
**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 28, 2015 (May 26, 2015)

GameStop Corp.

(Exact name of Registrant as specified in its charter)

Delaware

(State or Other Jurisdiction
of Incorporation or Organization)

1-32637

(Commission
File Number)

20-2733559

(I.R.S. Employer
Identification No.)

**625 Westport Parkway
Grapevine, TX 76051
(817) 424-2000**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Not Applicable

(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:

- 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))
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Item 2.02 Results of Operations and Financial Condition.

The following information is furnished pursuant to Item 2.02, “Results of Operations and Financial Condition,” 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.

On May 28, 2015, GameStop Corp. (“the Company”) issued a press release announcing its financial results for its first quarter ended May 2, 2015. A copy of the press release is attached hereto as Exhibit 99.1.

The information contained in this Current Report, including the exhibit, shall not be incorporated by reference into any filing of GameStop Corp., whether made before or after the date hereof, regardless of any general incorporation language in such filing, except as otherwise expressly set forth therein.

Item 8.01 Other Events.

On May 26, 2015, the Company's Board of Directors approved a cash dividend to its stockholders. The quarterly dividend of \$0.36 per share of Class A Common Stock will be paid on June 23, 2015 to stockholders of record on the close of business on June 10, 2015. This announcement was included in a press release distributed on May 28, 2015. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release issued by GameStop Corp., dated May 28, 2015.

SIGNATURE

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

GAMESTOP CORP.

(Registrant)

Date: May 28, 2015

By: /s/ ROBERT A. LLOYD

Name: Robert A. Lloyd

Title: Executive Vice President and Chief Financial Officer

GAMESTOP CORP.

EXHIBIT INDEX

Exhibit Number

Description

99.1

Press Release issued by GameStop Corp., dated May 28, 2015.



GameStop Reports First Quarter 2015 Results

Diluted EPS increases 15% year-over-year; exceeds high-end of guidance by \$0.08

Same store sales increase 8.6% driven by 10% growth in new software sales

Non-GAAP digital receipts grow 17%

Grapevine, Texas (May 28, 2015)—GameStop Corp. (NYSE: GME), a global family of specialty retail brands that makes the most popular technologies affordable and simple, today reported sales and earnings for the first quarter ended May 2, 2015.

Paul Raines, chief executive officer, stated, “Our first quarter results exceeded expectations, displaying our market leadership and our ability to drive and leverage our core video game business and expand our diversified businesses to deliver healthy profits and solid top-line growth. This performance confirms that our effort to transform GameStop into a family of specialty brands is the right strategy to drive durable revenues and shareholder value.”

The following table summarizes the first quarter results for fiscal 2015 and 2014 (in millions, except per share amounts):

| | Quarter Ended | | Change |
|------------------|---------------|-------------|--------|
| | May 2, 2015 | May 3, 2014 | |
| Revenue | \$ 2,060.6 | \$ 1,996.3 | 3.2% |
| Same store sales | 8.6% | 5.8% | |
| Operating income | \$ 123.9 | \$ 105.9 | 17.0% |
| Net income | \$ 73.8 | \$ 68.0 | 8.5% |
| Diluted EPS | \$ 0.68 | \$ 0.59 | 15.3% |

Q1 2015 Financial Summary

Total global sales rose 3.2% to \$2.06 billion (an 8.1% increase in constant currency) primarily driven by 9.6% growth (a 15.8% increase in constant currency) in new software sales. The company captured significant market share of the key quarterly title releases, leading to record first quarter new software market share of 45%. The Pre-owned category declined 3.4%; however, it increased 0.8% in constant currency.

Consolidated comparable store sales increased 8.6% (+9.1% in the U.S. and +6.9% internationally), led by double digit same store sales increases in Australia and Canada.

Non-GAAP digital receipts increased 17.2% (a 23.3% increase in constant currency) to \$222.2 million, or \$46.0 million of sales on a GAAP basis. Strong sales of downloadable content for new releases, such as *Evolve* and *Mortal Kombat X*, along with increases in mobile game downloads and Steam currency, were the primary growth drivers during the quarter.

Sales in the mobile and consumer electronics category rose 33.9% (a 34.6% increase in constant currency) to \$136.8 million. Technology Brands revenues increased 70% to \$102.2 million, driven by the addition of 65 new stores during the first quarter. As a result of these openings, Spring Mobile is now AT&T's second largest authorized reseller in the United States.

Net earnings exceeded the high-end of guidance, increasing 8.5% to \$73.8 million, or \$0.68 per diluted share, compared to net earnings of \$68.0 million, or \$0.59 per diluted share, in the prior year quarter. For the first quarter of 2015, diluted earnings per share increased 15.3% compared to the prior year quarter. The \$73.8 million of earnings represents the highest level of profitability in a first quarter since the first quarter of 2011. Foreign currency exchange rate changes did not materially impact earnings results for the first quarter.

Capital Allocation Update

During the first quarter of 2015, the company repurchased 1.19 million shares at an average price of \$39.03 per share, or \$46.4 million of stock. As of the end of the first quarter, there was \$400.9 million remaining on the existing repurchase authorization.

