger, consolidation, stock split, stock dividend, combination or exchange of shares, exchange for other securities, or the like, the number and kind of Stock that may thereafter be distributed under this Plan, may be appropriately adjusted as determined by RadioShack so as to reflect such change.

2. Any Stock required for the purposes of the Plan may be treasury shares or original issue shares.

B. OTHER INTEREST AND INCOME. Except as herein expressly provided otherwise, no interest or other income will be paid or credited on account of an Employees' Payroll Deductions, Company Contributions, Other Contributions or any other amount payable or credited to Participants.

VII.

MAINTENANCE OF ACCOUNTS

A. ACCOUNTS. RadioShack shall maintain Participant accounts with respect

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to the Annual Election (including a deemed election) for a Plan Year commencing on the first day of each Plan Year and ending on the date of distribution with respect to such Plan Year (e.g., Participant accounts created through an Annual Election for Plan Year 2005 will be maintained through February 15, 2006, the date of distribution).

B. DISTRIBUTIONS AND PURCHASE OF STOCK.

1. By making an Annual Election (including a deemed election) pursuant to Article II with respect to any Plan Year, each Participant will elect to either (a) make monthly purchases of Stock pursuant to Section VII.B.3 and receive a distribution of such Stock following the end of the Plan Year, or (b) not purchase Stock and instead receive a cash distribution of all Employee Payroll Deductions and Company Contributions for such Plan Year following the end of the Plan Year.

2. The amount of any cash distribution will equal the sum of all Employee Payroll Deductions and Company Contributions credited to a Participant's account for the Plan Year. For any Participant electing to receive cash pursuant to an Annual Election, a check shall be mailed to the Participant as promptly as practicable, which will be on or about the February 15 following the end of the Plan Year to which the Annual Election relates.

3. If a Participant elects to purchase Stock pursuant to an Annual Election (including a deemed election), then the Employee Payroll Deductions, Company Contributions and Other Contributions credited to his or her Plan account for each month during the Plan Year to which the Annual Election relates will be used to make a monthly purchase of Stock. Such Stock shall be purchased by the Participant on the last trading day of each month at a price per share of Stock equal to the closing price of the Stock reported on the New York Stock Exchange Composite Tape for the last trading day of such month. Distributions of Stock will occur as soon as practicable following the end of a Plan Year, which will be on or about the February 15 following the end of the Plan Year to which the Annual Election relates. Any credits for fractional shares remaining in a Participant's account following the last Stock purchase of the Plan Year shall remain in the Participant's account to be utilized in the subsequent Plan Year.

4. Subject to Article XIX, all shares credited to Participant accounts as of April 29, 2004 for the period beginning January 1, 2004 will be distributed to Participants as soon as practicable following April 29, 2004.

VIII. WITHDRAWALS AND PAYMENTS

A. WITHDRAWALS. The Plan provides for a full withdrawal of a Participant's account upon the Participant's (a) death, (b) termination of employment, or (c) retirement at age 62 or older. If a Participant made an Annual Election to receive cash with respect to the Plan Year, the Participant (or the Participant's beneficiary, as applicable) will receive a distribution in cash as soon as practicable following the end of the month in which such withdrawal event occurred in an amount equal to the Employee Payroll Deductions and Company Contributions credited to his or her account under the Plan. If the Participant made an Annual Election (including a deemed election) to purchase Stock during the Plan Year, the Participant's account will be distributed in Stock to the Participant (or the Participant's beneficiary, as applicable) as soon as practicable following the end of the month in which such withdrawal event occurred.

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B. VOLUNTARY EMPLOYEE WITHDRAWAL. The Plan also provides that an Employee may withdraw his or her account when notice is sent to the Plan Administrator on the forms and in the manner specified by the Plan Administrator. If a Participant made an Annual Election to receive cash with respect to the Plan Year, upon withdrawal from the Plan the Participant shall receive a payment in cash as soon as practicable following the end of the month in which such withdrawal occurred in an amount equal to the Employee Payroll Deductions and Company Contributions credited to his or her account under the Plan. If the Participant made an Annual Election to purchase Stock during the Plan Year, the Participant's account will be distributed in Stock as soon as practicable following the end of the month in which such withdrawal occurred. An Employee making a withdrawal pursuant to this Section VIII.B. will be ineligible to participate in the Plan and may not re-enroll in the Plan in any subsequent Plan Year.

