

GameStop®

POWER TO THE PLAYERS®

Fall 2015 Investor Relations Update

GameStop
POWER TO THE PLAYERS®

EBGAMES

KONGREGATE

 **gameinformer**

MICROMANIA

simply·mac

 **springmobile**

GameStop is a \$9B Global Specialty Retailer



A global family of specialty retail brands that makes the most popular technologies affordable and simple

Video Games



44M global loyalty members

6,133 Video Game Stores around the world

#1 Market Share in 13 countries

Digital / Mobile Gaming



KONGREGATE

\$948M* Digital Business

Wireless/Technology

simply·mac

cricket

springmobile

Largest & fastest growing AT&T authorized wireless reseller

731 Technology Brand Stores

Publishing

gameinformer



#1 Digital Magazine in the world

Q2 2015 Overview

Consolidated Performance Summary

	Q2 2015	Q2 2014
Total Sales	\$1,761.9M +1.8%	\$1,731.4M
Same Store Sales	+8.1%	+21.9%
Gross Margin	\$580.5M 32.9%	\$550.9M 31.8%
Operating Earnings*	\$60.8 +65.7%	\$36.7
Net Income*	\$33.1M +34.6%	\$24.6M
Diluted EPS*	\$0.31 +40.9%	\$0.22
Shares repurchased	\$60.7M 1.41M shares	\$75.5M 1.90M shares
Dividends paid	\$38.4M	\$37.6M

Our Strategic Plan

Maximize Brick & Mortar Stores

- Capture leading market share of new console cycle
- Utilize stores to grow digital sales
- Grow omni-channel platform: Pick-up @ store, Web-in-store
- Apply retail expertise to Tech Brands

Build on our Distinct Pre-owned Business

- Expand the value assortment to increase sales and gross profit dollars
- Gain market share in Value channel

Own the Customer

- Capitalize on our international loyalty program, now with 44 million members in 14 countries around the world

Digital Growth

- DLC, Kongregate, Steam wallet, PC Downloads, Console Network cards

Disciplined Capital Allocation

- Return 100% of FCF to shareholders through buyback & dividend unless a better opportunity arises

PowerUp Rewards Engaging Customers



GameStop
POWER UP
REWARDS™

44M Global Members

U.S. PENETRATION

1 in 5

% OF SALES

76%

Avg. Annual
Spend

\$320

PROFIT

5x

Pre-owned / Value Video Games

GameStop is the industry leader with advanced refurbishment operations and inventory management systems

Unique form of currency

- Significant amount of trade credit dollars provided to consumers annually
- 70% of credit funds new game purchases
- 30% of Xbox One and PS4 console sales enabled by trade credits
- Consumers assign an estimated \$20 residual value to physical games

Gross margins of 44%-46%

Unique, complex, pricing algorithms that control the buy and sell side sales price to effectively manage inventory levels

