


EPS growth in the future will be achieved through:

- Continued growth of PowerUp Rewards
- Market share gains
- N et square footage decline and transfering sales from closing stores
- Continued progress on mulichannel strategies and growth of digital revenue streams

Since initiating a disciplined capital allocation plan in Jan. 2010, GameStop's stock and debt buybacks have totaled more than one billion dollars and the company now operates debt free. We are committed to retuming excess cash to our shareholders through continued stock buybacks and, beginning in 2012, quarterly dividends.

In addition to incredible Downloadable Content (DLC) growth of 315 percent, GameStop's digital business grew in other significant areas. Kongregate.com grew considerably in both revenue and site visits. Game Informer launched a digital magazine that now has more than one million subscribers. We also added cloud gaming and PC download technology with the acquisitions of Spawn Labs and Impulse.

GameStop holds leading market share in most of the 15 countries where we operate. We will continue to rationalize our intemational store base, closing stores that are undemperforming and opening new stores where financially viable. O ur unique sales transfer method will allow us to retain customers throughout this process.


Revenue in millions


Diluted earnings per share
*Non-GAAP results exclude
Non-GAAP results; excludes restructuring, impairment and debtrelirement expenses



Receipts in millions
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Revenue in millions
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2011 was a year of transformation and change. At the beginning of the year, we challenged ourselves and our team to push the organization forward, building on GameStop's longstanding entrepreneurial and innovative culture. We are confident we delivered with several steps in 2011, including strategic acquisitions and key digital and mobile gaming initiatives that position us strongly for the future.

Early in the year, we executed our digital growth strategy with two important acquisitions: streaming technology company Spawn Labs and digital distribution service Impulse. These new technologies uniquely position GameStop to be the leader not only in the physical gaming space, but also in the digital delivery of video games. Later in the year, we took aggressive steps to enter the mobile space, selling a selection of Android tablets and accepting trades of iPod ${ }^{\circledR}$, iPhone $^{\oplus}$ and ${ }^{(P a d}{ }^{\circledR}$ devices. Using our refurbishment expertise, we began offering pre-owned iDevices in select stores. With the success of these mobile initiatives, it became clear that this is a natural fit for G ameStop's future growth.

Throughout our history, we have remained agile and responsive to the evolving video game industry. Fromentering the pre-owned business and acquiring EB Games, to investing in PC game downloads with Impluse, we have refused to become complacent As we continually reinvent ourselves to meet the changing needs of our customers, we remain committed to our core business of video gaming and believe that we are well positioned to take GameStop into the future.

On behalf of our board, executive leadership team and our 40,000+ team members worldwide, we thank you for your continued support of GameStop.


## Digital Initiatives

## game

Downloads makes it quick and easy to find and download more than 1,500 PC games. W ith the added flexibility of paying with any form of tender, including trades, GameStop is introducing downloadable PC games to a broader segment of gamers.

W ith the acquisition of Spawn Labs in March, GameStop laid the foundation for a new cloud gaming division. This Austin, Texastbased team will lead GameStop's cloud gaming expansion using the Spawn technology at its core.


Downloadable Content


Mobile Initiatives




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## GameStop <br> power to the players