C. RECIPIENT OF PAYMENT. All withdrawal payments will be made to the Participant except withdrawal payments resulting from the death of the Participant, in which event the payment will be made to the beneficiary designated by the Participant or as otherwise provided by the Plan. In event of the death of a Participant, the Participant's beneficiary may act on behalf of the Participant. Payment to the Participant or his or her beneficiary pursuant to Section VIII.A. shall be made as soon as practicable following the end of the month after the withdrawal event occurred.

IX. BENEFICIARY

A. DESIGNATION OF BENEFICIARY. Participants shall file with the Plan Administrator a written designation of beneficiary designating who is to receive any Stock or any cash to the Participant's credit under the Plan in the event of the Participant's death prior to the delivery of such Stock or cash.

B. CHANGE OF BENEFICIARY. A Participant may change his or her beneficiary designation at any time in the form and manner specified by, the Plan Administrator. Such change shall take effect as of the date the Participant signed such written notice, whether or not the Participant is living at the time of receipt of such notice by the Plan Administrator, but without prejudice to RadioShack on account of payments made before such receipt.

C. PAYMENT TO BENEFICIARY. Upon the death of a Participant and upon receipt of proof deemed adequate by RadioShack of the identity and existence, at the time of Participant's death, of a beneficiary or beneficiaries validly designated by the Participant under the Plan, payment will be made to the beneficiary or beneficiaries in the manner and form as set forth in Section VIII hereof.

D. ABSENCE OF BENEFICIARY. In the absence of a beneficiary designation under the Plan or when a beneficiary has pre-deceased the Participant, payment shall be made to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed to the knowledge of RadioShack (or in the event such executor or administrator has been disqualified), payment may be made to such person or persons as RadioShack, in its sole discretion, shall be satisfied is or are legally entitled thereto.

E. INTEREST OF BENEFICIARY IN PLAN. No designated beneficiary shall, prior to the death of the Participant by whom he or she has been designated as such, acquire any interest in the Stock or cash credited to the account of the Participant under the Plan.

X. OWNERSHIP OF STOCK

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On and after the purchase of Stock by any Participant, the Participant shall have all rights of ownership with respect to such Stock, including the right to receive dividends and other distributions with respect to such Stock and the right to vote such Stock; provided, however, nothing in this Article X will entitle a Participant to receive delivery of Stock prior to the time set forth in Section VII.B.3. RadioShack will deliver to each Participant owning Stock held under the Plan all notices of meetings, proxy statements, and other material distributed by RadioShack to its stockholders.

XI.

ADMINISTRATION

A. ADMINISTRATION BY RADIOSHACK. The Plan shall be administered by RadioShack through its Chief Executive Officer, President, an Administrative Committee, or such other person(s) as may be designated, from time to time, by RadioShack. RadioShack has presently designated an Administrative Committee as the Plan Administrator to administer the Plan, and RadioShack shall have the right at any time in its sole discretion to change or remove the designated Plan Administrator. The Plan Administrator may, from time to time, delegate all or portion of its duties.

B. POWERS OF ADMINISTRATOR. The powers of RadioShack with respect to the administration of this Plan shall include, in addition to those conferred elsewhere in the Plan, but shall not be limited to:

1. Authorizing delivery and payment of Stock and cash under the Plan;
2. Making, amending and enforcing all appropriate rules and regulations for the administration of the Plan; and
3. Deciding or resolving any and all questions as may arise in connection with the Plan.