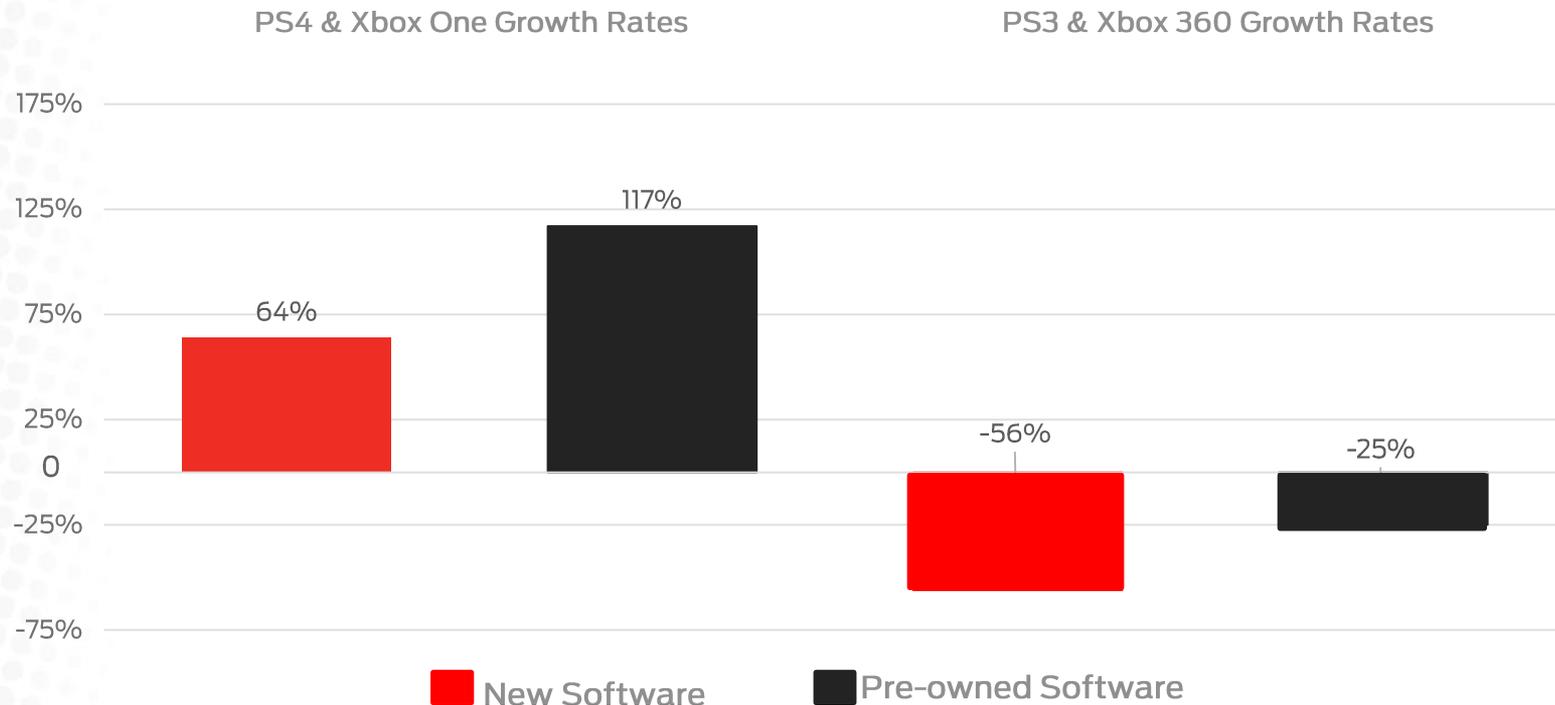
Superior assortment planning and in-store visual merchandising around top-selling pre-owned games

Sophisticated, in-house systems built to comply with thousands of U.S. municipal code laws around accepting trades

Global, high-tech refurbishment operations capable of repairing millions of hardware and software units annually

