# UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON D.C. 20549

# FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of July 2008

Commission File Number: 000-51469
BAIDU.COM, INC.
12/F, Ideal International Plaza No. 58 West-North 4 <sup>th</sup> Ring Beijing 100080, People's Republic of China (Address of principal executive offices)
Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F ☑ Form 40-F o
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o
Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes o No ☑
If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82- <u>N/A</u>

BAIDU.COM, INC.

Form 6-K

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Signature
Exhibit 99.1 - Press Release

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# SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### BAIDU.COM, INC.

By: /s/ Robin Yanhong Li

Name: Robin Yanhong Li
Title: Chief Executive Officer

Date: July 24, 2008

#### **Baidu Announces Second Quarter 2008 Results**

BEIJING, China, July 24, 2008 — Baidu.com, Inc. (NASDAQ: BIDU), the leading Chinese language Internet search provider, today announced its unaudited financial results for the second quarter ended June 30, 2008.1

#### **Second Quarter 2008 Highlights**

- l Total revenues in the second quarter of 2008 increased to RMB802.6 million (US\$ 117.0 million), representing a 100.0 % increase from the corresponding period in 2007.
- l Operating profit in the second quarter of 2008 increased to RMB276.3 million (US\$40.3 million), representing a 114.3 % increase from the corresponding period in 2007.
- l Net income in the second quarter of 2008 increased to RMB265.0 million (US\$38.6 million), representing an 86.7 % increase from the corresponding period in 2007.
- l Diluted earnings per share ("EPS") for the second quarter of 2008 were RMB7.62 (US\$1.11); diluted EPS excluding share-based compensation expenses (non-GAAP) for the second quarter of 2008 were RMB8.46 (US\$1.23). Costs and expenses related to Baidu's Japan operations, incurred in both Japan and China, in the second quarter of 2008 were RMB29.5 million (US\$4.3 million), which reduced diluted EPS by RMB0.85 (US\$0.12).
- l The number of active online marketing customers during the second quarter grew to over 181,000, an increase of 12.4 % from the previous quarter.

"This quarter saw impressive growth for Baidu," said Robin Li, Baidu's chairman and chief executive officer. "Our ability to make such progress was due to the appreciation of paid search by our loyal small and medium sized enterprise customers as well as a growing appreciation of search engine marketing by large enterprises in China. The scalability of our business, aided by increasing numbers of large enterprise customers, helped Baidu post record results this quarter, despite some impact from the devastating earthquake this past May."

Jennifer Li, Baidu's chief financial officer, said, "In the second quarter of 2008, we were able to produce steady increases in both the number of active online marketing customers and revenues per active online marketing customer. We are also pleased to report that our operating margin improved from previous quarters reflecting the scalability of our search business."

This announcement contains translations of certain RMB amounts into U.S. dollars at specified rates solely for the convenience of the reader. Unless otherwise noted, all translations from RMB to U.S. dollars are made at a rate of RMB 6.8591 to USD 1.00, the effective noon buying rate as of June 30, 2008 in The City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York.

In order to better serve customers' needs, Baidu recently launched "My Marketing Center", which is a customized platform integrating industry information, market trends and business and industry news and reports to aid existing customers in their sales and marketing efforts. The platform combines Baidu's vast resources in online information search and aggregation to help customers make better use of search marketing tools to improve customer targeting, increase sales and enhance brand impact. From the inception of the company, Baidu's objective has been to provide the best way for people to find information, "My Marketing Center" tailors this objective to serve the Chinese enterprises that participate in China's vast and dynamic online business community.

#### **Second Quarter 2008 Results**

Baidu reported total revenues of RMB802.6 million (US\$117.0 million) for the second quarter ended June 30, 2008, representing a 100.0 % increase from the corresponding period in 2007.

Online marketing revenues for the second quarter were RMB802.2 million (US\$117.0 million), representing a 100.2 % increase from the second quarter of 2007. Growth was mainly driven by increases in both the number of active online marketing customers and revenue per customer. Baidu had more than 181,000 active online marketing customers in the second quarter of 2008, representing a sequential increase of 12.4% and an increase of 41.4% from the corresponding period in 2007. Revenue per active online marketing customer for the second quarter increased to approximately RMB4,400 (US\$641), a sequential increase of 22.2% and an increase of 41.9% from the corresponding period in 2007.

Traffic acquisition costs (TAC) as a component of cost of revenues were RMB101.7 million (US\$14.8 million), representing 12.7% of total revenues, compared to 11.2 % in the corresponding period in 2007. The increase in TAC as a percentage of total revenues primarily reflects the continued growth of revenue contribution from Baidu Union members.

Bandwidth costs as a component of cost of revenues were RMB43.0 million (US\$6.3 million), representing 5.4% of total revenues, compared to 7.1% in the corresponding period in 2007. Depreciation costs as a component of cost of revenues were RMB57.8 million (US\$8.4 million), representing 7.2% of total revenues, compared to 8.5% in the corresponding period in 2007.

Selling, general and administrative expenses were RMB174.2 million (US\$25.4 million), representing an increase of 85.9% from the corresponding period in 2007, primarily due to expansion of the direct sales force and increase in customer service staff.

