Yahoo Misses as 2Q Ad Sales Lag

Associated Press

NEW YORK (AP) — Yahoo Inc. said Tuesday that its second-quarter earnings and revenue declined, hurt by a decline in display advertising sales that the company has been struggling with in recent years.

The Internet company earned $270 million, or 26 cents per share, in the March-June quarter. That's down from $331 million, or 30 cents per share, in the same period a year earlier. Adjusted earnings were 37 cents per share in the latest quarter.

Revenue fell 4 percent to $1.08 billion from $1.14 billion. After subtracting commissions paid to Yahoo's ad partners, revenue totaled $1.04 million, down 3 percent from $1.07 billion a year ago.

Analysts were expecting adjusted earnings of 39 cents per share and post-commission revenue totaling $1.09 billion, according to Zacks Investment Research.

CEO Marissa Mayer said the company was "not satisfied" by the results.

"(We) saw display revenue decline, further highlighting the fact that we need to work faster to ameliorate the negative trends," she said in a statement. "I believe we can and will do better moving forward."

The company also announced a deal with China's Alibaba Group, in which it holds a 24 percent stake, to reduce the number of shares Yahoo is required to sell in the Chinese Internet company when it goes public later this year. The deal overshadowed Yahoo's lackluster results and sent its stock higher after-hours.

Shares of the Sunnyvale, California-based company rose 34 cents to $35.95 in extended trading.

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