Projecting mid-single digit growth in Pre-owned / Value video games this year

New & Pre-owned SW Growth by Generation

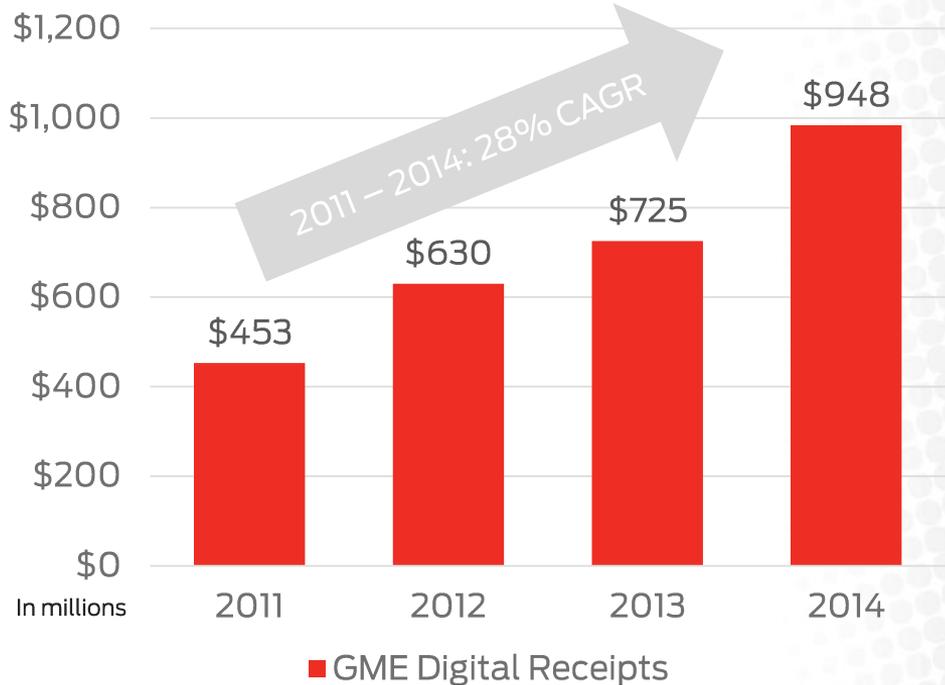


Next gen Pre-owned software is outperforming all other software

GameStop Digital

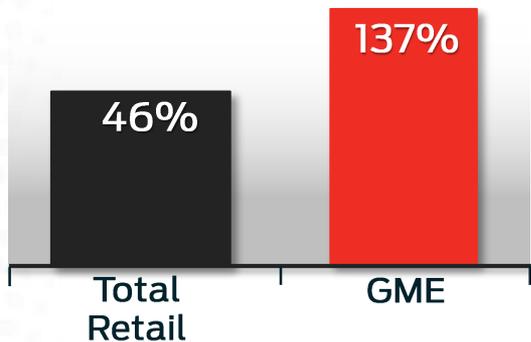
- GameStop is driving digital growth through multiple channels:
 - Downloadable content
 - Mobile gaming
 - Platform currency
 - Full game downloads
- Proprietary platform to drive discovery and delivery of digital content
- 60% of digital purchases are paid for with cash, trade credits or gift cards
- 95%+ of GameStop's digital sales occur within its physical stores
- Only 20% of gamers surveyed said they would purchase a new AAA FGD*

GME Digital Receipts



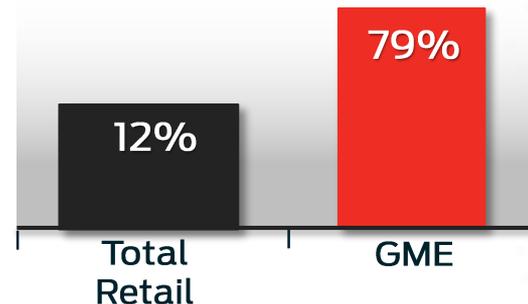
Next-Gen Hardware & Software Growth

Hardware Growth*
In units

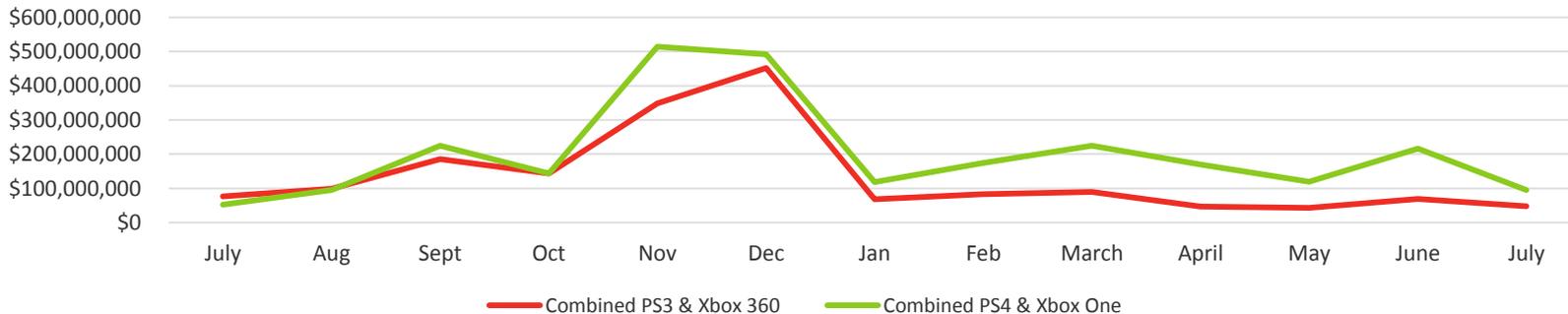


Total U.S.
Installed base of
16.1M PS4 &
Xbox One
consoles

Software Growth*
In units



TTM Combined PS3 & Xbox 360 Software Sales vs. PS4 & Xbox One



*Life to date, or first 21 months, combined unit growth of the PS4 and Xbox One to the PS3 and Xbox 360; life to date installed base thru July/2015; per NPD