Research and development expenses were RMB71.1 million (US\$10.4 million), representing a 123.7 % increase from the corresponding period in 2007, primarily due to an increase in research and development staff.

Share-based compensation expenses, which were allocated to related operating cost and expense line items, increased in aggregate by 229.9% to RMB29.3 million (US\$4.3 million) in the second quarter of 2008 from RMB8.9 million in the corresponding period in 2007. The increase in share-based compensation reflects change in estimated forfeiture rate and increased grants to employees.

Operating profit was RMB276.3 million (US\$40.3 million), representing a 114.3% increase from the corresponding period in 2007. Operating profit excluding share-based compensation expenses (non-GAAP) was RMB305.6 million (US\$44.6 million) for the second quarter of 2008, a 121.7% increase from the corresponding period in 2007.

Adjusted EBITDA (non-GAAP), which is defined in this announcement as earnings before interest, taxes, depreciation, amortization, other non-operating income and share-based compensation expenses, were RMB376.8 million (US\$54.9 million) for the second quarter of 2008, representing a 110.0 % increase from the corresponding period in 2007.

Income tax expense was RMB28.6 million (US\$4.2 million), compared to an income tax expense of RMB1.8 million in the second quarter of 2007. The increase in tax expenses over last year is due to higher tax rates applicable to some PRC-based subsidiaries as their tax holidays either expired or partially elapsed.

Net income was RMB265.0 million (US\$38.6 million), representing an 86.7% increase from the corresponding period in 2007. Basic and diluted EPS for the second quarter of 2008 amounted to RMB7.74 (US\$1.13) and RMB7.62 (US\$1.11), respectively.

Net income excluding share-based compensation expenses (non-GAAP) was RMB294.3 million (US\$42.9 million), a 95.2% increase from the corresponding period in 2007. Basic and diluted EPS excluding share-based compensation expenses (non-GAAP) for the second quarter of 2008 were RMB8.60 (US\$1.25) and RMB8.46 (US\$1.23), respectively.

As of June 30, 2008, Baidu's cash, cash equivalents and short-term investments amounted to RMB 1.9 billion (US\$280.3 million). Net operating cash inflow and capital expenditures for the second quarter of 2008 were RMB403.4 million (US\$58.8 million) and RMB112.9 million (US\$16.5 million), respectively. A portion of capital expenditure was associated with the construction of Baidu's new campus facility.

#### **Outlook for Third Quarter 2008**

Baidu currently expects to generate total revenues in an amount ranging from RMB905 million (US\$132 million) to RMB935 million (US\$136 million) for the third quarter of 2008, representing a 82 % to 88 % increase from the corresponding period in 2007 and a 13 % to 16% increase from the second quarter of 2008. This reflects our anticipation of temporarily altered user behavior during the Beijing Summer Olympic Games. We believe the event will have long term beneficial effect on the internet industry as more and more people will appreciate internet as an effective tool to find information. This third quarter forecast reflects Baidu's current and preliminary view, which is subject to change.

#### **Conference Call Information**

Baidu's management will hold an earnings conference call on July 23, 2008 at 8:00 PM U.S. Eastern Standard Time (8:00 AM, July 24, Beijing/Hong Kong time).

Dial-in details for the earnings conference call are as follows:

US: +1 617.786.2963 UK: + 44.207.365.8426 Hong Kong: +852.3002.1672 Passcode for all regions: 14473564

A replay of the conference call may be accessed by phone at the following number until 07/30/2008:

International: +1 617.801.6888

Passcode: 63806335

Additionally, a live and archived webcast of this conference call will be available at http://ir.baidu.com.

#### **About Baidu**

Baidu.com, Inc. is the leading Chinese language Internet search provider. As a technology-based media company, Baidu aims to provide the best way for people to find information. In addition to serving Internet search users, Baidu provides an effective platform for businesses to reach potential customers. Baidu's ADSs, each of which represents one Class A ordinary share, currently trade on the NASDAQ Global Select Market under the symbol "BIDU".

#### **Safe Harbor Statement**

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the outlook for the third quarter of 2008 and quotations from management in this announcement, as well as Baidu's strategic and operational plans, contain forward-looking statements. Baidu may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about Baidu's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: our growth strategies; our future business development, results of operations and financial condition; our ability to attract and retain users and customers; competition in the Chinese language and Japanese language Internet search markets; competition for online marketing customers; changes in our revenues and certain cost or expense items as a percentage of our revenues; the outcome of ongoing, or any future, litigation or arbitration, including those relating to copyright and other intellectual property rights; the expected growth of the Chinese language and Japanese language Internet search markets and the number of Internet and broadband users in China; and Chinese governmental policies relating to the Internet and Internet content providers. Further information regarding these and other risks is included in our annual report on Form 20-F and other documents filed with the Securities and Exchange Commission. Baidu does not undertake any obligation to update any forward-looking statement, except as required under applicable law. All information provided in this press release and in the attachments is as of July 24, 2008, and Baidu undertakes no duty to update such information, except as required under applicable law.

