

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported) May 18, 2006

GAMESTOP CORP.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-32637

20-2733559

(Commission File Number)

(IRS Employer Identification No.)

625 Westport Parkway, Grapevine, Texas

76051

(Address of Principal Executive Offices)

(Zip Code)

(817) 424-2000

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

The following information is furnished pursuant to Item 2.02 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor

shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On May 18, 2006, GameStop Corp. (the "Company") issued a press release announcing its financial results for the fiscal quarter ended April 29, 2006. A copy of the press release is attached hereto as Exhibit 99.1.

Item 8.01. Other Events.

On May 18, 2006, the Company announced the commencement of the exchange offer of its and GameStop, Inc.'s \$300,000,000 Senior Floating Rate Notes due 2011 and \$650,000,000 8% Senior Notes due 2012, each registered under the Securities Act of 1933, as amended, for all of its and GameStop, Inc.'s outstanding \$300,000,000 Senior Floating Rate Notes due 2011 and \$650,000,000 8% Senior Notes due 2012 sold on September 28, 2005 pursuant to Rule 144A and Regulation S under the Securities Act of 1933, as amended. The exchange offer will expire at 5:00 p.m. New York City time on June 16, 2006, unless extended.

The Company also announced that its Board of Directors has authorized the buyback of up to an aggregate of \$100,000,000 of its Senior Floating Rate Notes and Senior Notes. The timing and amount of the repurchases will be determined by the Company's management based on their evaluation of market conditions and other factors. In addition, the repurchases may be suspended or discontinued at any time.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release issued by GameStop Corp., dated May 18, 2006.

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 hereunto duly authorized.

GAMESTOP CORP.

Date: May 18, 2006

By: /s/ David W. Carlson

David W. Carlson
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
-----	-----
99.1	Press Release of GameStop Corp., dated May 18, 2006.

GameStop Corp. First Quarter EPS of \$0.15 Exceeds Guidance;
Operating Earnings Surge 126%;
New Software Sales Stronger Than Expected;
GameStop Increases Fiscal 2006 Outlook

GRAPEVINE, Texas--(BUSINESS WIRE)--May 18, 2006--GameStop Corp. (NYSE:GME) (NYSE:GME.B), the world's largest video game and entertainment software retailer, today reported record sales and earnings for the first quarter ended April 29, 2006.

GameStop net earnings were \$11.7 million for the first quarter of 2006, including merger-related expenses of \$1.3 million (\$0.8 million, net of tax benefits) and stock-based compensation of \$5.2 million (\$3.3 million, net of tax benefits). Diluted earnings per share were \$0.15 for the first quarter of 2006, including merger-related expenses of \$0.01 per diluted share and stock-based compensation of \$0.04 per diluted share. This compares to previously released guidance of \$0.04 to \$0.05 per diluted share. Operating earnings surged 126% to \$38.1 million.

Total company sales increased 119% to \$1,040.0 million in comparison to \$474.7 million in the prior year quarter. Comparable store sales decreased 3.3% during the first quarter, beating previously announced guidance of -7.0% to -9.0% due to strong sell-thru of Microsoft Xbox 360 titles such as Elder Scrolls IV: Oblivion from Take 2 Interactive and Ghost Recon: Advanced War Fighter from Ubisoft, as well as our best-selling title of the quarter, Square Enix's Kingdom Hearts II for Sony's PlayStation 2.

"Our exceptionally strong results this quarter are due primarily to the improved flow of Xbox 360 hardware, early acceptance of the \$59.99 price point for next generation software, and the successful completion of key integration strategies between GameStop and EB Games," indicated R. Richard Fontaine, Chairman and Chief Executive Officer. "While there is more work that needs to be done to fully complete the merger, we have concluded many critical facets of the integration, including the roll out of GameStop's inventory management system to EB stores, applying best practices to the company's operations, the closing of the West Chester general office and the Coatesville distribution center, and restructuring of field management. We continue to have great confidence in our new and used business model as an earnings driver while the industry moves through the transformation to multiple new hardware platforms."

"Our success in the first quarter comes just one year following the original public announcement of our merger with EB Games," continued Fontaine. "We have followed an extremely efficient and productive plan of integration, are ahead of schedule and in position to maximize the upside potential of the business over the remainder of the year."