2015 New Titles

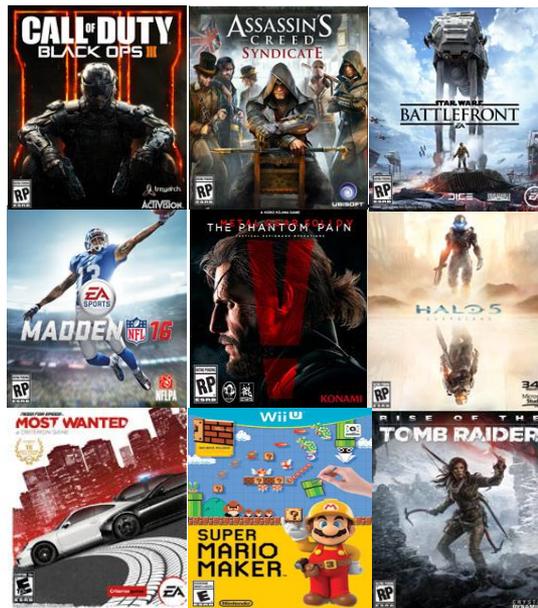
Projecting 4% to 6% Software growth in FY15

Q3 2015

Madden NFL 16
FIFA 16
NBA 2K16
Metal Gear Solid V Phantom Pain
Assassin's Creed Syndicate
Super Mario Maker
Destiny: The Taken King
Guitar Hero Live
Halo 5 Guardians