#### **About Non-GAAP Financial Measures**

To supplement Baidu's consolidated financial results presented in accordance with GAAP, Baidu uses the following measures defined as non-GAAP financial measures by the SEC: adjusted EBITDA, operating profit excluding share-based compensation expenses, net income excluding share-based compensation expenses, and basic and diluted EPS excluding share-based compensation expenses. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliations of non-GAAP results of operations measures to the nearest comparable GAAP measures" and "Reconciliation from net cash provided by operating activities to adjusted EBITDA" set forth at the end of this release.

Baidu believes that these non-GAAP financial measures provide meaningful supplemental information regarding its performance and liquidity by excluding certain expenses and expenditures that may not be indicative of its operating performance from a cash perspective. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning and forecasting future periods. These non-GAAP financial measures also facilitate management's internal comparisons to Baidu's historical performance and liquidity. Baidu computes its non-GAAP financial measures using the same consistent method from quarter to quarter, except that the non-GAAP measures for the quarter ended March 31, 2006 reflected the one-time cumulative effect of change in accounting principle due to our adoption of SFAS 123(R) since January 1, 2006. We believe these non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision making. A limitation of using non-GAAP operating profit excluding share-based compensation expenses, net income excluding share-based compensation expenses, and basic and diluted EPS excluding share-based compensation expenses in our business. A limitation of using non-GAAP Adjusted EBITDA is that it does not include all items that impact our net income for the period. Management compensates for these limitations by providing specific information regarding the GAAP amounts excluded from each non-GAAP measure. The accompanying tables have more details on the reconciliations between GAAP financial measures that are most directly comparable to non-GAAP financial measures.

# Contacts

### For investor inquiries please contact:

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# Baidu.com, Inc.

# **Condensed Consolidated Balance Sheets**

(in RMB thousands)	June 30 2008	December 31, 2007
ASSETS	Unaudited	Audited
Current assets:		
Cash and cash equivalents	1,791,003	1,350,600
Short-term investments	131,823	242,037
Accounts receivable, net	82,336	64,274
Prepaid expenses and other current assets	79,973	65,996
Deferred tax assets, net	2,587	2,587
Total current assets	2,087,722	1,725,494
Non-current assets:		, -, -
Fixed assets, net	760,483	678,886
Land use right, net	95,496	96,472
Intangible assets, net	36,370	40,460
Goodwill	51,083	51,093
Investments, net	25,831	15,439
Deferred tax assets, net	24,537	15,716
Other non-current assets	75,666	32,348
Total non-current assets	1,069,466	930,414
TOTAL ASSETS	3,157,188	2,655,908
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accrued expenses and other liabilities	372,050	359,310
Customers' deposits	309,887	257,577
Deferred revenue	18,883	11,832
Deferred income	1,054	2,485
Total current liabilities	701,874	631,204
Non-current liabilities:	702,071	031,201
Long-term payable	_	3,000
Deferred income	_	332
Total non-current liabilities		3,332
Total liabilities	701,874	634,536
Shareholders' equity	701,071	05 1,000
Class A Ordinary Shares, Par value US\$0.00005 per share, 825,000,000 shares authorized, and 25,136,147		
shares and 25,363,476 shares issued and outstanding as at December 31, 2007 and June 30, 2008	11	10
Class B Ordinary Shares, Par value US\$0.00005 per share, 35,400,000 shares authorized, and 8,996,842	11	10
shares and 8,876,881 shares issued and outstanding as at December 31, 2007 and June 30, 2008	4	4
Additional paid-in capital	1,233,773	1,171,575
Accumulated other comprehensive loss	(121,793)	(81,953)
Retained earnings	1,343,319	931,736
Total shareholders' equity	2,455,314	2,021,372
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,157,188	2,655,908
TO THE EMPERITURE THE STREET PROPERTY OF THE	3,137,100	<b>-,000,000</b>

