

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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) August 23, 2007

GAMESTOP CORP.

(Exact name of registrant as specified in its charter)

Delaware	1-32637	20-2733559
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(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
625 Westport Parkway, Grapevine, TX		76051
-----	-----	-----
(Address of principal executive offices)		(Zip Code)
Registrant's telephone number, including area code	(817) 424-2000	

(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, "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 August 23, 2007, GameStop Corp. issued a press release announcing its financial results for the fiscal quarter ended August 4, 2007. 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.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release issued by GameStop Corp., dated August 23, 2007.

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.

(Registrant)

Date: August 23, 2007

/s/ David W. Carlson

Name: David W. Carlson

Title: Executive Vice President and Chief
Financial Officer

Table of Contents

GAMESTOP CORP.

EXHIBIT INDEX

Exhibit Number

Exhibit 99.1

Description

Press Release of GameStop Corp., dated August 23, 2007

GameStop Reports Record Second Quarter 2007
Results

EPS Exceeds High-End of Guidance by \$0.06 per share

Comparable Store Sales Rise 29.1%

New Video Game Software Sales Grow 49%

EPS, Revenue, and Comparable Store Sales Guidance Raised for
Fiscal 2007

GRAPEVINE, Texas--(BUSINESS WIRE)--Aug. 23, 2007--GameStop Corp. (NYSE:GME), the world's largest video game and entertainment software retailer, today announced record financial results for the second quarter ended August 4, 2007.

GameStop's net earnings were \$21.8 million for the second quarter of 2007, including debt retirement costs of \$2.0 million (\$1.3 million, net of tax benefits), a 586% increase over the second quarter of 2006. Diluted earnings per share were \$0.13 for the second quarter of 2007, including debt retirement costs of \$0.01 per diluted share, exceeding the high-end of previously released guidance by \$0.06 per share.

Total sales increased 38.9% to \$1,338.2 million in comparison to \$963.3 million in the prior year quarter. Comparable store sales increased 29.1% during the second quarter, also beating previously released guidance of 16.0% to 18.0%. During the second quarter, new video game software sales surged 49% and new hardware sales soared 87%. The top selling video games during the quarter were GUITAR HERO II from Activision, NCAA FOOTBALL '08 by Electronic Arts, MARIO PARTY 8 by Nintendo, Nintendo's POKEMON DIAMOND and PEARL, and FORZA MOTORSPORT 2 from Microsoft.

R. Richard Fontaine, GameStop's Chairman and Chief Executive Officer, stated, "GameStop's outstanding second quarter was fueled by continued consumer demand for all the prevalent hardware platforms and the compelling games released during the quarter. It is apparent that the growing base of gaming consumers is well served by GameStop's new and used model, our increasing number of convenient locations and outstanding customer service provided by our store 'gamers'.

"Our second quarter performance was very broad-based, with the U.S., Canada, Australia and Europe all exceeding expectations. New store growth, and more importantly, new store performance worldwide, continues to be impressive. During this quarter, we opened 150 new stores and now operate 4,954 stores in 16 countries. GameStop surpassed the 1,000 store count internationally and we are well on our way to achieving our forecast of opening between 500 and 550 new stores during the year," concluded Chairman Fontaine.

Daniel DeMatteo, GameStop's Vice Chairman and Chief Operating Officer, stated, "Looking at this year's holiday season, the new video game software line-up is exceptional. MADDEN NFL '08 from Electronic Arts, HALO 3 from Microsoft, ROCK BAND from Electronic Arts, SUPER MARIO GALAXY from Nintendo, GUITAR HERO III by Activision and ASSASSIN'S CREED from Ubisoft, are all part of a diversified group of titles that will appeal to core gamers, casual, young and entry-level players."

Updated Guidance

For the third quarter of fiscal 2007, GameStop is forecasting comparable store sales to range from +30.0% to +32.0%. Diluted earnings per share are expected to range from \$0.19 to \$0.21 compared to earnings per share of \$0.09 in the third quarter of 2006.

Due to the excellent results in the second quarter, we are raising our full year 2007 diluted earnings per share guidance to range from \$1.45 to \$1.48. Total revenues are now projected to grow between 20.0% and 22.0%, with expected comparable store sales ranging from +15.0% to

+17.0%.

Note that guidance does not include debt retirement costs.

Note that all per share data has been adjusted for the Class B share conversion and the two-for-one stock split that occurred subsequent to February 3, 2007.

Conference Call and Webcast Information

A conference call with GameStop Corp.'s management is scheduled for August 23, 2007 at 11:00 AM ET to discuss the second 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 September 6, 2007.

About GameStop Corp.

Headquartered in Grapevine, TX, GameStop Corp. is the world's largest video game and entertainment software retailer. The company operates 4,954 retail stores across the United States and in sixteen countries worldwide. The company also operates two e-commerce sites, GameStop.com and EBgames.com, and publishes 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/corporate>.