Updated Guidance

For the second quarter of fiscal 2006, comparable store sales are projected to range from -2.0% to +1.0%. Diluted earnings per share for the second quarter are expected to range from \$0.04 to \$0.05, including projected stock-based compensation expense of \$0.04 per diluted share. Excluding projected stock-based compensation, second quarter diluted earnings per share are expected to range from \$0.08 to \$0.09.

Due to the strong results in the first quarter, we are raising our full year fiscal 2006 diluted earnings per share expectations to range from \$1.93 to \$2.03, including projected stock-based compensation expense of \$0.17 per diluted share. Excluding projected stock-based compensation, full year diluted earnings per share are now expected to range from \$2.10 to \$2.20.

Note that guidance does not include merger costs related to the business combination, which we project could range from \$0.03 to \$0.05 per diluted share for fiscal 2006.

First quarter fiscal 2005 pro forma statements of operations have

been provided in Schedule III as if the acquisition of Electronics Boutique Holding Corp. took place at the beginning of fiscal 2005. In addition, the pro forma statements of operations include stock-based compensation expense as if SFAS No. 123(R) was implemented at the beginning of fiscal 2005.

Conference Call and Webcast Information

A conference call with GameStop Corp.'s management is scheduled for May 18, 2006 at 11:00 a.m. EDT to discuss the first quarter sales and earnings results. The conference call will be simulcast on the Internet at (<http://www.gamestop.com/investor-relations/>). The conference call will be archived on the website until June 1, 2006.

About GameStop Corp.

Headquartered in Grapevine, TX, GameStop Corp. (NYSE:GME) (NYSE:GME.B) is the world's largest video game and entertainment software retailer. The company operates 4,565 retail stores across the United States and in fourteen countries worldwide. The company also owns two e-commerce sites, GameStop.com and EBgames.com, and Game Informer(R) magazine, a leading multi-platform video game publication. GameStop Corp. sells new and used video game software, hardware and accessories for next generation video game systems from Sony, Nintendo, and Microsoft. In addition, the company sells PC entertainment software, related accessories and other merchandise. General information on GameStop Corp. can be obtained at the company's corporate website: <http://www.gamestop.com/investor-relations/>.

Safe Harbor

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, the outlook for the second quarter of fiscal 2006 and beyond, future financial and operating results, projected store openings, the company's plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of GameStop's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the risk that the businesses of GameStop and Electronics Boutique will not be integrated successfully or that the cost savings and other synergies from the combination may not be fully realized or may take longer to realize than expected; the inability to obtain sufficient quantities of product to meet consumer demand; the timing of the release of the next generation consoles, including Sony's PlayStation 3 and Nintendo's Wii; and economic and other events that could reduce or impact consumer demand. Additional factors that could cause GameStop's results to differ materially from those described in the forward-looking statements can be found in GameStop's Annual Report on Form 10-K for the fiscal year ended January 28, 2006 filed with the SEC and available at the SEC's Internet site at <http://www.sec.gov>.

GameStop Corp.
Statements of Operations
(in thousands, except per share data)

	13 weeks ended April 29, 2006	13 weeks ended April 30, 2005
	-----	-----
Sales	\$1,040,027	\$474,727
Cost of sales	737,993	348,690

Gross profit	302,034	126,037
Selling, general and administrative expenses	231,470	98,986
Depreciation and amortization	25,932	10,194
Stock-based compensation	5,190	-
Merger expenses	1,326	-
Operating earnings	38,116	16,857
Interest expense, net	19,329	83
Earnings before income tax expense	18,787	16,774
Income tax expense	7,086	6,448
Net earnings	\$11,701	\$10,326
Earnings per common share:		
Basic	\$0.16	\$0.20
Diluted	\$0.15	\$0.19
Weighted average common shares outstanding:		
Basic	73,391	51,000
Diluted	78,472	54,490
Percentage of Sales:		
Sales	100.0%	100.0%
Cost of sales	71.0%	73.5%
Gross profit	29.0%	26.5%
SG&A expenses	22.2%	20.8%
Depreciation and amortization	2.5%	2.1%
Stock-based compensation	0.5%	--
Merger expenses	0.1%	--
Operating earnings	3.7%	3.6%
Interest expense, net	1.9%	0.1%
Earnings before income tax expense	1.8%	3.5%
Income tax expense	0.7%	1.3%
Net earnings	1.1%	2.2%

