

Latest quarter, view boost Web services co. Akamai

The Associated Press

Akamai Technologies Inc.'s stock soared Thursday after its latest quarterly results, which reflect the boost the company is getting from the increasing popularity of online shopping and entertainment.

Akamai helps websites deliver content to users. Driving its revenue in the October-December quarter were holiday shoppers, who ramped up their online purchases, and higher traffic in its media and entertainment division.

Electronic commerce in the 2011 holiday shopping season rose about 15 percent from the year before, according to the research firm comScore Inc. And Jefferies analyst Aaron Schwartz said consumers are increasingly shifting to watching streaming online video, which sets Akamai up for strong growth this year.

In the fourth quarter, Akamai said net income grew 15 percent. Excluding one-time items, its profit was 45 cents per share. That topped the 40-cent estimate of analysts polled by FactSet. Revenue grew 14 percent to \$323.7 million. Analysts expected \$311.9 million.

Akamai expects earnings in the current quarter of 36 cents to 39 cents per share on revenue of \$305 million to \$313 million. Analysts expect earnings of 39 cents per share on revenue of \$305.7 million.

Mark Harding of JMP Securities said that the company's executives "provided a compelling outlook" for new products related to security and mobile. But the impact of the new initiatives won't be felt for a while, he said. He raised his price target on Akamai's shares by \$4 to \$40.

The company also announced that James Benson is being promoted to chief financial officer, effective March 1. Benson, who currently serves as senior vice president of finance, succeeds J. Donald Sherman.

Akamai's stock gained \$3.52, or 10.2 percent, to \$37.96 in afternoon trading. Shares had been up about 7 percent this year, and have traded between \$18.25 and \$43.58 in the past 52 weeks.

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