

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**
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TANDY CORP /DE/

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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 March 31, 1994

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 No. 1-5571

TANDY CORPORATION

(Exact name of registrant as specified in its charter)

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

1800 One Tandy Center, Fort Worth, Texas 76102
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(817) 390-3700

N/A

(Former name, former address and former fiscal year,
if changed since last report.)

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 ___

The number of shares outstanding of the issuer's Common
Stock, \$1 par value, on April 30, 1994 was 63,441,368.

Index to Exhibits is on Sequential Page No. 11.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

<TABLE>

TANDY CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income (Unaudited)

<CAPTIONS>

(In thousands, except per share amounts)

	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
Net sales and operating revenues	\$ 992,135	\$ 864,712
Cost of products sold	584,781	474,992
Gross profit	407,354	389,720
Expenses:		
Selling, general and administrative	331,920	313,190

Depreciation and amortization	20,744	19,965
Net interest income	(12,994)	(7,488)
	<u>339,670</u>	<u>325,667</u>
Income before income taxes, discontinued operations and cumulative effective of change in accounting principle	67,684	64,053
Provision for income taxes	25,889	23,380
	<u>41,795</u>	<u>40,673</u>
Income from continuing operations	41,795	40,673
Loss from discontinued operations:		
Operating loss, net of tax	--	(18,542)
	<u>41,795</u>	<u>22,131</u>
Income before cumulative effect of change in accounting principle	41,795	22,131
Cumulative effect on prior years of change in accounting principle	--	13,014
	<u>41,795</u>	<u>35,145</u>
Net income	\$ 41,795	\$ 35,145
Net income (loss) per average common and common equivalent share:		
Income from continuing operations	\$ 0.51	\$ 0.50
Loss from discontinued operations	--	(0.24)
	<u>0.51</u>	<u>0.26</u>
Income before cumulative effect of change in accounting principle	0.51	0.26
Cumulative effect on prior years of change in accounting principle	--	0.17
	<u>0.51</u>	<u>0.43</u>
Net income per average common and common equivalent share	\$ 0.51	\$ 0.43
Dividends declared per common share	\$ 0.15	\$ 0.15
Average common and common equivalent shares outstanding	78,986	78,265

The accompanying notes are an integral part of these financial statements.
</TABLE>

<TABLE>

TANDY CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets (Unaudited)

<CAPTIONS>
(In thousands)

	March 31, 1994	Dec. 31, 1993	March 31, 1993
	<C>	<C>	<C>
<S> Assets			
Current assets:			
Cash and short-term investments	\$ 369,710	\$ 213,235	\$ 163,762
Accounts and notes receivable, less allowance for doubtful accounts	512,468	582,443	658,987
Inventories, at lower of cost or market	1,171,587	1,276,302	1,405,412
Other current assets	76,228	88,005	162,031
	<u>2,129,993</u>	<u>2,159,985</u>	<u>2,390,192</u>
Total current assets	2,129,993	2,159,985	2,390,192
Property and equipment, at cost, less accumulated depreciation	463,334	463,738	546,483
Investment in discontinued operations	30,181	405,664	--

