

Coinstar's 1Q earnings drop as Redbox growth slows

April 25 2013

(AP)—Coinstar's first-quarter earnings plunged 58 percent amid signs that its Redbox kiosks for DVD rentals are losing their appeal as more people switch to Netflix and other Internet video services.

The results announced Thursday still turned out better than analysts anticipated, despite Redbox's slowing revenue growth. That was enough to lift Coinstar Inc.'s [stock](#) 6 percent in aftermarket trading.

The company, which is based Bellevue, Wash., also disclosed plans to change its name to Outerwall. Management believes the new identity underscores the company's ambitions to push "the walls of retail into a new dimension."

Coinstar earned \$23 million, or 78 cents per share, during the first three months of the year. That compares with \$54 million, or \$1.65 last year.

Revenue edged up 1 percent from last year to \$575 million. Costs grew about 8 percent to \$526.8 million.

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