

# Baidu shares dive on earnings miss

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Baidu's profit for the second quarter was 3.66 billion yuan (\$591 million), up slightly from 3.55 billion yuan in the same quarter a year earlier.

Sometimes referred to as the Chinese answer to Google, Baidu reported revenues rose 38 percent from a year earlier to 16.57 billion yuan.

But the results were below market forecasts, and Baidu shares tumbled 8.69 percent to \$180.50 in after-market trading on the Nasdaq that followed release of the [earnings](#) figures.

Baidu had ended the formal trading day down 4.16 percent.

Company executives touted the earnings as showing the company is well positioned in the market, particularly when it comes to staying in tune with people increasingly using smartphones or tablets to access the Internet.

"As we continue to connect people with services and enable closed loop transactions, we are creating a transactional business model as Baidu grows and evolves in the age of mobile," chief executive Robin Li said in the earnings release.

He maintained that the company's cornerstone search business delivered "solid growth."

Some 629 million people used Baidu mobile search during the month of June, an increase of 24 percent from the same month last year, according to the earnings report.

In addition to its search engine business, Baidu invests in other technology areas including artificial intelligence, and has taken a stake in the global ride-sharing service Uber. Media reports say that like Google, it is also working on a driverless car.

Speaking on a conference call after the results were released, Li said Baidu had integrated its online maps with Uber's ride-sharing services.

"Uber has done a tremendous job in the past eight months. They are number one in many Chinese cities and we are trying hard to help them to become even more successful going forward," he said.

But Chinese state media reported on Monday that commercial hub Shanghai is considering "action" against Uber and its main domestic competitor, claiming some drivers offering services are unlicensed.

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