Other assets, net of accumulated amortization	191,477	189,712	296,440
	<u>\$ 2,814,985</u>	<u>\$ 3,219,099</u>	<u>\$ 3,233,115</u>
Liabilities and Stockholders' Equity			
Current liabilities:			
Notes payable	\$ 90,700	\$ 346,164	\$ 337,984
Subordinated debentures, net of unamortized bond discount	32,085	31,739	--
Current portion of TESOP guarantee	10,050	10,050	10,700
Accounts payable	217,578	279,942	219,501
Accrued expenses	279,406	349,057	341,793
Income taxes payable	39,606	14,690	11,755
Total current liabilities	<u>669,425</u>	<u>1,031,642</u>	<u>921,733</u>
Notes payable, due after one year	82,713	127,708	211,578
Guarantee of TESOP indebtedness	58,930	58,930	68,980
Subordinated debentures, net of unamortized bond discount	--	--	30,860
Deferred income taxes	--	--	53,984
Other non-current liabilities	48,032	50,069	39,547
Total other liabilities	<u>189,675</u>	<u>236,707</u>	<u>404,949</u>
Stockholders' equity:			
Preferred stock, no par value, 1,000,000 shares authorized			
Series A junior participating, 100,000 shares authorized and none issued	--	--	--
Series B convertible, 100,000 shares authorized and issued	429,982	429,982	429,982
Series C PERCS, 150,000 shares authorized and issued	100,000	100,000	100,000
Common stock, \$1 par value, 250,000,000 shares authorized with 85,645,000 shares issued	85,645	85,645	85,645
Additional paid-in capital	89,340	85,752	84,336
Retained earnings	2,051,111	2,028,041	2,022,579
Foreign currency translation effects	1,389	1,003	(16,194)
Stock held in treasury, at cost 22,135,000, 21,689,000 and 22,258,000 common shares, respectively	(732,073)	(707,331)	(719,789)
Unearned deferred compensation related to TESOP	(69,509)	(72,342)	(80,126)
Total stockholders' equity	<u>1,955,885</u>	<u>1,950,750</u>	<u>1,906,433</u>
Commitments and contingent liabilities			
	<u>\$ 2,814,985</u>	<u>\$ 3,219,099</u>	<u>\$ 3,233,115</u>

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

</TABLE>

<TABLE>

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

<CAPTION>

(In thousands)	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
Cash flows from operating activities:		
Net Income	\$ 41,795	\$ 35,145
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect on prior years of change in accounting principle	--	(13,014)
Depreciation and amortization	20,744	26,583
Provision for credit losses and bad debts	5,192	12,089
Other items	379	3,782

Changes in operating assets and liabilities:		
Receivables	106,646	124,982
Inventories	104,714	66,953
Other current assets	12,230	(19)
Accounts payable, accrued expenses and income taxes	(115,739)	(107,356)
Net cash provided by operating activities	175,961	149,145
Investing activities:		
Additions to property, plant and equipment, net of retirements	(21,223)	(24,644)
Proceeds from sale of divested operations	351,250	--
Other investing activities	1,949	(12,068)
Net cash provided (used) by investing activities	331,976	(36,712)
Financing activities:		
Purchase of treasury stock	(33,791)	(9,405)
Sale of treasury stock to employee stock purchase program	13,978	14,226
Dividends paid	(17,618)	(17,507)
Changes in short-term borrowings, net	(272,524)	(40,045)
Changes in long-term borrowings, net	(41,507)	(8,566)
Net cash used by financing activities	(351,462)	(61,297)
Increase in cash and short-term investments	156,475	51,136
Cash and short-term investments, beginning of period	213,235	112,626
Cash and short-term investments, end of period	\$ 369,710	\$ 163,762

The accompanying notes are an integral part of these financial statements.
</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1-BASIS OF FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 1994 are not necessarily indicative of the results that may be expected for the year ending December 31, 1994. For further information, refer to the consolidated financial statements and management's discussion and analysis of results of operations and financial condition included in Tandy Corporation's ("Tandy" or the "Company") Form 10-K for the year ended December 31, 1993.

NOTE 2-RELATIONS WITH INTERTAN

As of March 31, 1994, InterTAN owed Tandy an aggregate of \$56,029,000. The current portion of the InterTAN obligation approximates \$4,168,000 and the non-current portion approximates \$51,861,000. The Series D note payable from InterTAN to Tandy was paid in full during the quarter. The note approximated \$7,500,000 at December 31, 1993 and represented invoices for shipped goods. Through March 31, 1994, Tandy recognized accretion of discount of \$851,000 on the note receivable from InterTAN resulting from the purchase of the bank debt at a discounted price. Accretion of the discount is based on the effective interest rate method and is expected to approximate \$3,856,000 in 1994. During the quarter ended March 31, 1994, Tandy recognized approximately

\$10,913,000 of sales to InterTAN and interest income of \$1,974,000 (including the accretion of discount). Sales to InterTAN for the March 31, 1993 quarter approximated \$14,244,000. Open purchase orders at March 31, 1994 approximated \$43,359,000, which included goods and commission. The merchandise will be paid for through letters of credit and only the commission will be billed directly to InterTAN.

