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Google hails 'impressive' growth

Google more than doubled its profits in the second quarter, beating the expectations of analysts.



Google enjoyed a better-than-expected three months

The search giant generated net income of \$721m (£390m) in the three months to the end of June, compared with \$342m for the corresponding period last year.

Google said the "impressive" result was driven by the launch of new products and services across various markets.

Its performance contrasts with that of rival Yahoo which warned about its 2006 trading on Tuesday.

Concerns about its trading outlook and the delayed development of a new ad search service led to a sharp fall in Yahoo's shares.

'Strong performance'

In contrast, Google saw its revenues for the last trading period rise 77% to \$2.46bn from a year earlier.

This represented a 9% rise in sales from the previous quarter, ahead of market forecasts.

"Google grew at an impressive pace during a seasonally slow quarter," chief executive Eric Schmidt said in a statement.

"Our strong performance results from our clear focus on increasing the quality of user experience, particularly in search and ads."

“ Overall the revenue came in certainly better than what I had been looking for ”

David Garrity, Dinosaur Securities

Google has a 44% share of the US search market, and derives more than 40% of its sales from international operations.

Google reported its figures after the close of trading in New York but its shares rose more than 1.5% in after-hours trading.

Analysts said the figures showed that the steam had yet to be taken out of Google's rapid growth over the past eighteen months.

"Overall the revenue came in certainly better than what I had been looking for," said David Garrity, from Dinosaur Securities.

"The fact that you have got that kind of growth coming from overseas, where it is mostly going through Google's own network, probably can be seen as positive."

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