

CBS 4Q earnings top views, but sales fall short

February 16 2012, By RYAN NAKASHIMA , AP Business Writer

(AP) -- Broadcasting giant CBS Corp. said Wednesday that its earnings rose 31 percent in the final quarter of 2011, thanks to licensing shows to online video companies such as Netflix as well as cost-cutting that helped offset an advertising slowdown.

Revenue posted a surprising decline, and shares fell 77 cents, or 2.6 percent, to \$28.80 in after-hours trading Wednesday.

Net income rose to \$370 million, or 55 cents per share, from \$283 million, or 41 cents per share, a year ago.

Excluding restructuring charges of \$46 million, adjusted earnings came to 57 cents per share, beating the 53 cents expected by analysts polled by FactSet.

Revenue fell 3 percent to \$3.78 billion from \$3.9 billion. That was below the \$3.9 billion expected by analysts, which would have been flat with a year ago.

In the fourth quarter, The CW, the joint venture network between CBS and [Time Warner Inc.](#), entered deals to license shows like "The Vampire Diaries" to Netflix and Hulu after their initial airing on TV. Such sales are seen as being highly profitable and help reduce the company's reliance on advertising revenue, which is subjected to the ups and downs of the [business cycle](#).

"As our momentum builds and our revenue mix becomes more steady and recurring, we are positioned to enhance margins, drive earnings, and return significant value to our shareholders for many years to come," CEO Leslie Moonves said in a statement.

Advertising revenue fell 4 percent to \$2.51 billion in the quarter and dropped 2 percent for the year to \$9.01 billion.

For the full year through December, total revenue at New York-based CBS grew 1 percent to \$14.25 billion from \$14.06 billion. Net income rose 80 percent to \$1.31 billion, or \$1.92 per share, from \$724 million, or \$1.04 per share, in 2010.

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Citation: CBS 4Q earnings top views, but sales fall short (2012, February 16) retrieved 27 April 2024 from <https://phys.org/news/2012-02-cbs-4q-views-sales-fall.html>

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