A&A will continue as the exclusive purchasing agent for InterTAN in the Far East on a commission basis. Commencing in March 1994, only the purchasing agent commission and sales by Tandy manufacturing plants to InterTAN were recorded as sales. InterTAN purchases from third parties through A&A are no longer recorded as sales reflecting the arrangement under the new merchandise agreement. Accordingly, management expects that reported sales by Tandy to InterTAN in 1994 will be considerably lower than in prior years, however, the earned income relating thereto will not be materially different.

NOTE 3-DISCONTINUED OPERATIONS

On June 25, 1993, the Board of Directors of Tandy adopted a formal plan of divestiture under which it would sell its computer manufacturing and marketing businesses, the O'Sullivan Industries, Inc. ("O'Sullivan") ready-to-assemble furniture manufacturing and related marketing business, the Memtek Products division and the Lika printed circuit board business. As of March 31, 1994, all manufacturing operations except Lika have been divested. The Lika divestiture is expected to close by June 1994.

O'Sullivan Industries. On January 27, 1994, the Company announced that it had reached an agreement with the underwriters to sell common stock of O'Sullivan Industries Holdings, Inc., the parent company of O'Sullivan, to the public at \$22 per share. The net proceeds realized by Tandy in the initial public offering, together with the \$40,000,000 cash dividend from O'Sullivan, approximated \$350,000,000. The initial public offering closed on February 2, 1994.

Tandy has accrued approximately \$1,262,000 during the quarter ended March 31, 1994, pursuant to the Tax Sharing and Tax Benefit Reimbursement Agreement between Tandy and O'Sullivan Industries Holdings, Inc., in which the Company will receive payments from O'Sullivan resulting from the increased tax basis of O'Sullivan's assets, thereby increasing tax deductions and accordingly, reducing income taxes payable by O'Sullivan. The amount to be received by the Company each year will approximate the federal tax benefit expected to be realized with respect to the increased tax basis. These payments will be made over a 15-year time period. The Company will recognize these payments as additional sale proceeds and gain in the year in which the payments become due and payable to the Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Net Sales and Operating Revenues

Net sales and operating revenues for the three months ended March 31 were:

(In thousands)	1994	1993	% Increase (Decrease)
Radio Shack.....	\$602,719	\$585,647	3 %
Tandy Name Brand.....	100,847	127,655 *	(21)
Incredible Universe.....	50,993	21,864	133
Computer City.....	211,787	104,959	102
	<u>966,346</u>	<u>840,125</u>	15
Import/Export and Other Sales.....	25,789	24,587	5
	<u>\$992,135</u>	<u>\$864,712</u>	15 %

* Includes 110 McDuff/VideoConcepts stores closed during this quarter

Sales of retail operations increased in virtually all areas except Tandy Name Brand, which closed 110 stores in the March quarter of 1993. Excluding the closed stores, retail operations had a 19% sales gain for the quarter. The opening of new Incredible Universe and Computer City stores in the latter part of 1993 and the first quarter of 1994 boosted sales for those divisions. Since March 31, 1993, 22 new Computer City stores and two new Incredible Universe stores have opened. On a same-store basis, U.S. retail sales increased 5% overall for the quarter with February being the best month with 8% comparable store sales gains. January and February sales were affected by poor weather conditions, especially in the Northeast. Sales trends strengthened from the March 1993 quarter to the March 1994 quarter for all retail units. Incredible Universe had strong comparable store sales gains for the quarter.

Gross Profit

Gross profit as a percent of net sales declined from 45.1% during the three months ended March 31, 1993 to 41.1% for the corresponding 1994 period. This decrease is primarily a result of the additional sales of Computer City and Incredible Universe, which operate on lower margins. In the first quarter of fiscal 1994, Computer City and Incredible Universe accounted for approximately 26% of consolidated sales compared to 15% in the first quarter of 1993. Additionally, margins have decreased slightly at Radio Shack due principally to lower margins on computer sales when compared with the three-month period in 1993.

Selling, General and Administrative Expenses

Selling, general and administrative expenses as a percent of sales and operating revenues declined 2.7 percentage points from the same period in the prior year. Most expense categories were lower as a percent of sales, including advertising, rent, payroll and bad debt expense. The improved quality of credit card receivables resulted in a reduction of bad debt expense of \$6,861,000 in comparison with the first quarter of 1993. The lower advertising, rent and payroll costs as a percent of sales reflect the lower costs associated with the Company's newer retail formats. The Company expects SG&A expenses as a percent of sales to continue to decrease as more Computer City and Incredible Universe stores are opened.

