

EA 1Q loss widens but results surpass expectations

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FILE - In this file video game image released by Electronic Arts, a scene from "The Sims 3," where various personality traits can be selected for a character, is shown. Electronic Arts is expected to report fiscal first quarter earnings after the market closes Tuesday, Aug. 4, 2009. (AP Photo/Electronic Arts, file)

(AP) -- Lower revenue from packaged video games amid a seasonal slump for the industry gave Electronic Arts Inc. a larger net loss in its fiscal first quarter. But investors cheered as its adjusted results soundly surpassed expectations.

Shares rose nearly 4 percent in after-hours trading as EA posted an adjusted loss Tuesday that was far smaller than [Wall Street](#) estimates, thanks to strong launches of such games as "The [Sims 3](#)" and "EA Sports Active."

Redwood City, Calif.-based EA said it lost \$234 million, or 72 cents per share, in the April-June period, compared with a loss of \$95 million, or 30 cents per share, in the same quarter a year earlier.

Revenue fell 20 percent to \$644 million from \$804 million.

Excluding [restructuring](#) charges and other items, EA lost 2 cents per share in the latest quarter. On this basis, analysts polled by Thomson Reuters had expected a loss of 13 cents a share.

Adjusted revenue, was \$816 million, up 34 percent from last year. This is above the \$729.5 million that analysts were expecting.

EA provides adjusted sales and figures because it counts revenue from the sale of online services included in some of its packaged games, as well as other online content, over an estimated service period rather than when the game is sold.

In the latest quarter, this meant the deferral of \$172 million of revenue to later periods. In the year-ago period, however, it meant a benefit of \$195 million.

Looking ahead, EA reaffirmed its previous adjusted guidance for fiscal 2010. It also said it expects a net loss of 85 cents to \$1.35 for the year, compared with its earlier outlook of a loss of 85 cents to \$1.45 per share.

On an adjusted basis, EA is forecasting a profit of about \$1 per share on sales of \$4.3 billion.

This compares with analysts' expectations of a profit of 97 cents per share on sales of \$4.28 billion.

Shares rose 81 cents, or 3.7 percent, to \$22.70 in after-hours trading.

Before the release of results, EA shares closed up 34 cents, or 1.6 percent, at \$21.89.

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