C. AUTHORITY OF RADIOSHACK. Any determination, decision or action of RadioShack concerning or with respect to any question arising out of or in connection with the construction, interpretation, administration and application of the Plan and of its rules and regulations or any delivery of Stock or payments hereunder, shall lie within the sole and absolute discretion of RadioShack and shall be final, conclusive and binding upon all Participants and any and all persons claiming by, through or under any Participant. Any delivery or payment made hereunder shall operate as a complete discharge of the obligations of RadioShack. If RadioShack has any doubt as to the proper person to receive deliveries or payments hereunder, RadioShack may bring a suit for interpleader in any appropriate court, pay any amounts due to court, and RadioShack shall have the right to recover its reasonable attorneys' fees from such proceeds so paid or to be paid. Any delivery or payment made by RadioShack, in good faith and in accordance with this Plan, shall fully discharge RadioShack from all further obligations with respect to such deliveries or payments.

D. COSTS OF ADMINISTRATION. All costs of administration of the Plan shall be borne by RadioShack.

E. PAYMENTS TO LEGALLY DISABLED PARTICIPANTS. Whenever any Participant that is entitled to Stock or payments under the Plan is under legal disability or in the sole judgment of RadioShack shall otherwise be unable to apply such Stock or payments to his or her own best interest and advantage (as in the case of illness, whether mental or physical, or where the person not under legal disability is unable to preserve his or her estate for his or her own best interest), RadioShack may, in the exercise of its sole and absolute discretion, direct all or any portion of such Stock or payments to be made in any one or more of the following ways unless claims shall have been made therefor by an

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existing and duly appointed guardian, conservator, committee or other duly appointed legal representative, in which event Stock or payment shall be delivered or made:

1. directly to such Participant unless such Participant shall have been legally adjudicated incompetent at the time of the deliveries or payment;
2. to the spouse, child, parent or other blood relative to be expended on behalf of the Participant entitled or on behalf of those dependents as to whom the Participant entitled has duty of support;
3. to a recognized charity or governmental institution to be expended for the benefit of the Participant entitled or for the benefit of those dependents as to whom the Participant entitled has the duty of support; or
4. to any other institution, approved by RadioShack to be expended for the benefit of the Participant entitled or for the benefit of those dependents, as to whom the Participant entitled has the duty of support.

F. IMMUNITY FROM LIABILITY. No member of the Administrative Committee shall incur any liability for any action or failure to act, excepting liability for his or her own gross negligence or willful misconduct. RadioShack shall indemnify each member of the Administrative Committee against any and all claims, losses, damages, expenses and liabilities, including any amounts paid in settlement with the Administrative Committee's approval, arising from any action or failure to act, except when the same is judicially determined to be due to the gross negligence or willful misconduct of such member. The Administrative Committee may, at its discretion, require the written approval or disapproval of RadioShack prior to taking action in any particular matter made the subject of its responsibility hereunder.

XII. PARTICIPATION BY AFFILIATED COMPANIES

This Plan shall apply to any company or corporation a portion of whose voting stock is owned directly or indirectly by RadioShack, and any of its affiliates, if such company or corporation shall elect to participate and if, and so long as, such participation shall be approved by RadioShack (a "Participating Company"). A Participating Company shall be bound by the terms of this document. Effective April 30, 2004, the Plan was frozen and no company or corporation which was not a Participating Company on April 29, 2004 may elect to participate in the Plan thereafter.

XIII. NO WARRANTY OF SECURITY VALUES

None of RadioShack, the Company, any Participating Company, or their respective officers, directors, agents or servants warrants or represents in any way that the value of Stock in which the Participant may have an interest will increase or will not decrease. Each Participant assumes all risk in connection with any changes in the value of Stock to the extent he or she may have an interest therein, and each Participant acknowledges such risk by virtue of his or her participation in the Plan.

XIV. GENERAL PROVISIONS

A. EXTENT OF CERTAIN RIGHTS OF PARTICIPANTS. Participation in the Plan shall not entitle any Employee to be retained in the service of RadioShack or the Company or of any Participating Company. The right and power of RadioShack,

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the Company and of each Participating Company to dismiss or discharge any Employee is specifically reserved.