Net Interest Income

Interest income and expense for the three months ended March 31 were:

(In thousands)	1994	1993
Interest income.....	\$22,987	\$16,699
Interest expense.....	(9,993)	(9,211)
Net interest income.....	\$12,994	\$ 7,488

Proceeds from divestitures resulted in increased short-term investments and decreased short-term borrowings and thus impacted interest income and interest expense. The increase in interest income is also due in part to interest earned on notes receivable from AST Research Inc. and InterTAN. (See Note 2 - "Relations with InterTAN" for further information.) Tandy also received \$4,455,000 in interest income from the IRS during the quarter. Interest income earned by Tandy Credit Corporation decreased \$2,547,000 from the March 31, 1993 quarter due to lower outstanding credit card receivable balances and increased use of credit promotions. A \$2,000,000 accrual in interest expense to the IRS was recorded in the March 31, 1994 quarter; excluding this accrual, interest expense was 13% lower than in the March 31, 1993 quarter primarily due to lower debt levels.

Provision for Income Taxes

Provision for income taxes for each quarterly period is based on the estimate of the annual effective tax rate for the fiscal year as evaluated at the end of each quarter. The effective tax rates for the first quarters of 1994 and 1993 were 38.25% and 36.50%, respectively. The increase is primarily due to federal tax rate legislation enacted during 1993.

Earnings Per Share

Earnings per share is calculated by dividing net income less Series B preferred stock dividends paid or payable by average common or common share equivalents outstanding during the respective periods. For the three months ended March 31, 1994 and 1993, preferred dividends amounted to \$1,806,000 and \$1,832,000, respectively. Earnings per share for continuing operations for the three months ended March 31, 1994 increased slightly from that for the three months ended March 31, 1993. However, the Company recorded operating losses from discontinued operations of \$18,542,000 or \$0.24 per share for the first quarter of fiscal 1993, partially offset by a benefit of \$13,014,000, or \$0.17 per share, for cumulative effect on prior years of change in accounting principle.

Cash Flow and Financial Condition

Tandy's cash flow and financial condition, in management's opinion, remains strong. Cash flow from operating activities increased in the three-month period ended March 31, 1994 as compared with the same period of the prior year. This increase relates primarily to larger decreases in inventories in 1994 as compared to 1993. Cash provided by investing activities for this period included cash received from the O'Sullivan IPO. Property, plant and equipment additions were reduced due to the divestiture of manufacturing operations. Cash provided by operations should be sufficient to fund current operations.

Cash and short-term investments at March 31, 1994 were \$369,710,000 as compared to \$163,762,000 at March 31, 1993. Total debt as a percentage of total capitalization was 12.3% at March 31, 1994, compared to 22.8% at December 31, 1993 and 25.7% at March 31, 1993. Total debt has been reduced as proceeds from divested manufacturing operations and cash flows from operating activities have been used to pay off debt. Long-term debt as a percentage of total capitalization was 6.4% at March 31, 1994 compared to 7.4% at December 31, 1993 and 12.1% at March 31, 1993. The Company's issue of 10% subordinated debentures due June 30, 1994 was called by the Company on February 23, 1994 for redemption on April 1, 1994. The redemption was at 100% of face value or \$32,431,000.

Inventory

Compared to March 31, 1993, total inventories at March 31, 1994 have decreased \$233,825,000 or 16.6%, primarily due to the disposition of assets related to the divestiture of manufacturing operations and additionally due to reductions in Radio Shack inventories. Reductions in Radio Shack inventories were partially offset by increased inventory for new Computer City and Incredible Universe stores. Inventory levels for Radio Shack, Tandy Name Brand and Computer City have been reduced from the levels maintained at December 31, 1993. These reductions are due to seasonal fluctuations in inventory levels.