### Baidu.com, Inc. Condensed Consolidated Statements of Income

RemBulbananch except for share, per share information         June 1000         Mer 1000         Per 1000         P		For the Three Months Ended		
Revenues:         Unamifed in Juntified in Juntifie	(in DMD shows a drawn of far shows any shows information)			
New Process or Contracting Services         80,183         40,647         572,710           Online maketing services         428         606         1,666           Tota revenues         802,613         40,253         573,600           Operating cests and expenses:         280,800         (146,795)         228,522           Selling, general and administrative (note 2)         (71,021)         (31,700)         (51,000)           Research and development (note 2)         (71,021)         (31,700)         (51,000)           Total operating costs and expenses         (526,271)         (272,930)         (470,000)           Operating costs and expenses         (526,271)         (272,930)         (470,000)           Operating costs and expenses         (526,271)         (272,930)         (470,000)           Operating costs and expenses         (526,271)         (279,600)         (470,000) <th>III RMB thousands except for share, per share information)</th> <th></th> <th></th> <th></th>	III RMB thousands except for share, per share information)			
By The revenues         428         606         1,808           Total revenues         80,01         40,253         574,308           Operating costs and expenses:         2           Cost of revenues (note 1, 2)         (280,980)         (14,759)         (228,592)           Selling, general and administrative (note 2)         (71,078)         (31,700)         (51,000)           Research and development (note 2)         (50,271)         (27,203)         (47,000)           Total operating costs and expenses         (50,671)         (72,000)         (47,000)           Operating profit         10,768         11,574         11,600           Cherry Company         10,768         11,574         11,600           Departing profit         10,700         11,769         11,769         11,760           Exchange loss, net         (204)         18         11,709           Exchange loss, net         (204)         18         11,709           Extractionme         17,000         14,738         15,749           Extraction company         20,100         14,738         15,749           Income acceptation freme         21,200         14,309         14,659           Income acceptain freme for Class A and Class B ordinary share	Revenues:			
Total revenues         802,611         401,253         574,308           Operating costs and expenses         (280,980)         1(46,795)         (228,592)           Selling, general and administrative (note 2)         (174,213)         (33,78)         (147,003)           Research and development (note 2)         (71,078)         (31,700)         (51,400)           Total operating costs and expenses         (56,271)         (272,293)         (420,000)           Total operating costs and expenses         (56,271)         (272,000)         (47,000)           Total operating costs and expenses         (56,271)         (272,000)         (47,000)           Total operating costs and expenses         (204)         118,000         (17,000)           Enters to come         (204)         118,000         (17,000)           Other income         (204)         11,000         (17,000)           Other income text         (204,000)         11,378         11,000           Income tax         (28,501)         11,339         11,0459           Income tax         (28,501)         11,339         11,0459           Income tax         (28,501)         11,339         11,0459           Income tax         (28,501)         11,000         14,000      <	Online marketing services	802,183	400,647	572,710
Operating costs and expenses:         (280,980)         (146,795)         (28,595)           Selling, general and administrative (note 2)         (71,078)         (31,700)         (51,006)           Search and development (note 2)         (71,078)         (31,700)         (51,006)           Operating profit         276,340         128,960         147,870           Other income:         11,0378         11,574         10,006           Exchange loss, net         (204)         18         (1,008)           Other income, net         7,032         3,186         11,974           Total other income         1293,546         143,78         150,459           Total other income taxes         283,561         14,378         150,459           Total other income         283,564         143,738         157,457           Income base         (28,561)         14,378         150,459           Income taxes         (28,561)         14,378         150,459           Income taxes         7,74         4,19         4,29           Basic         7,74         4,19         4,29           Business A and Class B ordinary shares         8,217,081         33,87,358         34,157,66           Diluted         3,40,952         4,	Other services	428	606	1,686
Cost of revenues (note 1, 2)   C28,592   Selling, general and administrative (note 2)   C17,4213   C17,4031   C17,4031	Total revenues	802,611	401,253	574,396
Selling, general and administrative (note 2)         (174,213)         (93,728)         (147,013)           Research and development (note 2)         (17,088)         (31,770)         (51,046)           Total operating costs and expenses         (526,271)         (272,293)         (427,029)           Operating profit         276,340         128,960         147,378           User income         10,378         11,574         10,604           Exchange loss, net         (204)         18         (1,708)           Other income         17,206         14,778         10,908           Total other income         17,206         14,778         10,909           Income bases         283,564         143,738         15,745           Income taxes         264,861         (1,839)         10,859           Net income         264,861         (1,839)         14,578           Income taxes         27,74         4.19         4.25           Exmings per share for Class A and Class B ordinary shares:         3,27         4.19         4.25           Diluted         7,62         4,9         4.22           Diluted         3,478,614         3,87,358         34,15,716           Diluted         3,478,614         3,479,957	Operating costs and expenses:			
Research and development (note 2)         (71,078)         (31,770)         (51,406)           Total operating costs and expenses         (526,271)         (272,293)         (427,029)           Operating profit         (263,40)         128,960         147,367           Other income.         30,378         11,574         10,604           Exchange loss, net         (204)         18         (1,708)           Other income, net         7,032         3,186         11,708           Income before income taxes         28,561         14,738         15,7457           Income before income taxes         (28,561)         14,338         15,7457           Income saxes         (28,561)         14,339         10,859           Net income         24,945         14,339         10,859           Net income         28,561         14,378         15,7457           Income before income taxes         (28,561)         14,339         10,859           Net income         28,561         14,339         10,859           Income taxes         28,562         14,189         4,259           Basic         7,74         4,19         4,22           Basic         7,74         4,19         4,25           <	Cost of revenues (note 1, 2)	(280,980)	(146,795)	(228,592)