B. LIMITATION OF PARTICIPANT'S RIGHTS. No Participant nor any person claiming by, through or under the Participant shall have any right or interest under the Plan that is not otherwise herein expressly granted.

C. ASSIGNMENT. No interest in any Stock or cash held under the Plan prior to delivery to the Participant as hereinabove provided, shall be assigned, alienated, pledged, or otherwise encumbered in whole or in part, directly or indirectly, by operation of law, or otherwise. If any attempt is made by a Participant to assign, alienate, pledge, or otherwise encumber his or her interest in such Stock or cash prior to such delivery, for his or her debts, liabilities in tort or contract, or otherwise, then RadioShack (in its sole and absolute discretion) may treat such attempt as an election by the Participant to withdraw from the Plan and submit to any loss of rights as provided in the Plan.

D. QUARTERLY STATEMENT OF ACCOUNT. As soon as practicable after the end of each calendar quarter, each Participant shall be furnished with a statement of his or her account under the Plan.

E. REGISTRATION OF STOCK. Stock to be delivered to a Participant will be registered in his or her name alone or, in the event of his or her death prior to such delivery, the Stock will be registered in the name of the person or persons entitled thereto.

F. MISCELLANEOUS.

1. The Company, its Employees and agents and the Plan Administrator may rely upon the authenticity of any information supplied to them by any Participant or a Company in connection with the operation of the Plan, and shall be fully protected in relying upon such information.

2. No individual or Plan Administrator administering, or aiding in the administration of, the Plan shall have any liability, except as provided in Section XIV.F.3. below. As a condition precedent to participation in the Plan or the receipt of benefits thereunder, such liability, if any, is expressly waived and released by each Participant and by any and all persons claiming by, through or under any participant, such waiver and release to be conclusively evidenced by the act of participation or the acceptance of benefits under the Plan.

3. No individual or Plan Administrator administering, or aiding in the administration of, the Plan shall be liable except for his or her own acts or omissions and then only for willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office. As used herein, "individual administering, or aiding in the administration of the Plan" shall include any Stock owner, director, officer, employee or agent of the Company as well as the Plan Administrator.

4. RadioShack may require compliance with any legal requirements which it deems necessary as a condition for delivery of, or payment for, any Stock or cash to the credit of a Participant under the Plan.

5. By a Participant's act of participating in the Plan or by the acceptance of any of the benefits thereunder, such Participant and any and all persons claiming by, through or under any such Participant, shall thereby be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, the application of the provisions of the Plan.

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6. For the purposes of the Plan, unless the contrary is clearly indicated by the context, the use of the masculine gender shall also include within its meaning the feminine, and the use of the singular shall also include within its meaning the plural, and vice versa.

XV.

NOTICES AND COMMUNICATIONS

A. TO PARTICIPANTS. All notices, reports and other communications to a Participant under or in connection with the Plan shall be deemed to have been duly given, made or delivered when sent to by the Participant physically or by electronic means.

B. BY PARTICIPANTS. All Notices, instructions or other communications by a Participant to RadioShack under or in connection with the Plan shall be duly given, made or delivered when received by the Corporate Secretary of RadioShack (300 RadioShack Circle, Fort Worth, Texas 76102) or when received in the form and at the location specified by RadioShack, or by the person, designated for receipt of such notice, instruction or other communication by RadioShack.

XVI.

AMENDMENT, SUSPENSION OR TERMINATION

A. AUTHORITY TO AMEND, SUSPEND OR TERMINATE. Participants may make contributions under this Plan until April 29, 2014. Notwithstanding the preceding, the Board may amend, suspend or terminate the Plan at any time, or from time to time. Without limitation, such amendment may change (a) the rates of Employee Payroll Deductions which may be designated by all Participants or (b) the rates of Company Contributions, or (c) any other provisions of the Plan.

B. DELEGATION OF AUTHORITY. The Board may delegate to the Chairman of the Board, Chief Executive Officer, the President or such other person(s) designated by the Board the authority to amend any provision of this Plan, provided such amendment is (a) of an administrative nature or (b) does not result in any material increase in the Company's costs.