Discontinued Operations

On June 25, 1993, the Board of Directors of Tandy adopted a formal plan of divestiture under which it would sell its computer manufacturing and marketing businesses, the O'Sullivan Industries, Inc. ("O'Sullivan") ready-to-assemble furniture manufacturing and related marketing business, the Memtek Products division and the Lika printed circuit board business. As of March 31, 1994, all manufacturing operations except Lika have been divested. The Lika divestiture is expected to close by June 1994.

O'Sullivan Industries. On January 27, 1994, the Company announced that it had reached an agreement with the underwriters to sell common stock of O'Sullivan Industries Holdings, Inc., the parent company of O'Sullivan, to the

public at \$22 per share. The net proceeds realized by Tandy in the initial public offering, together with the \$40,000,000 cash dividend from O'Sullivan, approximated \$350,000,000. The initial public offering closed on February 2, 1994.

Tandy has accrued approximately \$1,262,000 during the quarter ended March 31, 1994, pursuant to the Tax Sharing and Tax Benefit Reimbursement Agreement between Tandy and O'Sullivan Industries Holdings, Inc., in which the Company will receive payments from O'Sullivan resulting from the increased tax basis of O'Sullivan's assets, thereby increasing tax deductions and accordingly, reducing income taxes payable by O'Sullivan. The amount to be received by the Company each year will approximate the federal tax benefit expected to be realized with respect to the increased tax basis. These payments will be made over a 15-year time period. The Company will recognize these payments as additional sale proceeds and gain in the year in which the payments become due and payable to the Company.

InterTAN Update

As of March 31, 1994, InterTAN owed Tandy an aggregate of \$56,029,000. The current portion of the InterTAN obligation approximates \$4,168,000 and the non-current portion approximates \$51,861,000. The Series D note payable from InterTAN to Tandy was paid in full during the quarter. The note approximated \$7,500,000 at December 31, 1993, and represented invoices for shipped goods. Through March 31, 1994, Tandy recognized accretion of discount totaling \$851,000 on the note receivable from InterTAN resulting from the purchase of the bank debt at a discounted price. Accretion of the discount is based on the effective interest rate method and is expected to approximate \$3,856,000 in 1994. During the quarter ended March 31, 1994, Tandy recognized approximately \$10,913,000 of sales to InterTAN and interest income of \$1,974,000 (including the accretion of discount). Sales to InterTAN for the March 31, 1993 quarter approximated \$14,244,000. Open purchase orders at March 31, 1994 approximated \$43,359,000, which included goods and commission. The merchandise will be paid through letters of credit and only the commission will be billed directly to InterTAN.

A&A will continue as the exclusive purchasing agent for InterTAN in the Far East on a commission basis. Commencing in March 1994, only the purchasing agent commission and sales by Tandy manufacturing plants to InterTAN were recorded as sales. InterTAN purchases from third parties through A&A are no longer recorded as sales reflecting the arrangement under the new merchandise agreement. Accordingly, management expects that reported sales by Tandy to InterTAN in 1994 will be considerably lower than in prior years, however, the earned income relating thereto will not be materially different.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Tandy has various claims, lawsuits, disputes with third parties, investigations and pending actions involving allegations of negligence, product defects, discrimination, infringement of intellectual property rights, tax deficiencies and breach of contract against the Company and its subsidiaries incident to the operation of its business. The liability, if any, associated with these matters was not determinable at March 31, 1994. While certain of these matters involve substantial amounts, and although occasional adverse settlements or resolutions may occur and negatively impact earnings in the year of settlement, it is the opinion of management that their ultimate resolution will not have a materially adverse effect on the Company's financial position.

ITEM 2. CHANGE IN SECURITIES.

The Company's issue of 10% subordinated debentures due June 30, 1994 was called by the Company on February 23, 1994 for redemption on April 1, 1994. The redemption was at a price equal to 100% of face value of the subordinated debentures for a total of \$32,431,000.

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 11, which immediately precedes such exhibits.

b) Reports on Form 8-K.

No reports on Form 8-K were filed for the quarter ended March 31, 1994.

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.

