

Dot.com revival?

Many technology and telecoms companies are showing positive signs of growth for the first time since the dot.com bubble burst. But are there genuine signs of a long-term recovery?

1 Do the verbs in the box refer to positive or negative trends? Mark them ↑ for positive and ↓ for negative.

exceed	slump	succeed	soar	fail	double
crash	rocket	fall	rise	increase	rally

2 Read the article and find nine of the words (or forms of the words) above. Does the text confirm your classification?

Tech shares rise

Internet giant Yahoo! has more than doubled its profits thanks to its strategy of making more money from fee-based services. The firm made \$65.3m (£39.3m) between July and September, far exceeding the \$28.9m made in the same three months a year earlier. Yahoo! has also attributed its success to revenues from online advertising. Now, Yahoo!'s European chief has announced plans to introduce more income-generating services. The company has recently started charging for a dating service in the UK while Yahoo! Europe is bringing in LaunchCast, a streaming radio station which will allow users to personalise their listening.

Share prices in TMT (technology, media and telecoms) companies have been rising by huge amounts not only in America but in Europe and Asia too. Shares in Ericsson, the once-troubled telecoms equipment manufacturer, have rocketed by an impressive 30% and Japanese tech stocks have also been soaring as they move towards the heights of the 1990s.

The current rally seems to encompass the whole technology sector. Mobile telecoms giant Motorola, facing tough competition from Nokia, has just announced quarterly profits well in excess of Wall Street estimates. Motorola's results echo upbeat figures from Germany's Siemens, which last week announced an increase in handset sales: 44% up on the previous quarter. Samsung, the South Korean mobile phone maker, is also optimistic, as renewed demand for mobile handsets currently exceeds supply.

Nevertheless, there are continuing job losses in technology companies, triggering fears that we are inevitably heading for a crash in stock prices similar to three years ago. Technology stocks are typically amongst the most volatile, and many companies remain cautious about making money available to update their computer systems. Still, the consensus among analysts is that high tech companies like Dell Computers and Amazon.com will continue to rise. Whether this will match the levels seen before the dot.com bubble burst remains to be seen.

3 Explain the following terms from the article. Use a dictionary, if necessary.

- a streaming radio (paragraph 1)
- b upbeat figures (paragraph 3)
- c volatile [stocks] (paragraph 4)

4 Discuss the following questions in small groups and report your ideas to the class.

- a Do you pay for a news service on the Internet? Have you subscribed to any fee-paying services on the Internet?
- b Has your company decreased or increased its IT spending over the last three years?
- c Would you invest in technology stocks? Do you think the revival will continue?
- d What type of online businesses do you think will succeed?