

Google's profit of \$3.42bn in three months

SAN FRANCISCO, USA: Google reported its quarterly profit rose to \$3.42bn and revenue climbed to \$16bn for the year, an increase of 22%.



Google's Patrick Pichette says the company plans to integrate Chrome and Android to offer users a seamless experience across all devices they use. Image: [WordStream](#)

The company also confirmed that its high-profile Executive Nikesh Aurora was stepping down after 10 years with the company. Aurora will be replaced in the interim by Omid Kordestani, a business founder who led Google's sales teams.

Google's Chief Financial Officer Patrick Pichette steered talk on the call away from Aurora's career move where he will take a job at Japan's SoftBank.

Pichette said: "We are moving forward with great product momentum and are excited to continue providing amazing user experiences, with a view to the long term."

He said a key factor in revenue was the jump in "paid clicks," for ads related to searches on Google and its partner sites.

Total paid clicks were up 25% from a year ago and two percent higher than the last quarter, while the average cost per click was down six percent from a year earlier.

Google is the leader in digital advertising with a 31.9% share of the global market in 2013, according to the research firm eMarketer. The closest rival was Facebook with 5.8%.

Lion's share of advertising market worldwide

According to eMarketer, Google has more than 50% of the worldwide mobile advertising market.

Google's profit per share was \$6.08, about 16 cents below analyst forecasts but revenues were better than the average estimate of \$15.6bn.

"It was yet another okay quarter for Google," said Gartner Analyst Brian Blau, expressing optimism about the company's long-term prospects. "I am encouraged by Google's approach to engineering, and how they enable products by building cool technology. They try to keep their users happy."

The global popularity of mobile devices powered by Google-back Android software put the company's money-making services in the hands of growing ranks of users.

Meanwhile, a boom in wearable computers such as smartwatches and Internet-linked eyewear promises to benefit Google over the long haul, the analyst claimed.

While Google makes most of its money from digital advertising, it has been moving into new areas such as home automation, self-driving cars and wearable technology like Google Glass.

Pichette told analysts that Google takes a venture capitalist approach to new projects, calling on teams to hit milestones and make their cases when it comes to being funded.

New projects, tighter integration



Google says its wearable technology is expected to provide long-term and sustainable revenue streams for the company. Image: Wikipedia

With projects such as autonomous cars underway in the Google X lab, payoff could be years away, while new software creations could generate faster returns.

Google's Chrome and Android operating systems will be wound tightly together as the technology company makes a priority of providing experiences and services that move smoothly from one screen to another.

"The systems are converging," Pichette said of Android-powered mobile devices and the Chrome operating system for computers.

"We have a lot of cross-pollination of teams," he said, adding that Google has about 60% of its cash reserves outside the US and that there was an "interesting case" for keeping it there.

"We do have great opportunities outside the US to invest our cash," Pichette said, noting opportunities for acquisitions, building data centres and expanding offices.

Source: AFP via I-Net Bridge

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