AOL posts 3Q profit as ad revenue increases

The Associated Press

AOL Inc. posted a third-quarter profit on Tuesday, reversing a loss a year earlier, and its advertising revenue grew for the sixth straight quarter.

Results beat Wall Street's expectations and AOL's shares rose 4 percent just before the opening bell.

The Internet company earned $20.8 million, or 22 cents per share, in the July-September period. Last year, it posted a loss of $2.6 million, or 2 cents per share, in the same period.

Revenue was $531.7 million, the same as a year ago. Advertising revenue grew 7 percent to $340 million, but the company's dial-up Internet business continued to decline.

Analysts, on average, were expecting earnings of 18 cents per share on revenue of $519.7 million, according to a poll by FactSet.

It was the best quarterly revenue growth in seven years, and results topped company expectations, said CEO Tim Armstrong.

A Web pioneer back in the 1990s, AOL has been shedding dial-up subscribers for years. Its business now relies on advertising, and it has tried to make its websites more appealing to advertisers by adding popular content and drawing more visitors. To do so, it bought The Huffington Post news website in 2011 and technology blog TechCrunch a year earlier.

New York-based AOL's stock added $1.42 to $37.23 in electronic trading before the market open.

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