

# Google profit rises 16%, short of forecasts

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Google said Thursday its second-quarter profit rose 16 percent from a year ago, but its results fell far short of market expectations.

The Internet giant reported a profit of \$3.23 billion, up from \$2.79 billion a year ago. The adjusted earnings translated to \$9.56 per share, far below Wall Street expectations of \$10.78.

Revenues were up 19 percent to \$14.11 billion, also below most analyst forecasts.

Google shares tumbled 4.1 percent in after-hours trade on the news, to \$873.49, in a retreat from the Internet giant's record run toward the \$1,000 level.

But Google's chief executive Larry Page put a positive spin on the report.

"Google had a great quarter with over \$14 billion in revenue—up 19 percent year-on-year," said Page.

"The shift from one screen to multiple screens and mobility creates tremendous opportunity for Google.

"With more devices, more information, and more activity online than ever, the potential to improve people's lives even more is immense."

Google said 55 percent of its revenues, or \$7.2 billion, came from

outside of the United States, roughly the same amount as the past quarter and the same period last year.

Revenues from Motorola Mobile, the handset maker it acquired last year, were \$998 million, up from \$843 million in the same period a year ago.

But the unit posted an operating loss of \$342 million, wider than the \$199 million loss a year earlier.

Page, in comments to company's earnings conference, said the results represent an "amazing performance for a company that has yet to celebrate its fifteenth birthday!"

He added, "I am so excited about the velocity and execution on our platforms, apps and devices... the potential for technology to make people's lives better is tremendous. But to achieve that potential we need to stay focused. It's why we continue to invest the vast majority of our resources and time in our core products."

The results were released at the same time fellow tech giant Microsoft also released results shy of expectations, sending its shares tumbling.

Microsoft took a charge of \$900 million for "inventory adjustments" of its entry-level Surface, which has failed to gain traction in the tablet market.

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