

# GameStop shares jump after 2Q results, outlook

The Associated Press

Shares of GameStop Corp. jumped Thursday after the world's largest video game retailer posted higher-than-expected earnings and raised its profit outlook for the year in anticipation of demand for new video game consoles coming out this fall.

GameStop earned \$10.5 million, or 9 cents per share, in the three months that ended on Aug. 3. That's down from \$21 million, or 16 cents per share, in the same period a year earlier.

Revenue fell 11 percent to \$1.38 billion from \$1.55 billion.

Analysts, on average, had expected earnings of 4 cents per share on revenue of \$1.37 billion, according to a poll by FactSet.

For the current quarter, GameStop is forecasting earnings of 50 cents to 55 cents per share, well above the 35 cents that analysts were expecting.

It expects sales at stores that have been open for at least a year to increase by 11 percent to 15 percent. The metric is a key gauge of a retailer's health because it excludes the impact of locations that have recently opened or closed.

For the full year, the company expects earnings of \$3 to \$3.20 per share, up from its earlier guidance of \$2.90 to \$3.15 per share. Analysts were predicting \$3.14 per share.

"Of course, excitement continues to build for the upcoming new games and the launch of the PS4 and Xbox One," said CEO Paul Raines in a statement. "As the global gaming leader, GameStop is uniquely positioned to capitalize on the new, innovative products coming to market."

Sony Corp.'s PlayStation 4 will launch on Nov. 15 in the U.S. and Canada, and Microsoft Corp.'s Xbox One is also expected to appear on store shelves that month.

GameStop operates 6,505 stores in 15 countries. Shares of Grapevine, Texas-based company rose \$5.21, or 10.9 percent, to \$52.83 in late morning trading. Earlier, the stock hit a 52-week high of \$56.08.

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