

Baidu's 3Q profit more than doubles, shares rise

The Associated Press

Baidu Inc., which operates China's leading search engine, said Friday its third-quarter net profit more than doubled and revenue jumped 76 percent as online advertising surged.

The Beijing-based company said it earned 1.05 billion yuan (\$156.4 million), or 3.01 yuan (45 cents), per American Depositary share, versus 492.9 million yuan, or 1.41 yuan per share, in the same period a year earlier.

Revenue rose to 2.26 billion yuan (\$337.2 million). Analysts expected \$333.6 million.

Baidu has gained market share following Google Inc.'s decision to close its China-based search engine in March but most of its revenue gain appeared to come from the market's rapid growth rather than expanded share.

Excluding expenses for employees' stock-based compensation, the company earned 46 cents per share. Analysts had expected 42 cents per share.

"Strong execution on our initiatives to expand our customer base and enhance customer service drove another quarter of strong results," Baidu CEO Robin Li said in a statement.

Baidu's market share rose to 73 percent in the quarter ending in September, up from 64 percent in the first three months of the year, according to Analysys International, a Beijing research firm.

Google, which still attracts Chinese users to its Hong Kong-based Chinese-language search engine, saw its share fall to 21.6 percent from 30.9 percent.

China's search market grew 57 percent over a year earlier to 3.15 billion yuan (\$460 million) in the third quarter, according to Analysys. China's population of Internet users is the world's biggest and is still growing fast, rising by 36 million over the first half of the year to 420 million as of June 30.

For the fourth quarter, Baidu said it expects revenue to increase 88 percent to 93.5 percent over last year to 2.37 billion yuan (\$354.2 million) to 2.44 billion (\$364.7 million).

Analysts were expecting \$349 million.

Baidu's U.S.-traded shares rose 54 cents to \$103.02 in extended trading Thursday, after the results were reported. The shares had risen \$2.47, or 2.5 percent, to finish the regular trading session at \$102.48.

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