Tandy Corporation
(Registrant)

Date: May 13, 1994 By /s/ Richard L. Ramsey
Richard L. Ramsey
Vice President and Controller

Date: May 13, 1994 /s/ William C. Bousquette
William C. Bousquette
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

TANDY CORPORATION
INDEX TO EXHIBITS

Exhibit Number	Description	Sequential Page No.
2a	Agreement for Purchase and Sale of Assets dated as of June 30, 1993 between AST Research, Inc., as Purchaser and Tandy Corporation, TE Electronics Inc., and GRiD Systems Corporation, as Sellers (without exhibits) (filed as Exhibit 2 to Tandy's July 13, 1993 Form 8-K filed on July 27, 1993, Accession No. 0000096289-93-000004 and incorporated herein by reference).	
2b	Amended and Restated Stock Exchange Agreement dated February 1, 1994 by and among O'Sullivan Industries Holdings, Inc., and TE Electronics Inc. (filed as Exhibit 2b to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).	
2c	U.S. Purchase Agreement dated January 26, 1994 by and among O'Sullivan Industries Holdings, Inc., TE	

Electronics Inc. and the U.S. Underwriters which included Merrill Lynch & Co., Wheat First Butcher & Singer, The Chicago Dearborn Company and Rauscher Pierce Refsnes, Inc. (filed as Exhibit 2c to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).

- 2d International Purchase Agreement dated January 26, 1994 by and among O'Sullivan Industries Holdings, Inc., TE Electronics Inc. and the U.S. Underwriters which included Merrill Lynch International Limited and UBS Limited (filed as Exhibit 2d to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 3a(i) Restated Certificate of Incorporation of Tandy dated December 10, 1982 (filed as Exhibit 4A to Tandy's 1993 Form S-8 for the Tandy Corporation Incentive Stock Plan, Reg. No. 33-51603, filed on November 12, 1993, Accession No. 0000096289-93-000017 and incorporated herein by reference).
- 3a(ii) Certificate of Amendment of Certificate of Incorporation of Tandy Corporation dated November 13, 1986 (filed as Exhibit 4A to Tandy's 1993 Form S-8 for the Tandy Corporation Incentive Stock Plan, Reg. No. 33-51603, filed on November 12, 1993, Accession No. 0000096289-93-000017 and incorporated herein by reference).
- 3a(iii) Certificate of Amendment of Certificate of Incorporation, amending and restating the Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock dated June 22, 1990 (filed as Exhibit 4A to Tandy's 1993 Form S-8 for the Tandy Corporation Incentive Stock Plan, Reg. No. 33-51603, filed on November 12, 1993, Accession No. 0000096289-93-000017 and incorporated herein by reference).
- 3a(iv) Certificate of Designations of Series B TESOP Convertible Preferred dated June 29, 1990 (filed as Exhibit 4A to Tandy's 1993 Form S-8 for the Tandy Corporation Incentive Stock Plan, Reg. No. 33-51603, filed on November 12, 1993, Accession No. 0000096289-93-000017 and incorporated herein by reference).
- 3a(v) Certificate of Designation, Series C Conversion Preferred Stock dated February 13, 1992 (filed as Exhibit 4A to Tandy's 1993 Form S-8 for the Tandy Corporation Incentive Stock Plan, Reg. No. 33-51603, filed on November 12, 1993, Accession No. 0000096289-93-000017 and incorporated herein by reference).
- 3b Tandy Corporation Bylaws, restated as of August 4, 1993 (filed as Exhibit 4B to Tandy's Form S-8 for the Tandy Corporation Incentive Stock Plan, Reg. No. 33-51603, filed on November 12, 1993, Accession No. 0000096289-93-000017 and incorporated herein by reference).
- 4a Indenture, dated June 30, 1974, for 10% Subordinated Debentures due 1994 (filed as Exhibit 4a to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94- 000029 and incorporated herein by reference).
- 4b Amended and restated Rights Agreement with the First National Bank of Boston dated June 22, 1990 for Preferred Share Purchase Rights (filed as Exhibit 4b to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94- 000029 and incorporated herein by reference).
- 4c(i) Revolving Credit Agreement between Tandy Credit Corporation, Tandy Corporation and Texas Commerce Bank, individually and as Agent for eleven other banks, dated as of June 17, 1991 (filed as Exhibit 4c(i) to Tandy's Form 10-K filed on March 30, 1994,

