

## Activision 1Q profit up, shoots past expectations

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Continued strong sales of "Call of Duty" and a steady stream of revenue from "World of Warcraft" subscribers helped double Activision Blizzard Inc.'s first-quarter net income.

The results easily surpassed Wall Street's expectations, but the company's guidance for the current quarter was below analysts' estimates.

Activision Blizzard Inc. said Thursday that it earned \$381 million, or 30 cents per share in the January-March quarter, up from \$189 million, or 14 cents per share, in the same period a year earlier.

Revenue rose 33 percent to \$1.31 billion, from \$981 million.

Using the measures comparable with analysts' expectations, Activision's adjusted earnings were 9 cents per share. Analysts had expected just 4 cents, according to Thomson Reuters.

The company's adjusted results exclude one-time charges and account for deferred revenue on games whose online components reap sales over an extended period. On this basis, revenue slid 1 percent to \$714 million, from \$724 million. But it surpassed Wall Street's expectations of \$570 million.

Activision, which is based in Santa Monica, Calif., has been able to weather the economic downturn better than other video game makers because of stellar "Call of Duty" sales and because it can rely on revenue from more than 11.5 million "World of Warcraft" players who pay monthly subscriber fees to play the game online.

Activision raised its full-year earnings outlook slightly. But for the current quarter, it issued an outlook below Wall Street's expectations. The company is expecting net income of 11 cents per share on revenue of \$925 million.

On an adjusted basis, it forecast earnings of 4 cents per share on revenue of \$700 million. That is below expectations of a net income of 9 cents per share on revenue of \$797 million.

The company, which had raised its guidance last month, said at the time that some of the first quarter's operating costs got pushed into the second. That helped boost first-quarter results, but put a dent in the current period.

French conglomerate Vivendi SA is majority owner of Activision.

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