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 fiscal 2007 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 inability to obtain sufficient quantities of product to meet consumer demand, including Nintendo's Wii; the timing of release of video game titles for next generation consoles; the risks associated with expanded international operations; 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 February 3, 2007 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 Aug 4, 2007	13 weeks ended July 29, 2006
	-----	-----
Sales	\$ 1,338,193	\$ 963,347
Cost of sales	976,894	664,083
	-----	-----
Gross profit	361,299	299,264
Selling, general and administrative		

expenses	271,751	239,251
Depreciation and amortization	32,118	26,328
Stock-based compensation	6,683	5,360
Merger-related expenses	--	2,572
	-----	-----
Operating earnings	50,747	25,753
Interest expense, net	13,346	20,209
Debt extinguishment expense	2,027	191
	-----	-----
Earnings before income tax expense	35,374	5,353
Income tax expense	13,564	2,176
	-----	-----
Net earnings	\$ 21,810	\$ 3,177
	=====	=====
Earnings per common share:		
Basic	\$ 0.14	\$ 0.02
Diluted	\$ 0.13	\$ 0.02
Weighted average common shares outstanding:		
Basic	158,438	150,149
Diluted	164,769	157,658

Percentage of Sales:

Sales	100.0%	100.0%
Cost of sales	73.0%	68.9%
	-----	-----
Gross profit	27.0%	31.1%
SG&A expenses	20.3%	24.8%
Depreciation and amortization	2.4%	2.7%
Stock-based compensation	0.5%	0.6%
Merger-related expenses	--	0.3%
	-----	-----
Operating earnings	3.8%	2.7%
Interest expense, net	1.0%	2.1%
Debt extinguishment expense	0.2%	--
	-----	-----
Earnings before income tax expense	2.6%	0.6%
Income tax expense	1.0%	0.3%
	-----	-----
Net earnings	1.6%	0.3%
	=====	=====

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

26 weeks ended Aug 4, 2007	26 weeks ended July 29, 2006
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Sales	\$ 2,617,176	\$ 2,003,374
Cost of sales	1,907,108	1,402,076
	-----	-----
Gross profit	710,068	601,298
Selling, general and administrative expenses	521,905	470,721
Depreciation and amortization	63,153	52,260
Stock-based compensation	13,645	10,550
Merger-related expenses	--	3,898
	-----	-----
Operating earnings	111,365	63,869
Interest expense, net	27,462	39,538
Debt extinguishment expense	8,751	191
	-----	-----
Earnings before income tax expense	75,152	24,140
Income tax expense	28,619	9,262
	-----	-----
Net earnings	\$ 46,533	\$ 14,878
	=====	=====
Earnings per common share:		
Basic	\$ 0.30	\$ 0.10
Diluted	\$ 0.29	\$ 0.09
Weighted average common shares outstanding:		
Basic	155,938	148,466
Diluted	163,013	157,301

Percentage of Sales:

Sales	100.0%	100.0%
Cost of sales	72.9%	70.0%
	-----	-----
Gross profit	27.1%	30.0%
SG&A expenses	19.9%	23.5%
Depreciation and amortization	2.4%	2.6%
Stock-based compensation	0.5%	0.5%
Merger-related expenses	--	0.2%
	-----	-----
Operating earnings	4.3%	3.2%
Interest expense, net	1.1%	2.0%
Debt extinguishment expense	0.3%	--
	-----	-----
Earnings before income tax expense	2.9%	1.2%
Income tax expense	1.1%	0.5%
	-----	-----
Net earnings	1.8%	0.7%
	=====	=====

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

	Aug 4, 2007	July 29, 2006
	-----	-----
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 349,277	\$ 218,726
Receivables, net	29,798	28,596
Merchandise inventories	713,836	574,067
Prepaid expenses and other current assets	51,951	37,374
Prepaid taxes	74,952	79,395
Deferred taxes	35,979	46,349
	-----	-----
Total current assets	1,255,793	984,507
	-----	-----
Property and equipment:		
Land	11,298	10,073
Buildings & leasehold improvements	334,904	280,723
Fixtures and equipment	477,492	375,736
	-----	-----
	823,694	666,532
Less accumulated depreciation and amortization		
	349,927	235,299
	-----	-----
Net property and equipment	473,767	431,233
	-----	-----
Goodwill, net	1,402,845	1,392,926
Other noncurrent assets	49,100	46,570
	-----	-----
Total assets	\$3,181,505	\$2,855,236
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 517,233	\$ 366,221
Accrued liabilities	339,940	281,969
Note payable, current portion	12,173	12,173
	-----	-----
Total current liabilities	869,346	660,363
Deferred taxes	--	12,196
Other long-term liabilities	72,492	39,380
Notes payable, long-term portion	--	12,173
Senior floating and fixed rate notes payable, net of discount	693,993	935,431
	-----	-----
Total liabilities	1,635,831	1,659,543
	-----	-----
Stockholders' equity:		
Preferred stock - authorized 5,000 shares; no shares issued or outstanding	--	--
Class A common stock - \$.001 par value; authorized 300,000 shares; 158,993 and 150,293 shares issued and outstanding, respectively	159	150
Additional paid-in-capital	1,145,706	983,546
Accumulated other comprehensive income	19,359	4,773
Retained earnings	380,450	207,224
	-----	-----
Total stockholders' equity	1,545,674	1,195,693
	-----	-----
Total liabilities and stockholders' equity	\$3,181,505	\$2,855,236
	=====	=====

	13 Weeks Ended Aug 4, 2007		13 Weeks Ended July 29, 2006	
	Sales	Percent of Total	Sales	Percent of Total
Sales (in millions):				
New video game hardware	\$ 293.8	22.0%	\$ 157.5	16.4%
New video game software	494.2	36.9%	330.7	34.3%
Used video game products	357.3	26.7%	308.7	32.0%
Other	192.9	14.4%	166.4	17.3%
Total	\$ 1,338.2	100.0%	\$ 963.3	100.0%

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Schedule II
GameStop Corp.
Gross Profit Mix

	13 Weeks Ended Aug 4, 2007		13 Weeks Ended July 29, 2006	
	Gross Profit	Gross Profit Percent	Gross Profit	Gross Profit Percent
Gross Profit (in millions):				
New video game hardware	\$ 21.5	7.3%	\$ 14.0	8.9%
New video game software	100.2	20.3%	72.7	22.0%
Used video game products	173.2	48.5%	153.9	49.9%
Other	66.4	34.4%	58.7	35.3%
Total	\$ 361.3	27.0%	\$ 299.3	31.1%

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