

**GAMESTOP CORP.**  
**CONSOLIDATED BALANCE SHEETS**  
(in millions, except par value per share)

	February 2, 2019	February 3, 2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 1,624.4	\$ 854.2
Receivables, net .....	134.2	138.6
Merchandise inventories, net .....	1,250.5	1,250.3
Prepaid expenses and other current assets .....	118.6	115.2
Assets held for sale .....	—	660.1
Total current assets .....	3,127.7	3,018.4
Property and equipment:		
Land .....	18.7	19.9
Buildings and leasehold improvements .....	638.2	651.8
Fixtures and equipment .....	900.2	914.6
Total property and equipment .....	1,557.1	1,586.3
Less accumulated depreciation .....	1,235.8	1,235.3
Property and equipment, net .....	321.3	351.0
Deferred income taxes .....	147.3	158.2
Goodwill .....	363.9	1,350.5
Other intangible assets, net .....	33.5	92.5
Other noncurrent assets .....	50.6	71.0
Total noncurrent assets .....	916.6	2,023.2
Total assets .....	\$ 4,044.3	\$ 5,041.6
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable .....	\$ 1,051.9	\$ 892.3
Accrued liabilities .....	752.8	950.1
Income taxes payable .....	27.2	37.5
Current portion of debt, net .....	349.2	—
Liabilities held for sale .....	—	50.9
Total current liabilities .....	2,181.1	1,930.8
Deferred income taxes .....	0.1	5.0
Long-term debt, net .....	471.6	817.9
Other long-term liabilities .....	55.3	73.4
Total long-term liabilities .....	527.0	896.3
Total liabilities .....	2,708.1	2,827.1
Commitments and contingencies (Notes 8, 11 and 12)		
Stockholders' equity:		
Class A common stock — \$.001 par value; authorized 300.0 shares; 102.0 and 101.3 shares issued, 102.0 and 101.3 shares outstanding, respectively .....	0.1	0.1
Additional paid-in capital .....	27.7	22.1
Accumulated other comprehensive (loss) income .....	(54.3)	12.2
Retained earnings .....	1,362.7	2,180.1
Total stockholders' equity .....	1,336.2	2,214.5
Total liabilities and stockholders' equity .....	\$ 4,044.3	\$ 5,041.6

See accompanying notes to consolidated financial statements.

**GAMESTOP CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in millions, except per share data)

	Fiscal Year		
	2018	2017	2016
Net sales .....	\$ 8,285.3	\$ 8,547.1	\$ 7,965.0
Cost of sales .....	5,977.2	6,062.2	5,465.1
Gross profit .....	2,308.1	2,484.9	2,499.9
Selling, general and administrative expenses .....	1,888.6	1,909.6	1,861.9
Depreciation and amortization .....	105.6	122.3	136.7
Goodwill impairments .....	970.7	—	—
Asset impairments .....	45.2	13.8	19.6
Operating (loss) earnings .....	(702.0)	439.2	481.7
Interest income .....	(5.7)	(1.5)	(0.8)
Interest expense .....	56.8	56.8	53.8
(Loss) earnings from continuing operations before income taxes .....	(753.1)	383.9	428.7
Income tax expense .....	41.7	153.5	124.2
Net (loss) income from continuing operations .....	(794.8)	230.4	304.5
Income (loss) from discontinued operations, net of tax .....	121.8	(195.7)	48.7
Net (loss) income .....	<u>\$ (673.0)</u>	<u>\$ 34.7</u>	<u>\$ 353.2</u>
Basic (loss) earnings per share:			
Continuing operations .....	\$ (7.79)	\$ 2.27	\$ 2.94
Discontinued operations .....	1.19	(1.93)	0.47
Basic (loss) earnings per share .....	<u>\$ (6.59)</u>	<u>\$ 0.34</u>	<u>\$ 3.42</u>
Diluted (loss) earnings per share:			
Continuing operations .....	\$ (7.79)	\$ 2.27	\$ 2.93
Discontinued operations .....	1.19	(1.93)	0.47
Diluted (loss) earnings per share .....	<u>\$ (6.59)</u>	<u>\$ 0.34</u>	<u>\$ 3.40</u>
Weighted-average shares outstanding:			
Basic .....	102.1	101.4	103.4
Diluted .....	102.1	101.5	103.8