GameStop's board of directors also declared a quarterly cash dividend of \$0.36 per common share payable on June 23, 2015, to shareholders of record as of the close of business on June 10, 2015.

Earnings Guidance

For the second quarter of fiscal 2015, GameStop expects comparable store sales to range from flat to +3.0%. Diluted earnings per share are expected to range from \$0.21 to \$0.25, representing a decline of 4.5% to a 13.5% increase over the prior year quarter.

For fiscal year 2015, the company is raising its previously announced full year diluted earnings per share guidance range from \$3.60 to \$3.80 to \$3.63 to \$3.83 to account for the reduction in shares outstanding. Full year comparable store sales are still expected to range from +1.0% to +6.0%.

Note: Guidance only includes the effect of the shares repurchased through the first quarter of 2015.

Conference Call Information

A conference call with GameStop Corp.'s management is scheduled for May 28, 2015 at 4:00 p.m. CDT to discuss the company's financial results. The phone number for the call is 888-256-1014 and the pass code is 6663335. This call, along with supplemental information, can also be accessed at GameStop Corp.'s investor relations home page at <http://investor.GameStop.com/>. The conference call will be archived for two months on GameStop's corporate website.

About GameStop

GameStop Corp. (NYSE: GME), a Fortune 500 and S&P 500 company headquartered in Grapevine, Texas, is a global, multichannel video game, consumer electronics and wireless services retailer. GameStop operates more than 6,700 stores across 14 countries. The company's consumer product network also includes www.gamestop.com; www.Kongregate.com, a leading browser-based game site; and *Game Informer*® magazine, the world's leading print and digital video game publication. In addition, our Technology Brands segment includes our Simply Mac and Spring Mobile stores. Simply Mac, www.simplymac.com, operates 71 stores, selling the full line of Apple products, including laptops, tablets, and smartphones and offering Apple certified warranty and repair services. Spring Mobile, <http://springmobile.com>, sells post-paid AT&T services and wireless products through its 410 AT&T branded stores and offers pre-paid wireless services, devices and related accessories through its 68 Cricket branded stores in select markets in the U.S.

General information about GameStop Corp. can be obtained at the company's corporate website. Follow GameStop on Twitter @ www.twitter.com/GameStop and find GameStop on Facebook @ www.facebook.com/GameStop.

Non-GAAP Measures

As a supplement to our financial results presented in accordance with U.S. generally accepted accounting principles (GAAP), GameStop uses certain non-GAAP measures, such as digital receipts and constant currency, to provide a clearer perspective of the current operating performance of the company. GameStop defines digital receipts as the full amount paid by the customer for digital content at the time of sale and/or the value attributed to digital content when physical and digital products are sold combined. Results reported as constant currency exclude the impact of fluctuations in foreign currency exchange rates by converting our local currency financial results using the prior period exchange rates and comparing these adjusted amounts to our current period reported results. Our definition and calculation of constant currency information may differ from that of other companies. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the company's reported GAAP financial results.

Safe Harbor

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may include, but are not limited to, the outlook for the second quarter and fiscal 2015, 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. GameStop undertakes no obligation to publicly update or revise any forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the inability to obtain sufficient quantities of product to meet consumer demand, including console hardware and accessories; the timing of release and consumer demand for new and pre-owned video game titles; the risks associated with international operations, wireless industry partnerships and operations and the integration of acquisitions; the impact of increased competition and changing technology in the video game industry, including browser and mobile games and alternative methods of distribution; and economic, regulatory and other events, including litigation, that could reduce or impact consumer demand or affect the company's business. 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 Jan. 31, 2015 filed with the SEC and available at the SEC's Internet site at <http://www.sec.gov> or <http://investor.GameStop.com>.

Contact

Matt Hodges
Vice President, Public and Investor Relations
GameStop Corp.
(817) 424-2130

GameStop Corp.
Condensed Consolidated Statements of Operations
(in millions, except per share data)
(unaudited)

| | 13 weeks ended May 2, 2015 | 13 weeks ended May 3, 2014 |
|--|----------------------------------|----------------------------------|
| Net sales | \$ 2,060.6 | \$ 1,996.3 |
| Cost of sales | 1,421.6 | 1,369.9 |
| Gross profit | 639.0 | 626.4 |
| Selling, general and administrative expenses | 479.3 | 481.0 |
| Depreciation and amortization | 35.8 | 39.5 |
| Operating earnings | 123.9 | 105.9 |
| Interest expense, net | 5.4 | 0.6 |
| Earnings before income tax expense | 118.5 | 105.3 |
| Income tax expense | 44.7 | 37.3 |
| Net income | \$ 73.8 | \$ 68.0 |
| Net income per common share: | | |
| Basic | \$ 0.68 | \$ 0.59 |
| Diluted | \$ 0.68 | \$ 0.59 |
| Dividends per common share | \$ 0.36 | \$ 0.33 |
| Weighted average common shares outstanding: | | |
| Basic | 107.8 | 115.1 |
| Diluted | 108.4 | 115.9 |
| <u>Percentage of Net Sales:</u> | | |
| Net sales | 100.0% | 100.0% |
| Cost of sales | 69.0% | 68.6% |
| Gross profit | 31.0% | 31.4% |
| Selling, general and administrative expenses | 23.3% | 24.1% |
| Depreciation and amortization | 1.7% | 2.0% |
| Operating earnings | 6.0% | 5.3% |
| Interest expense, net | 0.2% | 0.0% |
| Earnings before income tax expense | 5.8% | 5.3% |
| Income tax expense | 2.2% | 1.9% |
| Net income | 3.6% | 3.4% |

