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TECHNOLOGY BRIEFING

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INTERNET

Yahoo Profit Drops in First Quarter

Yahoo met analyst expectations with a first-quarter profit of \$159.9 million, a 22 percent decrease from \$204.6 million in the comparable quarter a year earlier. Revenue totaled \$1.57 billion, a 34 percent increase.

The decline stemmed from accounting rules that required the company to adopt a new method for deducting the expenses for its employee stock options. Under the new approach, the stock options cost Yahoo \$65 million more for the quarter than they did in the first quarter of 2005.

COMPUTER SERVICES

IBM Profit Rises 22 Percent

International Business Machines, the world's biggest computer-services provider, said first-quarter profit gained 22 percent as the company cut jobs and as sales in emerging markets advanced. Profit increased to \$1.71 billion from \$1.4 billion, IBM said. Revenue fell 10 percent, to \$20.7 billion, after the sale of IBM's personal-computer unit.

Chief executive Sam Palmisano buttressed earnings by cutting 14,500 jobs and selling the unprofitable PC unit. He expanded the company's business in countries with fast-growing economies, such as India, where revenue soared. "Sam Palmisano's been efficient in getting operations pared down," said Roger Kay, an analyst with Endpoint Technologies Associates.

Palmisano is pushing customers to hire IBM for more than just technology outsourcing. He wants to take over human resources, finance, accounting and call centers.

LEGAL

Appeals Court Clears Microsoft

Businesses and consumers who purchased computers with Microsoft software preinstalled or bought the company's programs through a reseller can't sue for antitrust violations, a federal appeals court ruled. A lower court had ruled that plaintiffs could not seek damages because the software was not purchased directly from Microsoft. The 26 plaintiffs were seeking as much as \$10 billion in damages.

Advertisement



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there are 18 new countries that would like to introduce themselves.

 The advertisement features a blue background with white text at the top. Below the text is a graphic of an airplane tail section. The tail is white with a colorful South African flag design. Below the tail, the text 'SOUTH AFRICAN AIRWAYS' and 'A STAR ALLIANCE MEMBER' is visible. To the right of the tail, several vertical white bars contain the following airline codes: AB1, ACC, P7V, CDT, DXP, and EDP. A white button with the text 'Click to open' is positioned to the left of the tail graphic.

Under federal law, indirect purchasers are not entitled to "overcharge" damages based on a company's settlement with the Department of Justice. Microsoft, which had been declared a monopoly, settled with the government in late 2001. The plaintiffs had claimed they were overcharged for Microsoft programs because of the monopoly.

EARNINGS

Motorola, a cellphone maker, reported a slight drop in first-quarter profit but said a jump in sales helped it gain market share.

Motorola's profit fell to \$686 million from \$692 million in the comparable period a year earlier. Revenue jumped 23 percent, to \$10.01 billion.

Amgen, a biotech firm, posted a \$1 billion profit for the first quarter, a 17 percent increase, driven by strong demand for its anemia drugs. Revenue was \$3.22 billion, up from \$2.83 billion.

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