GameStop Corp.
Balance Sheets
(in thousands, except per share data)

	April 29, 2006	April 30, 2005
	-----	-----
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 224,881	\$ 149,414
Receivables, net	33,375	10,136
Merchandise inventories	631,874	255,122
Prepaid expenses and other current assets	35,357	18,195
Prepaid taxes	53,340	-
Deferred taxes	43,843	5,435
	-----	-----
Total current assets	1,022,670	438,302
	-----	-----
Property and equipment:		
Land	10,498	2,000
Buildings & leasehold improvements	272,578	114,794
Fixtures and equipment	358,604	197,887
	-----	-----
	641,680	314,681
Less accumulated depreciation and amortization	210,799	133,983
	-----	-----
Net property and equipment	430,881	180,698
	-----	-----
Goodwill, net	1,392,467	320,888
Assets held for sale	19,315	-
Other noncurrent assets	47,977	2,268
	-----	-----
Total assets	\$ 2,913,310	\$ 942,156
	=====	=====
 LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 410,808	\$ 211,686
Accrued liabilities	294,532	96,865
Notes payable, current portion	12,491	12,173
	-----	-----
Total current liabilities	717,831	320,724
Deferred taxes	12,307	20,197
Other long-term liabilities	37,479	14,451
Notes payable, long-term portion	21,622	24,347
Senior floating and fixed rate notes payable, net of discount	942,023	-
	-----	-----
Total liabilities	\$ 1,731,262	\$ 379,719
	-----	-----
Stockholders' equity:		
Preferred stock - authorized 5,000 shares; no shares issued or outstanding	-	-
Class A common stock - \$.001 par value; authorized 300,000 shares; 45,042 and 24,695 shares issued, respectively	45	25
Class B common stock - \$.001 par value; authorized 100,000 shares; 29,902 shares issued and outstanding	30	30

Additional paid-in-capital	973,422	509,969
Accumulated other comprehensive income	4,445	466
Retained earnings	204,106	101,947
Treasury stock, at cost, 0 and 3,263 shares, respectively	-	(50,000)
	-----	-----
Total stockholders' equity	1,182,048	562,437
	-----	-----
Total liabilities and stockholders' equity	\$ 2,913,310	\$ 942,156
	=====	=====

Schedule I
GameStop Corp.
Retail Sales Mix

	13 Weeks Ended April 29, 2006		13 Weeks Ended April 30, 2005	
	Sales	Percent of Total	Sales	Percent of Total
	-----	-----	-----	-----
Sales (in millions):				
New video game hardware	\$160.6	15.4%	\$73.9	15.6%
New video game software	406.1	39.1%	183.6	38.7%
Used video game products	275.7	26.5%	135.3	28.5%
Other	197.6	19.0%	81.9	17.2%
	-----	-----	-----	-----
Total	\$1,040.0	100.0%	\$474.7	100.0%
	=====	=====	=====	=====

Schedule II
GameStop Corp.
Gross Profit Mix

	13 Weeks Ended April 29, 2006		13 Weeks Ended April 30, 2005	
	Gross Profit	Gross Profit Percent	Gross Profit	Gross Profit Percent
	-----	-----	-----	-----
Gross Profit (in millions):				
New video game hardware	\$13.0	8.1%	\$2.3	3.1%
New video game software	81.7	20.1%	33.6	18.3%
Used video game products	140.9	51.1%	62.7	46.3%
Other	66.4	33.6%	27.4	33.4%
	-----	-----	-----	-----
Total	\$302.0	29.0%	\$126.0	26.5%
	=====	=====	=====	=====

Schedule
III

GAMESTOP CORP.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For the			
thirteen	Historical	Historical	
weeks ended	GameStop	Electronics	GameStop
April 30,	Corp.	Boutique	Corp

