Baidu Profit Up 24% on Strong Ad Revenue, Mobile Growth

Associated Press

BEIJING (AP) — Baidu Inc., operator of China's most popular Internet search engine, said Friday its quarterly profit jumped 24.1 percent over a year earlier as its mobile business grew.

Profit rose to 2.5 billion yuan ($407.8 million) in the three months ending March 31, according to the Beijing-based company. Revenue rose 59.1 percent to 9.5 billion yuan ($1.5 billion).

In a statement, chairman Robin Li cited success in search and app distribution. He said Baidu wants to expand in new areas such as location-based services.

Baidu and other companies that got their start in the era of desktop computer-based Internet are scrambling to keep up as Chinese shift rapidly to going online via smartphones and tablets.

China has the world's biggest Internet market, with 618 million people online at the end of 2013. That included 500 million people — or more than 80 percent of the total — who go online wirelessly.

Baidu's expenses rose 136.9 percent from the same period of 2013 to 2 billion yuan ($323.2 million), due mostly to higher promotional spending on mobile products. Research and development spending rose 57.5 percent to 1.3 billion yuan ($205.4 million).

Baidu's market share in PC-based search is more than 80 percent. But in mobile it faces intense competition from companies such as Qihoo 360.

Baidu has expanded into music downloads, online video and other services. In July, it announced the acquisition of a smartphone apps distributor, 91 Wireless, for $1.9 billion.

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