

AOL CHIEF EXECUTIVE ANTICIPATES 'COMEBACK' IN 2011



In 2010, AOL, once the biggest name on the Internet, posted a net loss of \$782.5 million, or \$7.42 per diluted share. That's quite a slip from its posting of profits close to \$250 million in 2009. However, the picture isn't all bad. While the company didn't fare too well during the first three quarters of the year, 4Q saw the company posting a profit of \$66.2 million, which equated to 60 cents per diluted share. Tim Armstrong, chief executive at AOL, said, "2011 is the year we stop working on the turnaround and start working on the comeback." AOL took several hits in 2010. Among them was the sale of the social networking site Bebo, for significantly less than what it purchased it for (\$850,000,000). Additionally, the Internet platform was forced to withdraw from territories such as Germany and France. According to executives, the territories were losing money. In June, 2009, AOL purchased Patch Media, which it claims is growing quicker than expected. AOL's Patch.com now has a network of 775 outlets. "My guess is by the end of this year, we will give you guys much more transparency around Patch," said Armstrong. "And the reason I'm not giving you transparency around Patch is I don't want to. You're going to have to trust me on this." Armstrong added that AOL's goal was to have display advertising on its networks on par with the industry average.

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