Ibility profit         (526,271)         (272,293)         (427,029)           Operating profit         276,340         128,960         147,367           Other income:         1         10,378         11,574         10,608           Exchange loss, net         10,038         11,574         10,608           Other income, net         7,032         3,166         1,198           Other income         17,020         14,778         10,009           Income before income taxes         293,546         14,738         10,009           Income taxes         28,561         14,339         10,659           Net income         28,561         14,339         10,659           Earnings per share for Class A and Class B ordinary shares         28,562         14,189         4,659           Basic         7,74         4,19         4,29           Basic         7,74         4,19         4,29           Busines a gergegate number of Class A and Class B ordinary shares         34,21,081         33,873,358         34,154,76           Business tax and surcharges         49,511         24,857         34,554,76           Diluted         49,511         24,857         35,65,16           Business tax and surcharges         49,51 </td <td>Selling, general and administrative (note 2)</td> <td>(174,213)</td> <td>(93,728)</td> <td>(147,031)</td>	Selling, general and administrative (note 2)	(174,213)	(93,728)	(147,031)
Operating profit         276,340         128,960         147,367           Other income:         11,574         10,604           Exchange loss, net         (204)         18         (1,708)           Other income, net         7,032         3,166         1,194           Total other income         293,546         143,78         150,755           Income before income taxes         283,546         143,78         150,755           Income taxes         (28,561)         (1,839)         10,089           Net income         283,546         143,78         10,089           Net income         28,056         14,189         10,089           Pall income taxes         7,74         4,19         4,29           Pall income taxes         34,210,81         3,877,358         34,154,761           Basic         34,210,81         3,877,358         34,154,761           Diluted         49,511         2,485,71         3,456,164           William         4,492         4,632	Research and development (note 2)	(71,078)	(31,770)	(51,406)
Other income         10,378         11,574         10,604           Exchange loss, net         (204)         18         (1,708)           Other income, net         7,032         3,166         1,114           Total other income         17,206         14,78         10,009           Income before income taxes         293,546         143,73         157,675           Income taxes         (26,561)         (1,839)         10,659           Net income         264,985         14,899         146,599           Net income         7,74         4,19         4,29           Diluted         7,62         4,09         4,22           Diluted         7,62         4,09         4,22           Weighted average aggregate number of Class A and Class B ordinary shares outstanding:         34,217,081         33,877,358         34,154,766           Diluted         34,086,342         34,709,525         34,567,166           Diluted         49,511         24,857         35,571,167           Traffic acquisition costs         (10,693)         44,922         76,622           Business tax and surcharges         (49,511)         24,857         38,365           Depreciation costs         (57,990)         33,941         3	Total operating costs and expenses	(526,271)	(272,293)	(427,029)
Interest income         10,378         11,574         10,604           Exchange loss, net         (204)         18         (1,708)           Other income, net         7,032         3,186         1,194           Total other income         17,206         14,778         10,009           Income before income taxes         293,546         14,378         10,009           Net income         (28,561)         (1,839)         10,659           Net income         264,985         14,399         10,659           Net income         264,985         14,399         10,659           Net income         7,74         4,19         4,29           Basic         7,74         4,19         4,29           Diluted         7,62         4,09         4,22           Weighted average aggregate number of Class A and Class B ordinary shares         3,21,7081         33,87,358         34,154,76           Diluted         3,41,981         3,387,358         34,154,76         34,00,957         34,765,16           1,100         1,100         3,480,32         34,709,957         34,765,16         34,709,957         34,765,16           1,100         1,100         3,490,957         3,507,951         3,765,16         3,	Operating profit	276,340	128,960	147,367
Exchange loss, net Other income, net         (204)         18         (1,708)           Other income, net         7,032         3,186         1,194           Total other income         17,206         14,78         10,090           Income before income taxes         293,546         143,738         157,575           Income taxes         (28,61)         (1,839)         (10,859)           Net income         264,985         141,899         146,598           Possion         7,74         4,19         4,29           Basic         7,72         4,09         4,22           Diluted         7,62         4,09         4,22           Weighted average aggregate number of Class A and Class B ordinary shares outstanding:         34,217,081         38,977,358         34,154,766           Diluted         34,786,342         34,099,57         34,755,164           Total corrences are detailed as follows:         449,511         (24,857)         35,071,632           Business tax and surcharges         (49,511)         (24,857)         35,071,632           Traffic acquisition costs         (10,169)         (44,802)         (76,832)           Bandwidth costs         (43,012)         (24,857)         (33,941)         (53,194)	Other income:			
Other income, net         7,032         3,186         1,194           Total other income         17,206         14,778         10,000           Income before income taxes         293,546         143,738         157,457           Income taxes         268,661         14,809         146,598           Net income         264,985         141,809         146,598           Earnings per share for Class A and Class B ordinary shares:         7,74         4,19         4,29           Basic         7,74         4,19         4,29           Diluted         7,62         4,09         4,22           Basic         34,217,081         33,877,358         34,154,766           Diluted         34,786,342         34,709,57         34,765,164           Using a stream of streamles are detailed as follows:         44,91         4,825         4,765,164           Business tax and surcharges         (49,511)         24,857         35,765,164         4,765,164           Using a stream of streamles are detailed as follows:         44,911         44,892         476,632         4,762         4,763,20         4,763,20         33,877,358         34,154,766         36,765,164         4,765,164         4,765,164         4,765,164         4,765,164         4,765,164	Interest income	10,378	11,574	10,604
Intail other income         17,206         14,778         10,000           Income before income taxes         293,546         143,738         157,457           Income taxes         (28,561)         (1,839)         (10,859)           Net income         264,985         141,899         146,589           Estraings per share for Class A and Class B ordinary shares:         7,74         4,19         4,29           Basic         7,74         4,19         4,22           Use pluted         7,62         4,09         4,22           Weighted average aggregate number of Class A and Class B ordinary shares outstanding:         34,217,081         33,877,358         34,154,776           Basic         34,217,081         33,877,358         34,154,776           Diluted         34,786,342         34,709,57         34,765,164           Business tax and surcharges         (49,511)         (24,857)         (35,071)           Traffic acquisition costs         (10,693)         (44,892)         (76,632)           Bandwidth costs         (57,790)         (33,941)         (53,194)           Operaction costs         (57,790)         (33,41)         (53,194)           Operaction costs         (57,790)         (33,40)         (24,815)	Exchange loss, net	(204)	18	(1,708)
