

Electronic Arts 2Q loss expands; raises forecast

October 27 2011, By RYAN NAKASHIMA , AP Business Writer



This Feb. 25, 2008, file photo, shows the exterior view of Electronic Arts Inc. headquarters in Redwood City, Calif. Electronic Arts Inc. reports quarterly earnings Thursday, Oct. 27, 2011, after the market close. (AP Photo/Paul Sakuma, File)

(AP) -- Video game maker Electronic Arts Inc. said Thursday that its second-quarter loss expanded from a year ago due to higher costs, even as revenue grew.

It raised its sales forecast for the all-important holiday season slightly above analyst estimates. CEO John Riccitiello said sales of "Battlefield 3," which launched two days earlier, were "very strong."

The net loss in the three-month period ending on Sept. 30 grew to \$340 million, or \$1.03 per share. Last year, the company had a quarterly loss of \$201 million, or 61 cents per share. EA said costs for marketing,

research and development increased from last year.

Excluding stock compensation costs, acquisition expenses and other costs, adjusted earnings came to 5 cents per share, beating the adjusted loss of 4 cents per share expected by analysts polled by FactSet.

Adjusted revenue, which accounts for deferred revenue from games with online components, rose 17 percent to \$1.03 billion from \$884 million, helped by sales of its sports games "FIFA 12" and "Madden NFL 12." That also beat the \$955 million expected by analysts.

"Our results reflected a tremendous performance by our EA Sports titles and a strong showing on a new game on the Facebook platform, 'The Sims Social,'" Riccitiello said on a conference call with analysts. "We're now focused on our biggest title for the holiday."

The company said it expects adjusted revenue in the current quarter through December of \$1.55 billion to \$1.65 billion, with the midpoint slightly higher than the \$1.59 billion expected by analysts.

EA lifted the bottom end of its full-year adjusted earnings. It now expects a range of 75 cents to 90 cents, instead of 70 cents at the low end. Analysts were already expecting 89 cents.

The results didn't satisfy investors after a broad rally by stocks Thursday. Shares in the Redwood, Calif.-based company were down 80 cents, or 3.3 percent, at \$23.50 in after-hours trading after closing up 11 cents at \$24.50 in the regular session.

©2011 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Electronic Arts 2Q loss expands; raises forecast (2011, October 27) retrieved 26 June

2024 from <https://phys.org/news/2011-10-electronic-arts-2q-loss.html>

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.