

Schedule II—Valuation and Qualifying Accounts

Years Ended December 31, 2001, 2002 and 2003

Allowances are deducted from the assets to which they apply, except for sales returns and allowances.

(In thousands)	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
Year ended December 31, 2001:					
Allowance for:					
Uncollectible accounts	\$ 3,012	\$ 6,321	\$ —	\$ 2,059	\$ 7,274
Reserve for potential product obsolescence	7,322	1,039	—	5,770	2,591
Reserve for sales returns and allowances	6,553	25,190	—	26,791	4,952
	\$16,887	\$32,550	\$ —	\$34,620	\$14,817
Year ended December 31, 2002:					
Allowance for:					
Uncollectible accounts	\$ 7,273	\$ 2,373	\$ —	\$ 2,865	\$ 6,781
Reserve for potential product obsolescence	2,590	4,085	—	1,893	4,782
Reserve for sales returns and allowances	4,953	31,917	7,500 ^(a)	30,790	13,580
	\$14,816	\$38,375	\$7,500	\$35,548	\$25,143
Year ended December 31, 2003:					
Allowance for:					
Uncollectible accounts	\$ 6,781	\$ 2,896	\$ —	\$ 1,800	\$ 7,877
Reserve for potential product obsolescence	4,782	4,288	—	4,045	5,025
Reserve for sales returns and allowances	13,580	27,064	—	32,891	7,753
	\$25,143	\$34,248	\$ 0	\$38,736	\$20,655

(a) Obligations assumed in conjunction with the asset acquisitions of Trendmasters and Dragon Ball Franchise.

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