Income before income taxes         293,546         143,738         157,457           Income taxes         (28,561)         (1,839)         (10,839)           Net income         264,985         141,899         146,589           Estings per share for Class A and Class B ordinary shares         37,74         4.19         4.29           Basic         7,62         4.09         4.22           Diluted         36,217,081         33,877,358         34,154,766           Diluted         34,217,081         33,877,358         34,154,766           Diluted         34,217,081         33,877,358         34,154,766           Diluted         34,217,081         33,877,358         34,154,766           Diluted         34,217,081         33,877,358         34,154,766           Diluted surplanes are detailed as follows:         28         28         28         28         28         28         28         28         28         28         28         29         35,07,536         34,154,766         35,07,536         34,154,766         36         36         36,154,767         35,07,536         36,154,767         36         36         36         36,07,536         36,07,536         36         36,07,536         36,07,536         36,07,5	Other income, net	7,032	3,186	1,194
Income taxes         (28,561)         (1,839)         (10,839)           Net income         264,985         141,899         146,598           Earnings per share for Class A and Class B ordinary shares:         7.74         4.19         4.29           Basic         7.74         4.19         4.29           Diluted         7.62         4.09         4.22           Weighted average aggregate number of Class A and Class B ordinary shares outstanding:         34,217,081         33,877,358         34,154,766           Diluted         34,786,342         34,709,957         34,765,164           Oiluted         49,511         (24,857)         (35,071           Business tax and surcharges         (49,511)         (24,857)         (35,071           Traffic acquisition costs         (10,693)         (44,892)         (76,632)           Bandwidth costs         (43,012)         (28,320)         (38,365)           Depreciation costs         (57,790)         (33,941)         (53,194)           Operational costs         (1,179)         (352)         (21,519)           Total cost of revenues         (1,179)         (352)         (22,559)           Post of revenues         (1,179)         (352)         (51,50)         (51,50) <tr< td=""><td>Total other income</td><td>17,206</td><td>14,778</td><td>10,090</td></tr<>	Total other income	17,206	14,778	10,090
Net income         264,985         141,899         146,598           Earnings per share for Class A and Class B ordinary shares:         7.74         4.19         4.29           Basic         7.62         4.09         4.29           Diluted         36,217,081         33,877,358         34,154,766           Basic         34,217,081         33,877,358         34,154,766           Diluted         34,786,342         34,709,57         34,765,164           Diluted         44,801         24,857         35,071,16           Business tax and surcharges         (49,511)         (24,857)         (35,071)           Traffic acquisition costs         (43,012)         (28,320)         (36,365)           Bandwidth costs         (57,790)         (33,941)         (53,194)           Depreciation costs         (57,790)         (33,941)         (53,194)           Operational costs         (11,79)         (352)         (28,520)           Total cost of revenues         (11,79)         (352)         (28,520)           Operational costs         (11,79)         (352)         (28,510)           Total cost of revenues         (11,79)         (352)         (29,502)           Cost of revenues         (11,79)         (352)	Income before income taxes	293,546	143,738	157,457
Earnings per share for Class A and Class B ordinary shares:         Basic       7.74       4.19       4.29         Diluted       7.62       4.09       4.22         Weighted average aggregate number of Class A and Class B ordinary shares outstanding:         Basic       34,217,081       33,877,358       34,154,776         Diluted       34,786,342       34,709,957       34,765,164         (1) Cost of revenues are detailed as follows:         Business tax and surcharges       (49,511)       (24,857)       (35,071)         Traffic acquisition costs       (101,693)       (44,892)       (76,632)         Bandwidth costs       (43,012)       (28,320)       (38,365)         Depreciation costs       (57,900)       (33,941)       (53,194)         Operational costs       (27,795)       (14,433)       (24,415)         Share-based compensation expenses       (1,179)       (352)       (915)         Total cost of revenues       (280,980)       (146,795)       (228,592)         (2) Includes share-based compensation expenses as follows:       (1,179)       (352)       (915)         Selling, general and administrative       (16,684)       (3,442)       (8,014)	Income taxes	(28,561)	(1,839)	(10,859)
Basic         7.74         4.19         4.29           Diluted         7.62         4.09         4.22           Weighted average aggregate number of Class A and Class B ordinary shares outstanding:           Basic         34,217,081         33,877,358         34,154,776           Diluted         34,786,342         34,709,957         34,765,164           (1) Cost of revenues are detailed as follows:           Business tax and surcharges         (49,511)         (24,857)         (35,071)           Traffic acquisition costs         (101,693)         (44,892)         (76,632)           Bandwidth costs         (43,012)         (28,320)         (38,365)           Depreciation costs         (57,790)         (33,941)         (53,194)           Operational costs         (1,179)         (352)         (915)           Share-based compensation expenses         (1,179)         (352)         (915)           Total cost of revenues         (280,980)         (146,795)         (228,592)           (2) Includes share-based compensation expenses as follows:         (1,179)         (352)         (915)           Cost of revenues         (1,179)         (352)         (915)           Selling, general and administrative         (16,	Net income	264,985	141,899	146,598
Basic         7.74         4.19         4.29           Diluted         7.62         4.09         4.22           Weighted average aggregate number of Class A and Class B ordinary shares outstanding:           Basic         34,217,081         33,877,358         34,154,776           Diluted         34,786,342         34,709,957         34,765,164           (1) Cost of revenues are detailed as follows:           Business tax and surcharges         (49,511)         (24,857)         (35,071)           Traffic acquisition costs         (101,693)         (44,892)         (76,632)           Bandwidth costs         (43,012)         (28,320)         (38,365)           Depreciation costs         (57,790)         (33,941)         (53,194)           Operational costs         (1,179)         (352)         (915)           Share-based compensation expenses         (1,179)         (352)         (915)           Total cost of revenues         (280,980)         (146,795)         (228,592)           (2) Includes share-based compensation expenses as follows:         (1,179)         (352)         (915)           Cost of revenues         (1,179)         (352)         (915)           Selling, general and administrative         (16,	Earnings per share for Class A and Class B ordinary shares:			
