

## GameStop holiday sales nearly flat at \$3.02B

January 9 2012

---

(AP) -- Video game retailer GameStop Corp. on Monday reported nearly flat sales for the nine-week holiday period that ended on Dec. 31, as game software sales rose but sales of game consoles and other hardware slid.

The company backed its fourth-quarter and full-year earnings guidance.

Shares fell about 4 percent in early trading.

Total [sales](#) were \$3.02 billion, about the same as last year. Sales at stores that have been open at least a year declined 0.3 percent. This figure is a key gauge of a retailer's financial health because it excludes stores that open or close during the year.

Video game software sales grew nearly 10 percent to \$1.47 billion, helped by Activision Blizzard Inc.'s "Call of Duty: Modern Warfare 3" and Bethesda's "Elder Scrolls V: Skyrim," among other games.

Sales of new game hardware fell nearly 20 percent. The [Wii](#) and other [game consoles](#) are old, having launched in 2006 or earlier. There were also no big price cuts to stoke demand.

GameStop still expects to earn \$1.66 to \$1.76 per share in the fourth quarter, which is by far its busiest and most profitable quarter because of the holidays. Analysts polled by FactSet are expecting earnings of \$1.73 per share.

For the full year, the company is forecasting earnings of \$2.82 to \$2.92 per share. Analysts are expecting \$2.88 per share.

CEO Paul Raines said GameStop gained market share over the holidays, something it had not done until last year. That's because during the holidays, many shoppers buying video games as gifts tend to go to big-box retailers rather than a specialty store like GameStop, which is more popular with [hardcore gamers](#) who shop year-round.

Raines added that GameStop's used games business continues to be "really healthy." The company lets people trade in used games for store credit - used video game products accounted for about 21 percent of its total [holiday sales](#). It recently also started selling tablets, iPhones and iPods, and letting customers trade in these devices too. Mobile devices accounted for 4 percent of the total trades customers made during the holidays.

Shares of Grapevine, Texas-based [GameStop](#) fell \$1.08 to \$23.79.

©2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: GameStop holiday sales nearly flat at \$3.02B (2012, January 9) retrieved 18 April 2024 from <https://phys.org/news/2012-01-gamestop-holiday-sales-flat-302b.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--