

Google to Report After Market Close Today

Date: October 13, 2011 8:52 AM

Author: [Andy Dufrane](#)

Source: Alexei Oreskovic, Richard Chang, Reuters

Categories: [Editors Desk](#)

Tags: [GOOG](#), [MOT](#)

Permalink: <http://bit.ly/nHx5i0>

Shawshank, VA 10/13/2011 ([PennyPayDay](#)) – Analysts expect Google to deliver solid financial results in the recently ended quarter, with revenue up more than 30 percent year-on-year at \$7.21 billion.

But the darkening economic picture is raising concerns that advertisers could pull back on spending in the months ahead, cutting into revenue and profit margins at Google, which derived 96 percent of its revenue last year from advertising.

"We'll see some of those concerns if we start to see pricing come down a little bit," said Susquehanna Financial Group analyst Herman Leung, referring to the cost per click that Google charges advertisers.

Still, he noted that Google's online search advertising should fare better than other types of ad businesses in a slowing economy.

Analysts polled by Thomson Reuters I/B/E/S expect Google to post earnings of \$8.74 per share, excluding certain items, during the third quarter.

Google has been on a spending spree for the past year, boosting its headcount and acquiring dozens of companies as it seeks to counter competitive pressure from the likes of Facebook and Apple Inc.

In August, Google announced plans to acquire mobile phone vendor Motorola Mobility Holdings for \$12.5 billion. The deal, which Google expects to close late this year or early 2012, will give it one of the wireless industry's largest patent libraries, as well as hardware manufacturing operations that will allow Google to develop its own line of smartphones.

But analysts and investors worry that Google is entering a low-margin business in which it has no experience. A move to build its own phones could also jeopardize support for Google's free Android mobile software from other phone manufacturers such as Samsung Electronics and HTC Corp.

Google's stock is down 2.7 percent since mid-August when it announced plans to acquire Motorola, while the Dow Jones Industrial Average is up roughly 2.2 percent during that time.

Investors are eager for more details about Google's mobile strategy, as well as for an update on the health of its mobile advertising and its online display advertising.

Google does not disclose results for either of those businesses, although it provided investors with a peek in the third quarter of 2010. The company said at the time that its mobile business was generating revenue at a \$1 billion annual run rate and that its display business was generating revenue at a \$2.5 billion run rate.

Google's recently launched social networking service, Google+, is also on investor radars. Its effort to challenge Facebook's dominance in the red-hot social networking market got off to a fast start in June, collecting 10 million users in the first two weeks.

But Google has not provided an update on the service since then, and some media reports have suggested that user interest in the service is flagging.

Google will report its third-quarter results after the market closes on Thursday.

[PennyPayDay Disclaimer](#)

[Distributed by Viestly](#)