Weighted average aggregate number of Class A and Class B ordinary shares outstanding:         Basic       34,217,081       33,877,358       34,154,776         Diluted       34,786,342       34,709,957       34,765,164         (1) Cost of revenues are detailed as follows:       Use of revenues are detailed as follows:         Business tax and surcharges       (49,511)       (24,857)       (35,071)         Traffic acquisition costs       (101,693)       (44,892)       (76,632)         Bandwidth costs       (43,012)       (28,320)       (38,365)         Depreciation costs       (57,790)       (33,941)       (53,194)         Operational costs       (27,795)       (14,433)       (24,415)         Share-based compensation expenses       (1,179)       (352)       (915)         Total cost of revenues       (280,980)       (146,795)       (228,592)         (2) Includes share-based compensation expenses as follows:       (1,179)       (352)       (915)         Selling, general and administrative       (16,484)       (3,442)       (8,014)         Research and development       (11,618)       (5,083)       (7,252)	- · ·	7.74	4.19	4.29
Basic       34,217,081       33,877,358       34,154,776         Diluted       34,786,342       34,709,957       34,765,164         (1) Cost of revenues are detailed as follows:	Diluted	7.62	4.09	4.22
Diluted       34,786,342       34,709,957       34,765,164         (1) Cost of revenues are detailed as follows:       Business tax and surcharges       (49,511)       (24,857)       (35,071)         Traffic acquisition costs       (101,693)       (44,892)       (76,632)         Bandwidth costs       (43,012)       (28,320)       (38,365)         Depreciation costs       (57,790)       (33,941)       (53,194)         Operational costs       (27,795)       (14,433)       (24,415)         Share-based compensation expenses       (1,179)       (352)       (915)         Total cost of revenues       (1,179)       (352)       (915)         Cost of revenues       (1,179)       (352)       (915)         Selling, general and administrative       (16,484)       (3,442)       (8,014)         Research and development       (11,618)       (5,083)       (7,252)	Weighted average aggregate number of Class A and Class B ordinary shares outstanding:			
(1) Cost of revenues are detailed as follows:         Business tax and surcharges       (49,511)       (24,857)       (35,071)         Traffic acquisition costs       (101,693)       (44,892)       (76,632)         Bandwidth costs       (43,012)       (28,320)       (38,365)         Depreciation costs       (57,790)       (33,941)       (53,194)         Operational costs       (27,795)       (14,433)       (24,415)         Share-based compensation expenses       (1,179)       (352)       (915)         Total cost of revenues       (280,980)       (146,795)       (228,592)         (2) Includes share-based compensation expenses as follows:       (1,179)       (352)       (915)         Selling, general and administrative       (16,484)       (3,442)       (8,014)         Research and development       (11,618)       (5,083)       (7,252)	Basic	34,217,081	33,877,358	34,154,776
Business tax and surcharges       (49,511)       (24,857)       (35,071)         Traffic acquisition costs       (101,693)       (44,892)       (76,632)         Bandwidth costs       (43,012)       (28,320)       (38,365)         Depreciation costs       (57,790)       (33,941)       (53,194)         Operational costs       (27,795)       (14,433)       (24,415)         Share-based compensation expenses       (1,179)       (352)       (915)         Total cost of revenues       (1,179)       (352)       (915)         Cost of revenues       (1,179)       (352)       (915)         Selling, general and administrative       (16,484)       (3,442)       (8,014)         Research and development       (11,618)       (5,083)       (7,252)	Diluted	34,786,342	34,709,957	34,765,164
Traffic acquisition costs       (101,693)       (44,892)       (76,632)         Bandwidth costs       (43,012)       (28,320)       (38,365)         Depreciation costs       (57,790)       (33,941)       (53,194)         Operational costs       (27,795)       (14,433)       (24,415)         Share-based compensation expenses       (1,179)       (352)       (915)         Total cost of revenues       (280,980)       (146,795)       (228,592)         (2) Includes share-based compensation expenses as follows:       (1,179)       (352)       (915)         Selling, general and administrative       (16,484)       (3,442)       (8,014)         Research and development       (11,618)       (5,083)       (7,252)	(1) Cost of revenues are detailed as follows:			
Bandwidth costs       (43,012)       (28,320)       (38,365)         Depreciation costs       (57,790)       (33,941)       (53,194)         Operational costs       (27,795)       (14,433)       (24,415)         Share-based compensation expenses       (1,179)       (352)       (915)         Total cost of revenues       (280,980)       (146,795)       (228,592)         (2) Includes share-based compensation expenses as follows:       (1,179)       (352)       (915)         Selling, general and administrative       (16,484)       (3,442)       (8,014)         Research and development       (11,618)       (5,083)       (7,252)	Business tax and surcharges	(49,511)	(24,857)	(35,071)
Depreciation costs       (57,790)       (33,941)       (53,194)         Operational costs       (27,795)       (14,433)       (24,415)         Share-based compensation expenses       (1,179)       (352)       (915)         Total cost of revenues       (280,980)       (146,795)       (228,592)         (2) Includes share-based compensation expenses as follows:       (1,179)       (352)       (915)         Selling, general and administrative       (16,484)       (3,442)       (8,014)         Research and development       (11,618)       (5,083)       (7,252)		( , ,	( , ,	( , ,
Operational costs         (27,795)         (14,433)         (24,415)           Share-based compensation expenses         (1,179)         (352)         (915)           Total cost of revenues         (280,980)         (146,795)         (228,592)           (2) Includes share-based compensation expenses as follows:         (1,179)         (352)         (915)           Cost of revenues         (16,484)         (3,442)         (8,014)           Selling, general and administrative         (16,684)         (5,083)         (7,252)           Research and development         (11,618)         (5,083)         (7,252)				
Share-based compensation expenses         (1,179)         (352)         (915)           Total cost of revenues         (280,980)         (146,795)         (228,592)           (2) Includes share-based compensation expenses as follows:         (1,179)         (352)         (915)           Cost of revenues         (1,179)         (352)         (915)           Selling, general and administrative         (16,484)         (3,442)         (8,014)           Research and development         (11,618)         (5,083)         (7,252)			, , ,	
Total cost of revenues       (280,980)       (146,795)       (228,592)         (2) Includes share-based compensation expenses as follows:				
(2) Includes share-based compensation expenses as follows:       (2,179)       (352)       (915)         Cost of revenues       (1,179)       (352)       (8,014)         Selling, general and administrative       (16,484)       (3,442)       (8,014)         Research and development       (11,618)       (5,083)       (7,252)	Share-based compensation expenses	(1,179)	(352)	(915)
Cost of revenues       (1,179)       (352)       (915)         Selling, general and administrative       (16,484)       (3,442)       (8,014)         Research and development       (11,618)       (5,083)       (7,252)	Total cost of revenues	(280,980)	(146,795)	(228,592)
Selling, general and administrative       (16,484)       (3,442)       (8,014)         Research and development       (11,618)       (5,083)       (7,252)	(2) Includes share-based compensation expenses as follows:			
Research and development (11,618) (5,083) (7,252)	Cost of revenues	(1,179)	(352)	(915)
Total share-based compensation expenses (29,281) (8,877) (16,181)	Research and development	(11,618)	(5,083)	(7,252)
	Total share-based compensation expenses	(29,281)	(8,877)	(16,181)