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**GAMESTOP CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)

	Fiscal Year		
	2018	2017	2016
Cash flows from operating activities:			
Net (loss) income .....	\$ (673.0)	\$ 34.7	\$ 353.2
Adjustments to reconcile net (loss) income to net cash flows provided by operating activities:			
Depreciation and amortization (including amounts in cost of sales) .....	126.9	151.9	166.7
Provision for inventory reserves .....	57.3	59.1	48.6
Goodwill and asset impairments .....	1,015.9	395.1	33.8
Stock-based compensation expense .....	10.7	25.6	17.8
Deferred income taxes .....	(4.1)	(107.9)	(37.2)
Excess tax benefits related to stock-based awards .....	—	—	0.8
Loss on disposal of property and equipment .....	2.0	8.5	10.4
Gain on divestiture .....	(100.8)	(6.4)	—
Other .....	(36.2)	(34.2)	(33.1)
Changes in operating assets and liabilities:			
Receivables, net .....	(34.4)	35.7	(43.9)
Merchandise inventories .....	(44.7)	(256.3)	14.7
Prepaid expenses and other current assets .....	2.2	(1.2)	(11.4)
Prepaid income taxes and income taxes payable .....	(18.7)	(24.7)	(49.1)
Accounts payable and accrued liabilities .....	17.1	169.8	64.1
Changes in other long-term liabilities .....	4.9	(14.8)	1.7
Net cash flows provided by operating activities .....	<u>325.1</u>	<u>434.9</u>	<u>537.1</u>
Cash flows from investing activities:			
Purchase of property and equipment .....	(93.7)	(113.4)	(142.7)
Acquisitions, net of cash acquired .....	—	(8.5)	(441.2)
Proceeds from divestiture, net of cash sold .....	727.9	58.5	—
Other .....	1.3	2.8	6.5
Net cash flows provided by (used in) investing activities .....	<u>635.5</u>	<u>(60.6)</u>	<u>(577.4)</u>
Cash flows from financing activities:			
Repayment of acquisition-related debt .....	(12.2)	(21.8)	(0.4)
Repurchase of common shares .....	—	(22.0)	(63.1)
Dividends paid .....	(157.4)	(155.2)	(155.5)
Proceeds from senior notes .....	—	—	475.0
Borrowings from the revolver .....	154.0	373.0	545.0
Repayments of revolver borrowings .....	(154.0)	(373.0)	(545.0)
Payments of financing costs .....	—	—	(8.1)
Issuance of common stock, net of share repurchases for withholding taxes ....	(5.1)	(3.5)	(8.4)
Excess tax benefits related to stock-based awards .....	—	—	(0.8)
Net cash flows (used in) provided by financing activities .....	<u>(174.7)</u>	<u>(202.5)</u>	<u>238.7</u>
Exchange rate effect on cash and cash equivalents and restricted cash .....	(24.7)	28.0	21.1
Decrease (increase) in cash held for sale .....	10.2	(5.4)	(2.2)
Increase in cash and cash equivalents .....	<u>771.4</u>	<u>194.4</u>	<u>217.3</u>
Cash and cash equivalents and restricted cash at beginning of period .....	<u>869.1</u>	<u>674.7</u>	<u>457.4</u>
Cash and cash equivalents and restricted cash at end of period .....	<u>\$ 1,640.5</u>	<u>\$ 869.1</u>	<u>\$ 674.7</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>			
Interest paid .....	\$ 53.5	\$ 53.4	\$ 38.0
Income taxes paid .....	\$ 122.9	\$ 168.3	\$ 230.1

See accompanying notes to consolidated financial statements.