

AOL posts profit in 'milestone' quarter

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AOL on Wednesday posted a profit for the second quarter of \$970.8 million, boosted by a big sale of patents, while citing signs of progress in turning around the struggling Internet firm.

The profit was the result of a billion-dollar deal announced in April to sell a large number of patents to Microsoft, but the company said the operating results showed improvement.

"Today's results represent a significant milestone for AOL," chairman and chief executive Tim Armstrong said, noting that the company for the first time in four years posted operating earnings excluding depreciation and amortization.

"The strong results and consumer performance we announced today are clear signs our strategic and operating efforts are translating into significant financial progress."

AOL, formerly known as [America Online](#), has been struggling since the [collapse](#) of its leadership as an Internet subscription service, and has been seeking to become a more diversified Web firm.

It fused with news and entertainment giant Time Warner in 2001 at the height of the dotcom boom in what is considered one of the most disastrous [mergers](#) ever.

It was spun off by Time Warner in December 2009 into an independent company and has been struggling since then as it tries to focus on media and news.

AOL's [revenue](#) declined two percent, its lowest rate of decline in seven years, to \$531 million. [Advertising revenue](#) grew six percent, its fifth consecutive quarter of year-over-year growth.

Subscription revenues fell 12 percent, the lowest rate of decline in five years.

The research firm eMarketer said AOL's share of US online ad revenues is declining. The company's share of online ad revenues in the US declined to 2.8 percent in 2011, down from 3.4 percent in 2010. The group predicts [AOL](#)'s share of revenues will fall further to 2.4 percent this year.

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