C. AMENDMENTS. No amendment, suspension or termination shall adversely affect any rights of a Participant to Stock or cash to his or her credit under the Plan as of the date of amendment, suspension or termination. Upon any termination, all Stock and cash to the credit of each Participant under the Plan shall be promptly paid over to the Participant.

D. LIMITATION ON PLAN AMENDMENT. No amendment shall increase the maximum number of shares of Stock that may be distributed under this Plan without the further approval of the Board. Furthermore, any amendment to this Plan that causes this Plan to be deemed to be an "equity compensation plan" (or any successor definition) under the listing requirements of the New York Stock Exchange shall be approved by the stockholders of RadioShack as required by such listing requirements.

XVII.

APPLICABLE LAW

Any question concerning or in respect of the validity, construction, interpretation, administration and effect of the Plan, and of its rules and regulations, and the rights of any or all persons having or claiming to have an interest therein or thereunder, shall be governed exclusively and solely in accordance with the laws of the State of Texas without regard to its choice of laws provisions.

XVIII.

DEFINITIONS

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For the purposes of the Plan, unless some other meaning is clearly indicated by the context, the following definitions shall be applicable:

"Annual Election" is defined in Section II.C.

"Board" is defined in Section II.A.

"Company" is defined in Section I.

"Company Contribution" is defined in Section IV.B.

"Earnings" means the amount which an Employee is receiving as salary or wages from the Company, including payment for overtime, vacation pay, night shift bonus, and any cost of living adjustment including incentive compensation, other variable compensation or bonds. Notwithstanding the preceding, Earnings shall in no event include living allowances, prizes, moving expenses, tuition reimbursement, relocation pay, retainers, and special payments made for services performed outside his or her regular duties and any other special payments; provided, however, that such amounts shall be included in Earnings to the extent that such amounts are specifically approved by the Chief Executive Officer of the Company for such Employees of the Company as he may authorize in writing. Commissions shall be included as Earnings only to the extent approved by the Chief Executive Officer of the Company for such Employees of the Company as he may authorize in writing.

Earnings shall not include Company Contributions or distributions to or from this Plan and any Company contributions under or distributions from the RadioShack Supplemental Stock Program, nor shall Earnings include (w) any proceeds from stock option exercises or restricted stock or proceeds therefrom, (x) any compensation deferred under the RadioShack Corporation Executive Deferred Compensation Plan, the RadioShack Corporation Executive Deferred Stock Plan, or any nonqualified agreements between the Company or any Participant or Employee which provides for the deferral of compensation (collectively), the ("Deferred Compensation Plans"), (y) any Company contributions made under the Deferred Compensation Plans and (z) any distributions or payments under the Deferred Compensation Plans.

Additionally, the Chief Executive Officer, in his or her sole and absolute discretion, may exclude or include any amounts or items in or from Earnings as he or she deems appropriate.

"Employee" means a regular employee of the Company receiving wages or salary, but shall not include any person compensated pursuant to a contract other than an employment contract with the Company under the terms of which compensation is paid on a regular fixed salary or wage basis. As used above, "Employee" shall also include, without limitation, any salesperson who is a bona fide employee of the Company and recognized as such for Social Security purposes.

"Employee Payroll Deduction" is defined in Section III.A.

"Other Contributions" is defined in Section IV.C.

"Participant" is defined in Section II.B.

"Participating Company" is defined in Section XII.

"Plan" is defined in Section I.

"Plan Administrator" is the individual or committee appointed by RadioShack to administer the Plan pursuant to Section XI.A.

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"Plan Year" means the twelve months beginning January 1 and ending December 31 for each year beginning on and after January 1, 2005; provided, however, the first "Plan Year" means the period beginning April 30, 2004 and ending December 31, 2004.

"RadioShack" is defined in Section I.

"Stock" is defined in Section I.

