

Web portal Sohu says profit down 20 percent

October 28 2013

Sohu.com Inc., operator of a popular Chinese Web portal, said Monday its quarterly profit fell 20 percent due to higher expenses but revenues rose.

Sohu said earned \$41 million in the three months ended Sept. 30 compared with \$51.5 million a year earlier. Revenues rose 29 percent over a year earlier to \$368 million.

Profits were squeezed by a 53 percent rise in [operating expenses](#) due to more staff and higher costs for marketing, especially for mobile products and online games.

Sohu provides entertainment, games and communication services. Its properties include search engine Sogou, games company Changyou and an online video site.

Sohu and Tencent Holdings Ltd., an [online games](#) and entertainment company, agreed in September to merge their search engines in a deal in which Tencent also would invest \$448 million in the new combined operation.

The tie-up "enables Sogou to bring even more users, traffic and other synergies to our various businesses and enhances the overall competitiveness of the Sohu Group," said Sohu chairman Charles Zhang in a statement.

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Citation: Web portal Sohu says profit down 20 percent (2013, October 28) retrieved 7 May 2024 from <https://phys.org/news/2013-10-web-portal-sohu-profit-percent.html>

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