

Yahoo posts fall in revenue

Internet search engine Yahoo has seen revenues in the quarter to 30 June fall 13%, citing the challenging economic environment.

Revenues for the three-month period dropped to \$1.57bn (£953m) from \$1.79bn in the same period a year earlier.

Meanwhile profit for the quarter edged up to \$141m from \$131.

Yahoo shares fell 4% in after-hours trade after saying income this quarter would range between \$55m to \$65m, from \$76m in the second quarter.

Ross Sandler, an analyst with RBC Markets said: "Everybody expected conservative guidance. It's more conservative than even most people had expected. There aren't great estimates out there."

Yahoo chief executive Carol Bartz said "We established a clear, simple vision to be the centre of people's lives online, and we're backing that vision with important initiatives to create 'wow' experiences for our users".

Yahoo earned \$141.4m, or 10 cents per share, in the quarter ending in June, up \$131.2m, or 9 cents per share, in the same period in 2008.

The results come as the firm unveils its redesigned front page, to make it easier to users to access content.

The move is aimed at boosting its position as the main portal to the web.

Deal?

Laxmi Poruri, an analyst with Primary Global Research, was more upbeat: "The revenue was a little bit under what people wanted but earnings per share was better than expected."

"This is definitely a sign that they're trying to be more efficient. What's really holding (the stock) up is an imminent deal that people are expecting with Microsoft."

Last year a tie-up between the firms collapsed after Microsoft's \$47.5bn takeover bid for Yahoo collapsed.

And Yahoo's attempt to form an alliance with Google came to nothing following regulatory examination.

But in recent days, there has been renewed speculation that a deal between Microsoft and Yahoo is imminent.

Investor Carl Icahn, who holds around 5% of Yahoo, recently voiced his backing for such a deal.

Story from BBC NEWS:
<http://news.bbc.co.uk/go/pr/fr/-/2/hi/business/8162119.stm>

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