



Instant View: Yahoo earnings top expectations

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SAN FRANCISCO (Reuters) - Yahoo Inc exceeded Wall Street's earnings expectations in the first quarter thanks to the sale of some of its assets and its search deal with Microsoft, but the company's revenue fell a hair short of Wall Street expectations.

Shares of Yahoo rose slightly in after hours trade.

COMMENTARY:

COLIN GILLIS, ANALYST, BGC FINANCIAL

"All around this is just the kind of quarter that we wanted.... In 2010 it's more of an earnings story, particularly this quarter. It's the first time we've had year over year revenue growth in six quarters. That's big.

"It's a return to growth even if it's 1 percent and you have earnings leverage."

LAXMI PORURI, ANALYST AND PARTNER, PRIMARY GLOBAL RESEARCH

"We'll hear on the call where the growth came from on a year-to-year basis. We're expecting a shortfall on the search (advertising) side. We've noticed a huge decrease in spending on their affiliate side, that probably affected the revenue top line a bit -- they fell short of consensus a little bit."

"To get people really excited, they really need to show a lot of growth on the display (advertising) side, because that's ultimately where their strategy is heading."

(Reporting by Yinka Adegoke, Paul Thomasch, Alexandria Sage and Bill Rigby; editing by Peter Henderson)