XIX. EFFECTIVE DATE

The Plan, as amended and restated, shall become effective as of April 30, 2004. All amounts credited to Participant accounts in 2004 prior to April 30, 2004 will be subject to the terms of the Plan effective prior to April 30, 2004; provided, however, that all amounts credited to a Participant's account on April 30, 2004, relating to services performed prior to April 30, 2004, will be subject to the terms of the Plan as amended and restated as of April 30, 2004 and will be used to purchase Stock.

XX. CHANGE IN CONTROL

A. IMMEDIATE DISTRIBUTION OF CASH. Notwithstanding anything contained in the Plan to the contrary, if a Participant has elected a cash distribution pursuant to an Annual Election, amounts credited to a Participant's account shall be immediately distributable in cash upon the occurrence of the earlier of (a) a Change in Control (as hereinafter defined) or (b) the commencement of a Tender Offer (as hereinafter defined). Amounts credited to a Participant's account during the Plan Year following the commencement of a Tender Offer and prior to the consummation and during the pendency thereof shall be distributable in cash immediately prior to the consummation of the Tender Offer; provided, however, that in the event RadioShack is unable to distribute such amounts prior to consummation of the Tender Offer, RadioShack shall take such other reasonable steps as may be necessary to assure that Participants receive the same economic benefits an immediate distribution of such amounts would have provided to Participants. To the extent a Participant has elected to purchase Stock pursuant to an Annual Election (including a deemed election), amounts credited to a Participant's account before the Change in Control or commencement of a Tender Offer or during the pendency of the Tender Offer will be used to purchase Stock, and Stock purchased before the Change in Control or commencement of a Tender Offer or during the pendency of the Tender Offer will be delivered, each in accordance with Article VII.B.3.

B. DEFINITIONS. For purposes of the Plan,

1. For purpose of the Plan, a "Change in Control" shall mean any of the following events:

(a) An acquisition (other than directly from RadioShack Corporation (for purposes of this Section XX B. "the Company")) of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of fifteen percent (15%) or more of the combined voting power of the Company's then outstanding Voting Securities; provided, however, in determining whether a Change in Control has occurred, Voting Securities which are acquired in a Non-Control Acquisition (as hereinafter defined) shall not constitute an acquisition which would cause a Change in Control.

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A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person of which a majority of its voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the Company (for purposes of this definition, a "Subsidiary"), (ii) the Company or its Subsidiaries, or (iii) any Person in connection with a Non-Control Transaction (as hereinafter defined);

(b) The individuals who, as of April 30, 2004 are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least two-thirds of the Board; provided, however, that if the election, or nomination for election by the Company's stockholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the 1934 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest; or

(c) The consummation of:

(i) A merger, consolidation, reorganization or other business combination with or into the Company or in which securities of the Company are issued, unless

(A) the stockholders of the Company, immediately before such merger, consolidation, reorganization or other business combination, own directly or indirectly immediately following such merger, consolidation, reorganization or other business combination, at least sixty percent (60%) of the combined voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation, reorganization or other business combination (the "Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities immediately before such merger, consolidation, reorganization or other business combination,

(B) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such merger, consolidation, reorganization or other business combination constitute at least two-thirds of the members of the board of directors of the Surviving Corporation, or a corporation beneficially directly or indirectly owning a majority of the combined voting power of the outstanding voting securities of the Surviving Corporation, or

(C) no Person other than (i) the Company, (ii) any Subsidiary, (iii) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such merger, consolidation, reorganization or other business combination was maintained by the Company, the Surviving Corporation, or any Subsidiary, or (iv) any Person who, immediately prior to such merger, consolidation, reorganization or other business combination had Beneficial Ownership of fifteen percent (15%) or more of the then outstanding Voting Securities, has Beneficial Ownership of fifteen percent (15%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities, and

A transaction described in clauses (A) through (C) shall herein

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be referred to as a "Non-Control Transaction."

