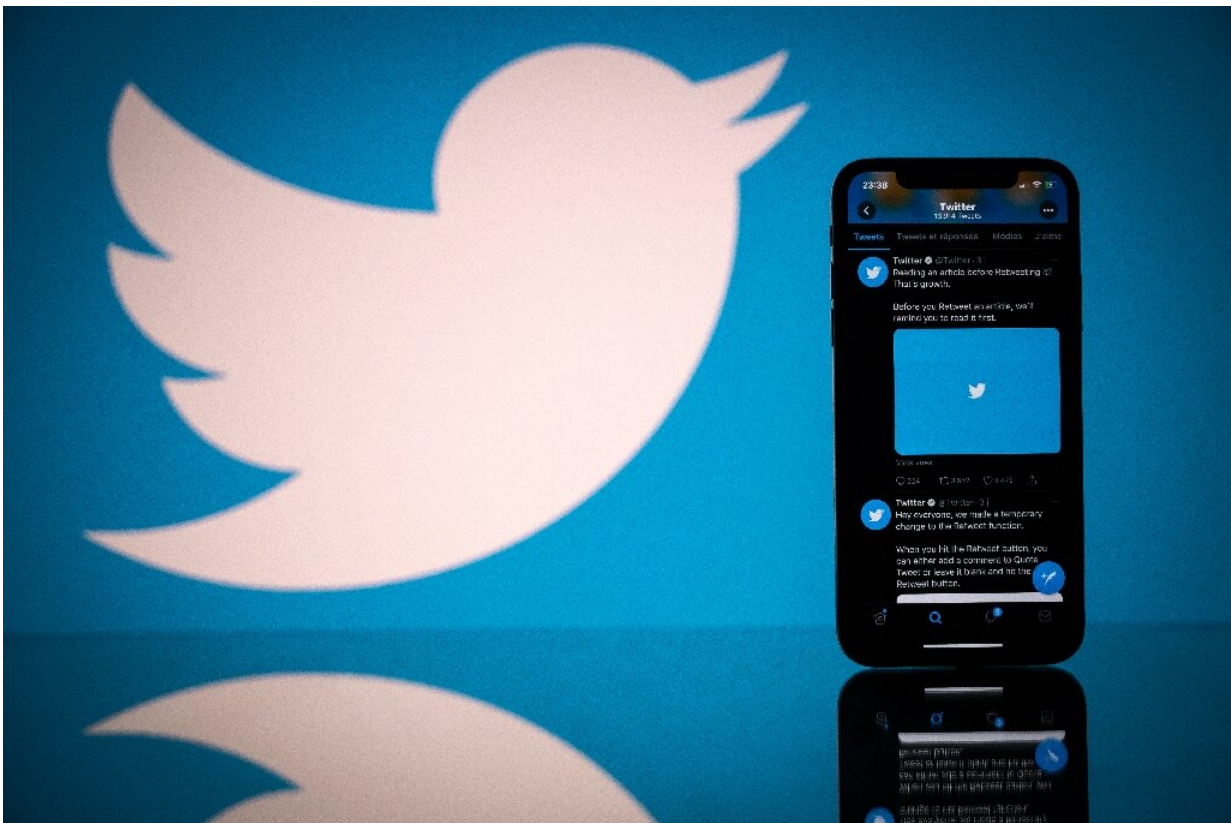


Twitter shares crushed after disappointing quarterly results

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Twitter shares skidded after a disappointing quarterly earnings report

Twitter shares took a pounding Thursday after the short messaging service reported weaker-than-expected earnings and disappointing user growth.

Profit in the first quarter was \$68 million, which contrasted with a loss of \$8 million in the same period a year ago.

Revenues grew 28 percent from a year ago to \$1.04 billion but the key figure of "average monetizable daily active users" was below expectations at 199 million, an increase of 20 percent from a year ago.

Twitter shares sank as much as 11 percent in after-hours trade as the results fueled concerns that the platform is not growing fast enough in the rapidly shifting social media space.

The company called the results "a solid start" to the year showing growth in ad revenues.

The shares were also hurt by weaker guidance for the coming quarter for Twitter, which has struggled to expand beyond its core audience of celebrities, journalists and political leaders, even if it has become an important forum for policy debates.

"People turn to Twitter to see and talk about what's happening, and we are helping them find their interests more quickly while making it easier to follow and participate in conversations," said chief executive Jack Dorsey.

Dorsey said the growth was "driven by ongoing product improvements and global conversation around current events."

Some analysts said Twitter's performance was better than the Wall Street reaction suggested.

Rich Greenfield at Lightshed Partners said in a tweet that Twitter has delivered "21 straight quarters" of user growth and that there were "107 percent more people using Twitter daily than five years ago."

Analyst Nazmul Islam at eMarketer said Twitter delivered "another good performance.. with advertising revenues growing 32 percent."

Islam said user growth may have been slower in the first quarter due to gains in 2202 but that "we anticipate that they will hit the 200 million mark and continue to drive engagement with their commitment to remove false and harmful content on their platform."

Twitter has faced challenges in tackling misinformation and abusive content even as it strives to become a platform for political discourse.

"We want our policies to remain relevant to the ever-changing nature of political discourse on Twitter and to continue to promote healthy conversation," Twitter said in its shareholder letter.

Twitter said it sees a "modest impact" from new privacy rules being implemented by Apple that limits the ability of apps on its marketplace to track user activity.

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