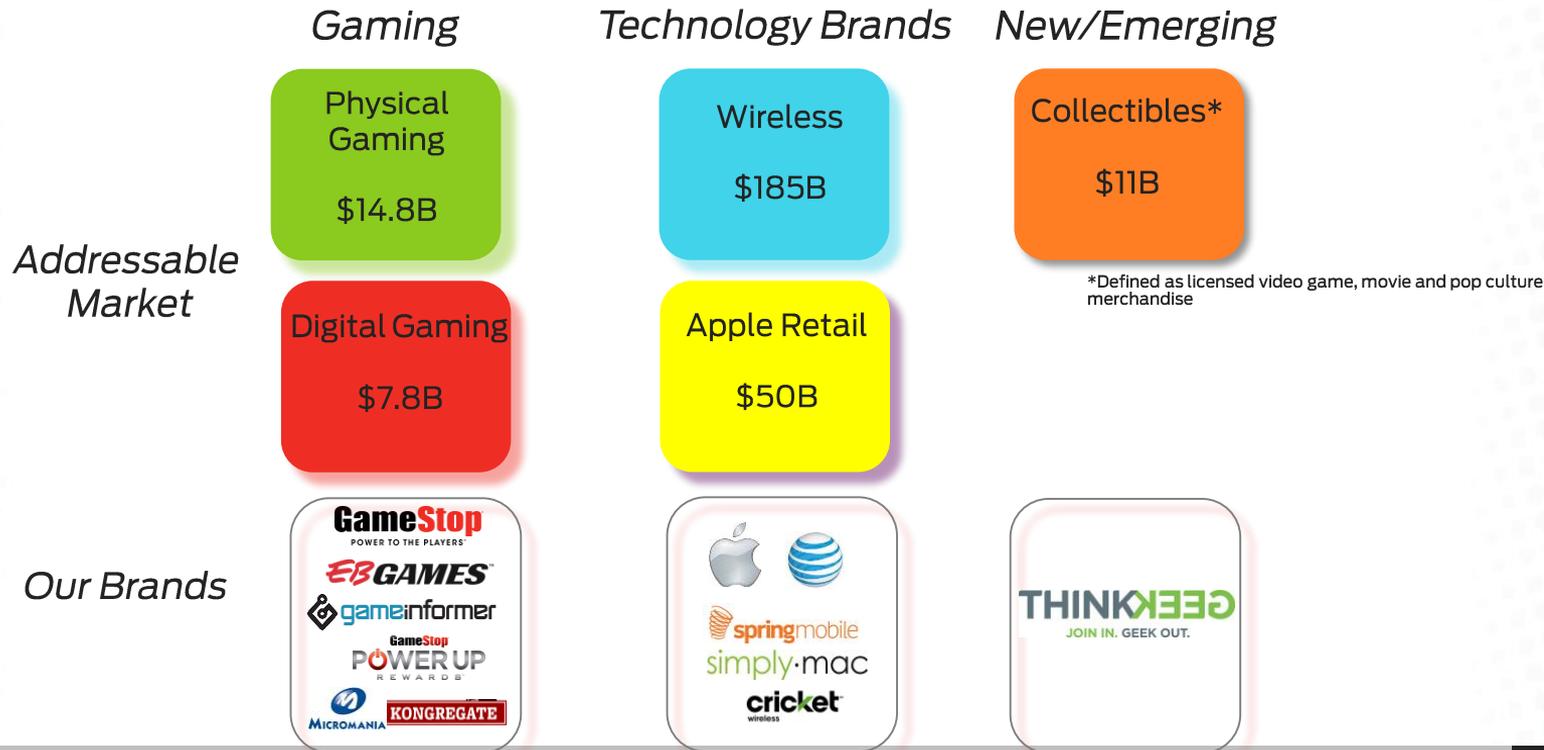
Q4 2015

Star Wars Battlefront
Call of Duty: Black Ops III
Fallout 4
Need For Speed
Rise of the Tomb Raider
Rainbow Six Siege
Just Cause 3



We Are Investing in Our Future

We continue to find and exploit new markets that provide growth and leverage our core strengths



*Defined as licensed video game, movie and pop culture merchandise

GameStop Transferable Competencies

Deep Real Estate Knowledge

Landlord relationships
Portfolio management
Rapid growth experience

Robust Talent Development Practices

Hiring
Training
Multi-unit management expertise

Customer Loyalty Program Creation & Implementation

PowerUp Rewards in U.S. plus 14 countries worldwide

Buy – Sell – Trade Model

Inventory balancing
Pricing algorithms
Refurbishment capabilities
Secondhand dealer compliance

Financial Discipline

Ability to deploy capital in ways that diversify the underlying business, manage balance sheet risk and enhance / increase shareholder value

We will leverage our core competencies in retailing to diversify and grow our revenues and increase profits