- 4c(ii) First Amendment to Revolving Credit Agreement between Tandy Credit Corporation, Tandy Corporation and Texas Commerce Bank, individually and as agent for eleven other banks, dated June 11, 1992 (filed as Exhibit 4c(ii) to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 4c(iii) Second Amendment to Revolving Credit Agreement between Tandy Credit Corporation, Tandy Corporation and Texas Commerce Bank National Association, individually and as agent for eleven other banks, dated June 8, 1993 (filed as Exhibit 4c(iii) to Tandy's Form 10-Q filed on November 16, 1993, Accession No. 0000096289-93-000018 and incorporated herein by reference).
- 4d Continuing Guaranty dated June 18, 1991 by Tandy of obligations of the Company in favor of the banks participating in the Revolving Credit Agreement (filed as Exhibit 4d to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 4e Continuing Guaranty dated as of June 18, 1991 by Tandy Corporation in favor of holders of indebtedness issued by Tandy Credit Corporation that is or may be publicly traded and is rated by at least one nationally recognized rating agency (filed as Exhibit 4e to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10a* Salary Continuation Plan for Executive Employees of Tandy Corporation and Subsidiaries including amendment dated June 14, 1984 with respect to participation by certain executive employees, as restated October 4, 1990 (filed as Exhibit 10a to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10b* Form of Executive Pay Plan Letters (filed as Exhibit 10b to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10c* Post Retirement Death Benefit Plan for Selected Executive Employees of Tandy Corporation and Subsidiaries as restated June 10, 1991 (filed as Exhibit 10c to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10d* Tandy Corporation Officers Deferred Compensation Plan as restated July 10, 1992 (filed as Exhibit 10d to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10e* Special Compensation Plan No. 1 for Tandy Corporation Executive Officers, adopted in 1993 (filed as Exhibit 10e to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10f* Special Compensation Plan No. 2 for Tandy Corporation Executive Officers, adopted in 1993 (filed as Exhibit 10f to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10g* Special Compensation Plan for Directors of Tandy Corporation dated November 13, 1986 (filed as Exhibit 10g to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10h* Director Fee Resolution (filed as Exhibit 10h to Tandy's Form 10-K filed on March 30, 1994, Accession

No. 0000096289-94-000029 and incorporated herein by reference).

- 10i* Tandy Corporation 1985 Stock Option Plan as restated effective August 1990 (filed as Exhibit 10i to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94- 000029 and incorporated herein by reference).
- 10j* Tandy Corporation 1993 Incentive Stock Plan as restated October 14, 1993 (filed as Exhibit 4B to Tandy's Form S-8 for Tandy Corporation Incentive Stock Plan, Reg. No. 33- 51603, filed on November 12, 1993, Accession No. 0000096289-93-000017 and incorporated herein by reference).
- 10k* Tandy Corporation Officers Life Insurance Plan as amended and restated effective August 22, 1990 (filed as Exhibit 10k to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10l* Restated Trust Agreement Tandy Employees Supplemental Stock Program through Amendment No. III dated March 29, 1993 (filed as Exhibit 10H to Tandy's Form 10-K/A-4 filed on September 3, 1993, Accession No. 0000096289-93-000011 and incorporated herein by reference).
- 10m* Forms of Termination Protection Agreements for (i) Corporate Executives, (ii) Division Executives, and (iii) Subsidiary Executives (filed as Exhibit 10m to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10n* Tandy Corporation Termination Protection Plans for Executive Employees of Tandy Corporation and its Subsidiaries (i) the Level I and (ii) Level II Plans (filed as Exhibit 10n to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10o* Forms of Bonus Guarantee Letter Agreements with certain Executive Employees of Tandy Corporation and its Subsidiaries i) Formula, ii) Discretionary, and iii) Pay Plan (filed as Exhibit 10o to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 10p* Form of Indemnity Agreement with Directors, Corporate Officers and two Division Officers of Tandy Corporation (filed as Exhibit 10p to Tandy's Form 10-K filed on March 30, 1994, Accession No. 0000096289-94-000029 and incorporated herein by reference).
- 11 Statement of Computation of Earnings per Share 15
- 12 Statement of Computation of Ratios of Earnings to Fixed Charges 16

* Each of these exhibits is a "management contract or compensatory plan, contract, or arrangement".