# Reconciliations of non-GAAP results of operations measures to the nearest comparable GAAP measures (\*) (in RMB thousands, unaudited)

	Three months ended June 30, 2007			Three months ended March 31, 2008			Three months ended June 30, 2008		
	GAAP Result	Adjustment	Non-GAAP Results	GAAP Result	Adjustment	Non-GAAP Results	GAAP Result	Adjustment	Non-GAAP Results
Operating profit	128,960	8,877	137,837	147,367	16,181	163,548	276,340	29,281	305,621
	Three months ended June 30, 2007			Three months ended March 31, 2008			Three months ended June 30, 2008		
					· · · · · · · · · · · · · · · · · · ·				
	GAAP Result	Adjustment	Non-GAAP Results	GAAP Result	Adjustment	Non-GAAP Results	GAAP Result	Adjustment	Non-GAAP Results
Net income	141,899	8,877	150,776	146,598	16,181	162,779	264,985	29,281	294,266

<sup>(\*)</sup> The adjustment is only for share-based compensation.

# Reconciliation from net cash provided by operating activities to adjusted EBITDA(\*) (in RMB thousands, unaudited)

	Three months ended June 30, 2007	As a % of total revenues	Three months ended March 31, 2008	As a % of total revenues	Three months ended June 30, 2008	As a % of total revenues
Net cash provided by operating						
activities	276,963	69%	248,876	43%	403,378	50%
Changes in assets and						
liabilities, net of effects of						
acquisitions	(84,538)	-21%	(21,273)	-4%	(37,893)	-5%
Income taxes expenses	1,839	0%	10,859	2%	28,561	4%
Interest income and other, net	(14,778)	-4%	(10,090)	-2%	(17,206)	-2%
Adjusted EBITDA	179,486	44%	228,372	39%	376,840	47%

<sup>(\*)</sup> Definition of adjusted EBITDA: earnings before interest, taxes, depreciation, amortization, other non-operating income, and share-based compensation expenses.