Baidu 1Q profit rises, revenue outlook disappoints

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Baidu Inc., which operates China's leading search engine, said Wednesday that first-quarter net income jumped 76 percent but a disappointing outlook for revenue sent its shares tumbling in after hours U.S. trading.

Net income for the three months that ended March 31 rose to $299 million, or 85 cents per share. Excluding share-based compensation expenses, adjusted earnings came to 87 cents, beating the 86 cents expected by analysts polled by FactSet.

Revenue grew 75 percent to $677.1 million as the company attracted more customers and revenue per customer rose. Analysts expected revenue of $679.3 million.

Baidu has 78.5 percent of China's search market, while No. 2 Google Inc. has 16.6 percent, according to Analysys International, a research firm in Beijing.

China has the world's biggest population of Internet users, with 513 million people online as of December, up 12 percent from a year earlier, according to a state-sanctioned industry group, the China Internet Network Information Center.

Baidu said it expects second-quarter revenue of $847 million to $867 million, below the $869.6 million expected by analysts, according to FactSet.

Shares fell $13.95, or 10.3 percent, to $121.88 in after-hours trading, after dropping $3.83, or 2.7 percent, to close at $135.83 in the regular session.

Baidu said its active online marketing customers rose 17 percent to about 321,000, in the period. Revenue per customer rose 49 percent.

China's total first quarter search market revenue was 5.5 billion yuan ($873 million), according to Analysys International.

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