

## Activision 3Q earnings soar, 2011 outlook raised

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(AP) -- Activision Blizzard Inc. said Tuesday that its third-quarter net income nearly tripled thanks to strong demand for its video games. The company also raised its full-year outlook on the heels of Tuesday's launch of its latest "Call of Duty" blockbuster.

The [video game publisher](#) earned \$148 million, or 13 cents per share, in the July-September period. That's up from \$51 million, or 4 cents per share, a year earlier.

Revenue rose 1 percent to \$754 million from \$745 million.

Adjusted earnings were \$87 million, or 7 cents per share, in the latest quarter - above the 2 cents per share that analysts polled by FactSet were expecting. Adjusted revenue was \$627 million, above analysts' expectations of \$565 million.

These 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.

Activision is forecasting fourth-quarter adjusted earnings of 55 cents per share on revenue of \$2.17 billion. Analysts are forecasting earnings of 53 cents per share on revenue of \$2.11 billion on that basis.

Long lines of gamers have formed outside [retail stores](#) to buy "Call of

Duty: Modern Warfare 3." The game is expected to break industry records set by its predecessor a year ago for metrics such as first-day sales and overall dollar sales. Last year's "[Call of Duty: Black Ops](#)" went on to sell more than 25 million copies.

The fourth quarter is usually the most important one for video game companies because it includes [holiday sales](#). Activision, which is based in Santa Monica, Calif., tends to give conservative guidance.

The company's stock increased 29 cents, or 2.1 percent, to \$14.22 in extended trading after the results came out. Earlier, the stock closed up 19 cents, or 1.4 percent, at \$13.93.

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