

# Google: No Filtering Software, Just Strong Revenue

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Google-owned sites saw a dramatic jump, with \$2.28 billion in revenue, or a 76 percent increase from one year ago. The revenue didn't include numbers from DoubleClick, which Google acquired earlier this week.

George Reyes, Google's chief financial officer, touted the company's international gains, which reached \$1.71 billion in revenue, or 47 percent of the total. The United Kingdom took up \$578 million of that \$1.71 billion, though Google also saw growth in Germany, Spain and France, Reyes said.

Most of the \$597 million the company spent on capital expenditures went toward data centers, servers and networking costs, Reyes said.

Google has added more than 1,500 employees in 2007 for a current total of 12,238. Reyes said he expects a "continued growth in headcount."

Executives focused a good deal of their time on Google's advertising business.

Clients have "realized there is efficiency in online advertising," said Sergei Brin, Google's president of technology. "Advertisers don't have all the metrics they need to decide which ads to run where and we think we can expand that more to broader kinds of media – not just static images."

"With the acquisition of Double Click, we think we can make more advertisers much more efficient," Brin said.

"We've been incorporating the quality component into ads from the start," said Jonathan Rosenberg, Google's director of business development, pointing to February changes Google made to its quality-based bidding.

"We added to the front-end the ability to give advertisers transparency into their quality," Rosenberg said. "That actually allowed the results to improve pretty substantially."

Reyes said traffic acquisition costs, or revenue shared with Google partners, increased to \$1.1 billion from \$976 million in Q4 of 2006, which he attributed to "the growth of more significant AdSense partnerships."

Schmidt, meanwhile, downplayed reports that Google had announced at the National Broadcasters Association conference that would apply to its site and the recently acquired YouTube.

"Those reports did not quite get the gist," he said. "Google is building a tool that allows publishers to somewhat automate the take-down process. It's not a filtering system. It doesn't block uploads. It allows us to remove content - quicker - and is very much compliant" with the Digital Millennium Copyright Act."

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