(ii) A complete liquidation or dissolution of the Company; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company to any Person (other than (i) any such sale or disposition that results in at least fifty percent (50%) of the Company's assets being owned by one or more subsidiaries or (ii) a distribution to the Company's stockholders of the stock of a subsidiary or any other assets).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Voting Securities (X) as a result of the acquisition of Voting Securities by the Company which, by reducing the number of Voting Securities outstanding, increases the proportional number of shares Beneficially Owned by the Subject Person, provided that if a Change in Control would occur (but for the operation of this subsection (X)) as a result of the acquisition of Voting Securities by the Company, and after such share acquisition by the Company, the Subject Person becomes the Beneficial owner of any additional Voting Securities which increases the percentage of the then outstanding Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur, or (Y) and such Subject Person (1) within fourteen (14) Business Days (or such greater period of time as may be determined by action of the Board) after such Subject Person would otherwise have caused a Change in Control (but for the operation of this clause (Y)), such Subject Person notifies the Board that such Subject Person did so inadvertently, and (2) within seven (7) Business Days after such notification (or such greater period of time as may be determined by action of the Board), such Subject Person divests itself of a sufficient number of Voting Securities so that such Subject Person is no longer the Beneficial Owner of more than the permitted amount of the outstanding Voting Securities.

2. A "Tender Offer" shall occur when any Person, either alone or in conjunction with others, makes a tender offer, or exchange offer, or otherwise offers to purchase, or solicits an offer to sell to such person, one percent or more of the outstanding shares of RadioShack Corporation securities.

C. WITHDRAWAL. No Participant shall be deemed to have withdrawn from the Plan by reason of receiving a cash or Stock distribution pursuant to Section XX.A.

D. AMENDMENT OR TERMINATION. Notwithstanding any provision contained in the Plan to the contrary, for a period of one (1) year following a Change in Control the Plan may not be terminated or amended in any way that would adversely affect the computation or amount of, or entitlement to, benefits hereunder, including, but not limited to, (a) any reduction in the right to make Employee Payroll Deductions by any individual who was an Employee on the date immediately prior to a Change in Control, (b) a reduction in the level of Company Contributions with respect to such individuals or (c) any change in the distribution or withdrawal provisions; provided, however, that if the Stock ceases to be publicly traded, there may be substituted for Stock under the Plan one or more reasonable investments. Any amendment or termination of the Plan that (i) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with, or in anticipation of, a Change in Control shall be null and void, and shall have no effect whatsoever.

E. AMENDMENT TO ARTICLE XX. Notwithstanding any provision contained in the Plan to the contrary, no provision of this Article XX may be amended at any time in any manner that would adversely affect the right to or amount of any

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benefits upon a Change in Control.

F. SUCCESSORS AND ASSIGNS. Notwithstanding any provision contained in the Plan to the contrary, the provisions of this Article XX shall be binding upon the Company and its successors and assigns.

G. SEVERABILITY. Notwithstanding any provision contained in the Plan to the contrary, the provisions of the Plan shall be deemed severable and the validity or un-enforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

H. CONTRARY PROVISIONS. The provisions of this Article XX shall govern notwithstanding anything contained in the Plan to the contrary.

Exhibit 31(a)

CERTIFICATIONS

I, Leonard H. Roberts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RadioShack Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2004

By /s/ Leonard H. Roberts

Leonard H. Roberts
Chief Executive Officer

Exhibit 31(b)

CERTIFICATIONS

I, David P. Johnson, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of RadioShack Corporation;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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- c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2004

By /s/ David P. Johnson

David P. Johnson
Acting Chief Financial Officer

Exhibit 32

SECTION 1350 CERTIFICATIONS

In connection with the Quarterly Report of RadioShack Corporation (the "Company") on Form 10-Q for the period ended June 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Leonard H. Roberts, Chief Executive Officer of the Company, and David P. Johnson, Acting Chief Financial Officer of the Company, certify to our knowledge, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Leonard H. Roberts

Leonard H. Roberts
Chief Executive Officer
August 5, 2004

/s/ David P. Johnson

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David P. Johnson
Acting Chief Financial Officer
August 5, 2004

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.