

Akamai Technologies Q1 earnings down, CEO leaving

The Associated Press

Akamai Technologies Inc. reported Wednesday that its first-quarter net income fell 15 percent, reflecting costs to the company of two significant acquisitions.

Akamai also announced that President and CEO Paul Sagan plans to leave by the end of next year and will help with the transition to a new chief executive.

In addition, Akamai announced approval of a \$150 million extension of its share repurchase program, effective for a 12-month period starting May 1.

The company helps websites deliver content to users. It provides cloud, mobile and Internet security solutions to clients. Akamai earned \$43 million, or 24 cents a share, in the January-March quarter, down from \$51 million, or 26 cents a share, in the first quarter of 2011.

Adjusted income, without special items, was 41 cents per share.

Revenue increased 16 percent to \$319 million from \$276 million.

Analysts polled by FactSet expected earnings of 38 cents a share on revenue of \$311 million.

Akamai, based in Cambridge, Mass., acquired Cotendo, an Internet and mobile technology provider, for about \$268 million in late December and Canadian company Blaze Software Inc. in February. The amount it paid for Blaze wasn't disclosed.

Sagan said in a statement that Akamai's customers have responded positively to the investments the company has made to support mobile and cloud computing, Internet security, and the shift of video to the Internet.

Akamai shares fell \$2.55, or 6.6 percent, to \$36.20 in after-hours trading, following the release of the company's earnings report.

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