

Baidu shares soar as net profit sharply higher

April 28 2010



A Chinese worker cleans the balcony of Chinese Web search giant Baidu's headquarters in Beijing in February 2010. Baidu shares soared past 700 dollars on Wednesday after the Chinese Web search giant more than doubled its net profit amid Google's conflict with the Chinese authorities.

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The Nasdaq-listed Baidu said [net profit](#) rose 165.3 percent to 70.4 million dollars in the first quarter compared with a year ago while

revenue increased 59.6 percent to 189.6 million dollars.

Baidu shares surged 13.90 percent to 707 dollars in after-hours electronic trading after gaining 0.20 percent during the day on Wall Street to close at 621.38 dollars.

"We delivered a quarter of record revenue and strong profitability despite the usual seasonality associated with the Chinese New Year holiday," Baidu chairman and chief executive Robin Li said.

"Looking ahead, we will continue to innovate and educate Chinese companies about the benefits of search engine marketing with Baidu," Li said.

Baidu forecast revenue of between 268.1 million dollars and 274.0 million dollars in the second quarter, a year-on-year increase of 67 percent to 70 percent.

Baidu will "aggressively expand our research and development and sales teams to drive improvements in technology and [monetization](#) while investing in [network infrastructure](#) to support traffic growth," Jennifer Li, Baidu's chief financial officer, said.

[Baidu](#) said it had some 221,000 active online marketing customers in the first quarter, up 19.5 percent from a year earlier but a decrease of 0.9 percent from the previous quarter.

Google's relations with China have been strained since the Internet giant announced in January that it had been the victim of China-based cyberattacks.

[Google](#) last month stopped censoring Web search results on its Chinese search engine and began redirecting users to an uncensored site in Hong

Kong.

The Wall Street Journal this week quoted Analysys International, a Beijing-based research firm, as saying that Google's share of China's Web [search market](#) declined in the first quarter.

It said Google's market share declined to 30.9 percent from 35.6 percent in the previous quarter while Baidu's market share rose to 64 percent from 58.4 percent in the previous quarter.

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