

# LinkedIn's 4Q tops analyst views, stock surges to new high

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In this Nov. 6, 2014 photo, a LinkedIn employee walks past a company logo at the company's headquarters in Mountain View, Calif. LinkedIn reports quarterly financial results on Thursday, Feb. 5, 2015. (AP Photo/Marcio Jose Sanchez)

(AP)—LinkedIn maintained its perfect record of pleasant surprises as the online professional networking service expanded its reach during the fourth quarter and added more tools to help connect salespeople with potential customers.

The results announced Thursday marked the 15th consecutive quarter that LinkedIn's earnings and revenue have exceeded analysts' projections since the Mountain View, California, company went public in May 2011.

The streak has been driven in part by LinkedIn's cautious approach in the financial forecasts it releases every three months. Many analysts suspect management deliberately sets a low bar so it's easier to clear. The suspected gamesmanship has prompted some analysts to boost their predictions above LinkedIn's projections yet the company has still managed to top those numbers every quarter so far.

It's a habit that investors love. After hitting a new peak during Thursday's regular trading, LinkedIn's stock surged another \$15.91, or nearly 7 percent, to \$253.15 in extended trading.

The company earned \$3 million, or 2 cents per share, during the final three months of last year. That represented a 21 percent decrease from \$3.8 million, or 3 cents per share, in the same 2013 period.

If not for certain accounting items, LinkedIn said it would have earned 61 cents per share. That figure exceeded the average estimate of 53 cents per share among analysts surveyed by FactSet.

Fourth-quarter revenue climbed 44 percent from the previous year to \$643 million—about \$26 million above analysts' projections.

LinkedIn Corp. ended December with 347 million users who had posted their work histories on the service, a gain of 15 million from September. More people clocked into LinkedIn, too, and spent more time perusing the career advice shared on its site. That trend is a positive sign because it helps LinkedIn gather more insights about its users and sell advertising.

Unlike most Internet services, LinkedIn generates most of its revenue from additional features, tools and access that it sells to other companies and headhunters on the prowl for talented workers. The company also has recently started to help companies generate more sales of their products and services.

"LinkedIn creates value for members by connecting them to the people, knowledge and opportunities that matter most to them professionally," CEO Jeff Weiner said in prepared remarks for a Thursday conference call with analysts.

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