GameStop Corp.
Condensed Consolidated Balance Sheets
(in millions)
(unaudited)

| | <u>May 2,</u> 2015 | <u>May 3,</u> 2014 |
|--|-----------------------|-----------------------|
| ASSETS: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 369.8 | \$ 208.9 |
| Receivables, net | 99.5 | 86.0 |
| Merchandise inventories, net | 1,076.7 | 1,200.1 |
| Prepaid expenses and other current assets | 145.2 | 90.2 |
| Deferred income taxes | 65.6 | 57.2 |
| Total current assets | <u>1,756.8</u> | <u>1,642.4</u> |
| Property and equipment: | | |
| Land | 18.5 | 21.0 |
| Buildings & leasehold improvements | 617.6 | 620.8 |
| Fixtures and equipment | 903.9 | 852.3 |
| Total property and equipment | <u>1,540.0</u> | <u>1,494.1</u> |
| Less accumulated depreciation and amortization | 1,091.8 | 1,029.8 |
| Net property and equipment | <u>448.2</u> | <u>464.3</u> |
| Goodwill | 1,393.1 | 1,422.7 |
| Other noncurrent assets | 348.5 | 278.1 |
| Total assets | <u>\$ 3,946.6</u> | <u>\$ 3,807.5</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | | |
| Current liabilities: | | |
| Accounts payable | \$ 585.1 | \$ 612.3 |
| Accrued liabilities | 709.2 | 717.3 |
| Income taxes payable | 49.3 | 17.2 |
| Notes payable | 2.1 | 77.7 |
| Total current liabilities | <u>1,345.7</u> | <u>1,424.5</u> |
| Other long-term liabilities | 178.2 | 114.9 |
| Long-term debt | 350.0 | 0.9 |
| Total liabilities | <u>1,873.9</u> | <u>1,540.3</u> |
| Stockholders' equity | <u>2,072.7</u> | <u>2,267.2</u> |
| Total liabilities and stockholders' equity | <u>\$ 3,946.6</u> | <u>\$ 3,807.5</u> |

GameStop Corp.

**Schedule I
Sales Mix
(unaudited)**

| | 13 Weeks Ended May 2, 2015 | | 13 Weeks Ended May 3, 2014 | |
|---|-------------------------------|---------------------|-------------------------------|---------------------|
| | Net Sales | Percent of Total | Net Sales | Percent of Total |
| Net Sales (in millions): | | | | |
| New video game hardware | \$ 439.7 | 21.3% | \$ 438.0 | 21.9% |
| New video game software | 613.6 | 29.8% | 559.9 | 28.0% |
| Pre-owned and value video game products | 582.4 | 28.3% | 602.9 | 30.2% |
| Video game accessories | 150.5 | 7.3% | 145.1 | 7.3% |
| Digital | 46.0 | 2.2% | 56.1 | 2.8% |
| Mobile and consumer electronics | 136.8 | 6.6% | 102.2 | 5.1% |
| Other | 91.6 | 4.5% | 92.1 | 4.7% |
| Total | <u>\$ 2,060.6</u> | <u>100.0%</u> | <u>\$ 1,996.3</u> | <u>100.0%</u> |

**Schedule II
Gross Profit Mix
(unaudited)**

| | 13 Weeks Ended May 2, 2015 | | 13 Weeks Ended May 3, 2014 | |
|---|-------------------------------|----------------------------|-------------------------------|----------------------------|
| | Gross Profit | Gross Profit Percent | Gross Profit | Gross Profit Percent |
| Gross Profit (in millions): | | | | |
| New video game hardware | \$ 37.2 | 8.5% | \$ 44.7 | 10.2% |
| New video game software | 138.7 | 22.6% | 127.2 | 22.7% |
| Pre-owned and value video game products | 286.0 | 49.1% | 298.4 | 49.5% |
| Video game accessories | 55.8 | 37.1% | 55.0 | 37.9% |
| Digital | 35.4 | 77.0% | 35.8 | 63.8% |
| Mobile and consumer electronics | 54.5 | 39.8% | 37.0 | 36.2% |
| Other | 31.4 | 34.3% | 28.3 | 30.7% |
| Total | <u>\$ 639.0</u> | <u>31.0%</u> | <u>\$ 626.4</u> | <u>31.4%</u> |