2005	April 30, 2005 (a)	April 30, 2005 (a)	Pro Forma Adjustments	Pro Forma
	-----	-----	-----	-----
Sales	\$ 474,727	\$ 504,905	\$ -	\$979,632
Cost of sales	348,690	374,845	-	723,535
	-----	-----	-----	-----
Gross profit	126,037	130,060	-	256,097
Selling, general and admin. expenses	98,986	114,342	-	213,328
Depr. and amort.	10,194	10,797	1,204 (c)	22,195
Merger- related expenses	-	1,500	(1,500) (b)	-
Stock-based compensation	-	-	2,576 (j)	2,576
	-----	-----	-----	-----
Operating earnings	16,857	3,421	(2,280)	17,998
Interest expense, net	83	(917)	20,374 (d), (e)	19,540
Merger- related int. expense	-	-	-	-
	-----	-----	-----	-----
Earnings (loss) before income tax exp. (benefit)	16,774	4,338	(22,654)	(1,542)
Income tax expense (benefit)	6,448	1,561	(8,587) (f)	(578)
	-----	-----	-----	-----
Net earnings (loss)	\$ 10,326	\$ 2,777	\$ (14,067)	\$ (964)
	=====	=====	=====	=====
Net earnings (loss) per Class A & Class B common share --basic	\$ 0.20 (h)	\$ 0.11		\$ (0.01) (i)
	=====	=====		=====
Weighted average shares of common stock--basic	51,000	24,696	(4,467) (g)	71,229
	=====	=====	=====	=====
Net earnings (loss) per Class A &				

Class B common share-- diluted	\$ 0.19 (h)	\$ 0.11	\$ (0.01) (i)
	=====	=====	=====

Weighted average shares of common stock-- diluted	54,490	25,079	(8,340) (g), (k)	71,229
	=====	=====	=====	=====

GAMESTOP CORP.
 NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
 STATEMENT OF OPERATIONS
 (In thousands, except per share data)

- (a) Certain reclassifications have been made to the historical presentation of GameStop and EB to conform to the presentation used in the unaudited pro forma condensed consolidated statement of operations.
- (b) To give effect to the exclusion of certain expenses of \$1,500 which are directly attributable to the mergers and are believed to be of a one-time or short-term nature.
- (c) To give effect to the intangible asset amortization and depreciation on the property and equipment adjustment based on the preliminary allocation of the purchase price over estimated useful lives.
- (d) To give effect to the interest expense incurred related to the receipt of \$941,472 resulting from issuance of \$650,000 in senior notes, at an interest rate of 8.0% and \$300,000 in senior floating rate notes at an interest rate of LIBOR plus 3.875%. The senior notes were issued at a discount of \$8,528 and interest expense includes the amortization of this discount over seven years.
- (e) To give effect to the amortization of deferred financing fees relating to the \$400 million revolving credit facility, the senior floating rate notes and the senior notes over five, six and seven years to match the terms, respectively.
- (f) Represents the aggregate pro forma effective income tax effect of Notes (b), (c), (d) and (e) above.
- (g) The pro forma earnings per share have been adjusted to reflect the issuance of 20,229 shares of GameStop Class A common stock to EB common stockholders as if they were issued on January 30, 2005 and to reflect the elimination of the outstanding shares of Electronics Boutique.
- (h) The holders of Historical GameStop Class A and Class B common stock generally had identical rights, except that the holders of Historical GameStop Class A common stock were entitled to one vote per share and the holders of Historical GameStop Class B common stock were entitled to ten votes per share on all matters to be voted on by stockholders. Earnings per common share amounts represent per share amounts for both classes of common stock.
- (i) The holders of GameStop Class A and Class B common stock generally have identical rights, except that the holders of GameStop Class A common stock are entitled to one vote per share and the holders of GameStop Class B common stock are entitled to ten votes per share

on all matters to be voted on by stockholders. Earnings per common share amounts represent per share amounts for both classes of common stock.

- (j) To give effect to the stock-based compensation expense as if SFAS 123(R) had been adopted as of January 30, 2005.
- (k) To remove the effect of securities that are anti-dilutive in nature due to the pro forma loss in the 13 weeks ended April 30, 2005.

CONTACT: Media Contact:

Chris Olivera
Director, Public & Media Relations
GameStop Corp.
(817) 424-2130

or

Investor Contact:

David W. Carlson
Executive Vice President & Chief Financial Officer
GameStop Corp.
(817) 424-2130