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(Updates with comment from Dorsey in eighth paragraph.)

By Sarah Frier

(Bloomberg) -- Twitter Inc. executives had a clear message for investors on Tuesday: We have a lot of work to do, and don't expect great progress anytime soon.

After reporting quarterly sales that topped estimates, interim Chief Executive Officer Jack Dorsey and Chief Financial Officer Anthony Noto struck a critical tone, saying user growth won't improve until the social-media company reaches a mass market -- something that will take a mixture of product improvements and marketing. The company's efforts so far have had minimal success, they said. Shares dropped 11 percent in extended trading, after climbing as much as 12 percent following the earnings release.

As Dorsey works to update Twitter's offerings to attract a broader range of users, its sales team has been making deals -- such as one with Google Inc. -- to help advertisers use the site more effectively. While Noto said the company is adding marketing clients, it doesn't expect to see "sustained, meaningful" growth in monthly users for a considerable period. Users of the main application rose by just 2 million from the prior quarter -- a gain of less than 1 percent.

"Investors demand a re-acceleration of user growth," said Paul Sweeney, an analyst at Bloomberg Intelligence. "We did not see that this quarter to any notable degree."

The stock dropped as low as \$31.90 in late trading. Before the report, shares of San Francisco-based Twitter rose 5.3 percent to \$36.54 at the close in New York. They've gained 1.9 percent this year.

CEO Search

Former Twitter CEO Dick Costolo was replaced this month on an interim basis by co-founder Dorsey, who also runs Square Inc., a mobile-payments company. Twitter is conducting a search for a permanent CEO, and has ruled out Dorsey as long as he stays full time at Square.

On Tuesday, Dorsey said there was no update on the search for a new leader. When asked if he wanted the job, he declined to answer.

"I'm not focused on answering that question," he said in an interview. "I want to make sure I'm doing whatever it takes to make Twitter successful." He also dodged a question about whether he would remain CEO of Square.

In the second quarter, revenue rose 61 percent to \$502.4 million, the social-media company said Tuesday in a statement. That exceeded analysts' average projection for \$481.9 million, according to data compiled by Bloomberg.