

Activision posts higher 4Q earnings, revenue

The Associated Press

Video game publisher Activision Blizzard Inc. posted sharply higher earnings and revenue in the fourth quarter, surpassing Wall Street's expectations thanks to strong sales of its "Call of Duty" and "Skylanders" games.

The company earned \$354 million, or 31 cents per share, up from \$99 million, or 8 cents per share, in the same period a year earlier.

Revenue rose 26 percent to \$1.77 billion from \$1.41 billion

Adjusted earnings were 78 cents per share, up from 62 cents a year earlier. Adjusted revenue rose 8 percent to \$2.6 billion from \$2.41 billion.

The adjusted figures exclude special items and account for the effects of deferring revenue and the related cost of sales for games with online components. Like other video game companies, Activision spreads these out over time, while the game is played, rather than all at once.

On that basis, analysts were expecting earnings of 72 cents per share on revenue of \$2.44 billion, according to a poll by FactSet.

Activision expects to continue to deliver "strong profitability" in the short term, but "below our record-setting 2012 performance, due to a challenged global economy, the ongoing console transition and a difficult year-over-year comparison," said CEO Bobby Kotick in a statement. The comparisons will be difficult because of the success of "Diablo III" in 2012.

For the current quarter, the company is forecasting adjusted earnings of 10 cents per share and adjusted revenue of \$690 million. Analysts are predicting earnings of 9 cents per share on revenue of \$693.5 million.

For the full year, Activision expects adjusted earnings of 80 cents per share on revenue of \$4.18 billion,

Analysts are expecting earnings of 97 cents per share on revenue of \$4.52 billion.

Shares of Santa Monica, Calif.-based Activision rose 65 cents, or 5.4 percent, to \$12.71 in after-hours trading. The stock closed the regular trading session up 12 cents at \$12.06 before the release of the earnings report.

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