

Google shares surge on strong earnings

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A sign is posted outside of the Google headquarters January 2010 in Mountain View, California. Google shares surged on Wall Street on Friday after the Internet search giant reported strong quarterly earnings.

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Google shares were up 59.88 dollars, or 11.07 percent, to 600.80 dollars in early afternoon trading.

The Mountain View, California-based Google [on Thursday reported](#) a 32-percent leap in net profit to 2.17 billion dollars and a 23 percent surge in revenue to 7.29 billion dollars, beating the expectations of Wall

Street analysts.

In a bid to demonstrate the company can generate revenue from something other than Internet [search advertising](#), Google for the first time on Thursday released revenue figures for its online display and mobile ad businesses.

Google is on track this year to take in 2.5 billion dollars from [display advertising](#) and more than a billion dollars from ads on mobile devices, senior vice president of product management Jonathan Rosenberg said.

"Our core business grew very well, and our newer businesses -- particularly display and mobile -- continued to show significant momentum," Google chief executive [Eric Schmidt](#) said.

Display ads are essentially online billboards as opposed to promotional links served up with search results.

Financial analysts were bullish on Google's results and outlook.

"With display and mobile now on a combined run-rate of 3.5 billion dollars and more transparent within the company's numbers, we believe the street will begin to give Google more credit for these newer revenue sources," said Douglas Anmuth of Barclays Capital.

Youssef Squali of Jefferies said Google "had a great quarter on almost all fronts."

"With improving non-search [revenue](#), increasing international and domestic volume and pricing in its core business, as well as an improving online advertising macro environment, we believe Google is poised to continue its momentum towards the end of fiscal 2010 into fiscal 2011," Squali said.

Lou Kerner of Wedbush estimated that [Google](#) is "growing 50 percent faster than the global Internet ad market due to its scale and executional prowess."

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