

Google 2Q earnings soar past analyst estimates

July 14 2011, By MICHAEL LIEDTKE , AP Technology Writer



In this May 11, 2011 file photo, attendees await the morning keynote address at the Google IO Developers Conference in San Francisco. Google Inc., releases quarterly financial results Thursday, July 14, 2011, after the market close. (AP Photo/Marcio Jose Sanchez, file)

(AP) -- Google Inc. ushered in new CEO Larry Page with second-quarter earnings that were far better than analysts expected.

The results released Thursday reassured investors who had been fretting whether Google would still thrive under Page's leadership. The Google co-founder replaced [Eric Schmidt](#), the CEO of the previous decade, at the start of the quarter.

[Wall Street](#) wasted little time signaling its exuberance with Page's performance. Google shares increased \$52.69, or 10 percent, to \$581.63

in extended trading after finishing the regular session at \$528.94.

[Google Inc.](#) earned \$2.5 billion, or \$7.68 per share, in the April-June period. That's a 36 percent increase from \$1.84 billion, or \$5.71 per share, a year ago.

If not for costs covering employee stock, Google says it would have earned \$8.74 per share. That figured easily topped the average estimate of \$7.84 per share among analysts surveyed by FactSet.

Revenue increased 32 percent to \$9 billion, the first time in Google's 13-year history that it has brought in that much money in a quarter.

After subtracting Google's advertising commissions, revenue stood at \$6.9 billion - nearly \$400 million above analyst projections.

Google fared so well because advertisers were willing to pay higher prices to promote their products on the Internet's largest marketing network. The average price paid per advertising click on Google's network rose 12 percent from last year. Web surfers also found the ads more enticing, clicking on them 18 percent more than they did at the same time last year.

Page delivered the impressive results even while standing by his vow to bring in more engineering talent and investing heavily in more data centers so that Google can keep expanding into new fields to make even more money in the future. Google's newest venture, a Facebook-like social network called Plus, debuted two weeks ago and has grown quickly amid positive reviews.

Google added 2,452 employees in the second quarter, including 450 workers inherited as part of the company's \$700 million purchase of airline fare tracker ITA Software.

©2011 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Google 2Q earnings soar past analyst estimates (2011, July 14) retrieved 23 June 2024 from <https://phys.org/news/2011-07-google-2q-soar-analyst.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.