<TABLE>

TANDY CORPORATION
STATEMENT OF COMPUTATION OF EARNINGS PER SHARE

EXHIBIT 11

<CAPTION>

Three Months Ended
March 31,

(In thousands, except per share amounts)

	1994	1993
<C>	<C>	<C>

<S>

PRIMARY EARNINGS PER SHARE

Reconciliation of net income per statements of income to amounts used in computation of primary earnings per share:		
Net income, as reported	\$ 41,795	\$ 35,145
Less dividends on preferred stock:		
Series B	(1,806)	(1,832)
Series C	(8,025)	(8,025)
Net income available to common stockholders	31,964	25,288
Plus dividends on Series C preferred stock	8,025	8,025
Net income for primary earnings per share	\$ 39,989	\$ 33,313
Weighted average number of common shares outstanding	63,648	63,238
Weighted average number of \$2.14 depository shares, representing Series C preferred stock, treated as common stock due to mandatory conversion	15,000	15,000
Weighted average number of common shares issuable under stock option plans, net of assumed treasury stock repurchases at average market prices	338	27
Weighted average number of common and common equivalent shares outstanding	78,986	78,265
Net income per average common and common equivalent share	\$ 0.51	\$ 0.43

FULLY DILUTED EARNINGS PER SHARE (a)

Reconciliation of net income per statements of income to amounts used in computation of fully diluted earnings per share:		
Net income available to common stockholders	\$ 31,964	\$ 25,288
Plus dividends on Series C preferred stock	8,025	8,025
Adjustments for assumed conversion of Series B preferred stock to common stock as of the later of the beginning of the period or the date of issuance, August 1, 1990:		
Plus dividends on Series B preferred stock, net of tax on allocated shares (b)	(c)	1,832
Less additional contribution that would have been required for the TESOP if Series B preferred stock had been converted	(c)	(891)
Net income, as adjusted	\$ 39,989	\$ 34,254

Reconciliation of weighted average number of shares outstanding to amount used in computation of fully diluted earnings per share:		
Weighted average number of shares outstanding	78,986	78,265
Adjustment to reflect assumed exercise of stock options as of the beginning of the period	16	44
Adjustment to reflect assumed conversion of Series B preferred stock to common stock as of the later of the beginning of the period or the date of issuance, August 1, 1990	(c)	2,127
Weighted average number of common and common equivalent shares outstanding, as adjusted	79,002	80,436

Fully diluted net income per average common and common equivalent share	\$ 0.51	\$ 0.43
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(a) This calculation is submitted in accordance with Regulation S-K, Item 601(b)(11) although not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because it results in dilution of less than 3%.

(b) Series B dividends for the three months ended March 31, 1993 are not net of income tax benefits associated with unallocated shares in the TESOP in accordance with EITF Issue No. 92-3.

(c) For the three months ended March 31, 1994 these items are anti-dilutive and thus are omitted from the calculation.

</TABLE>

TANDY CORPORATION

STATEMENT OF COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES
AND RATIOS OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS (1)

	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
Ratios of Earnings to Fixed Charges:		
Income from continuing operations	\$ 41,795	\$ 40,673
Plus provision for income taxes	25,889	23,380
Income before income taxes	67,684	64,053
Fixed charges:		
Interest expense and amortization of debt discount	9,993	9,211
Amortization of issuance expense	88	106
Appropriate portion (33 1/3%) of rentals	17,534	16,082
Total fixed charges	27,615	25,399
Earnings before income taxes and fixed charges	\$ 95,299	\$ 89,452
Ratios of earnings to fixed charges	3.45	3.52
Ratios of Earnings to Fixed Charges and Preferred Dividends:		
Total fixed charges, as above	\$ 27,615	\$ 25,399
Preferred dividends	9,831	9,857
Total fixed charges and preferred dividends	\$ 37,446	\$ 35,256
Earnings before income taxes, fixed charges and preferred dividends	\$ 95,299	\$ 89,452
Ratios of earnings to fixed charges and preferred dividends	2.54	2.54

(1) The computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Fixed Charges and Preferred Dividends excludes results of operations from discontinued operations and fixed charges relating to these same operations.

</TABLE>