Technology Brands Segment



Largest and Fastest
Growing
AT&T Authorized
Wireless Reseller

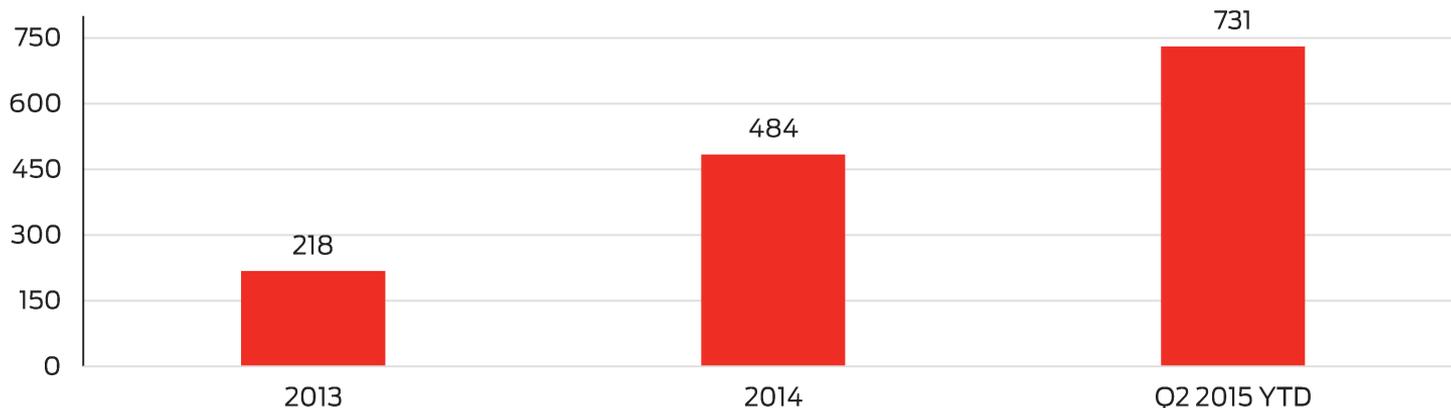


- New segment added to the business in Q4 2013
- Products include new and pre-owned mobile devices, wireless service, consumer electronics, and non-gaming and related accessories
- Incremental opportunity with trade-in of pre-owned electronic devices
- Long term dealer arrangement and licensing agreements with AT&T and Apple

Store Growth Overview

	GameStop™	 springmobile	simply·mac	cricket™ wireless
Store Count (end of Q2 2015)	6,133	590	72	69
Projected Mature Annual Sales/Store	\$1.3M	\$0.7 - \$1.0M	\$2.0 - \$3.0M	\$0.4 - \$0.6M
Projected Mature Contribution/Store	\$125 - \$135K	\$100 - \$140K	\$80 - \$120K	\$40 - \$60K

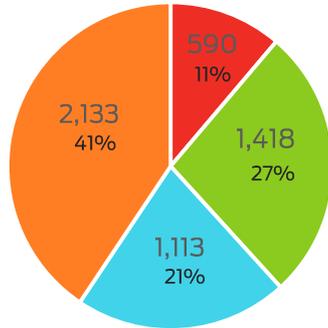
Technology Brands Store Count



Exclusive Distribution and Dealer Fragmentation

GameStop's leading position as an AT&T dealer coupled with significant market fragmentation provides a meaningful opportunity to continue to grow through accretive acquisitions

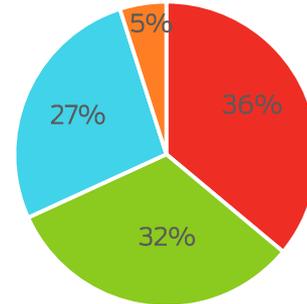
Exclusive Distribution (# of stores)



- Spring Mobile
- Other National Dealers
- Local Dealers
- AT&T Corp Locations

Spring Mobile is AT&T's largest national dealer

Local Dealer Fragmentation (# of stores)



- 1-10
- 11-30
- 31-50
- 50+

68% of local dealers have 30 stores or less

Technology Brands

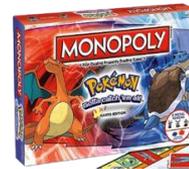
Performance Summary and Five Year Outlook

	2014	2019E	CAGR
Sales	\$328.6M	\$1,460M	34.8%
Operating Earnings	\$32.9M	\$168M	38.4%
Net Income	\$21.2M	\$106M	38.2%
EPS contribution	\$0.19	\$0.97*	38.5%

Collectibles

Fast growing, video game and pop culture retail category that we project can grow to over \$500 million in sales over the next three years

- GameStop has a long history of selling licensed merchandise:
 - *Pokemon*, McFarlane toys/figures, Angry Birds
- Started emphasizing add-on products during hot title launches to increase ticket size and margin: “franchise marketing”
- Expanded in-store sections in Australia over the last two years
 - Introduced stand alone concept “Zing Pop Culture” in 2014
- Added dedicated sections to all stores worldwide in Holiday 2014
- Currently expanding dedicated sections in all stores
- Acquired Geeknet for \$140 million to accelerate growth



2015 Guidance

	Q3 2015	FY 2015
Total Revenue	Flat to 4.0%	Flat to 5.0%
Same Store Sales	1.0% to 4.0%	2.0% to 7.0%
Operating Margin		6.5% to 7.0%
Shares Outstanding	106,700,000	107,000,000
EPS	\$0.53 to \$0.60	\$3.66 to \$3.86
Free cash flow*		\$400M to \$500M

2015 Uses of Cash

2015E Capital Deployment:
\$400 to \$500M of FCF



Dividend
 M&A
 Buyback

*Excludes Geeknet acquisition

2015E Capital Expenditures:
\$150 to \$170M



Tech Brands
 Core Global GME

