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## Take This 51job and Love It

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They're hiring in China. You probably know that. Robust economies growing at 10% a year have a funny way of stimulating the creation of jobs and encouraging the workforce to aim higher. So it's no surprise to see **51job** (Nasdaq: [JOBS](#)) -- the company that produces the *51job Weekly* employment classifieds publication in 23 different Chinese provinces -- growing as well.

Last night's second-quarter report bears that out. Revenues climbed 21% to \$27.6 million. Earnings inched 20% higher to \$0.14 per ADS -- \$0.20 per ADS, if you back out stock-based compensation and a currency-related adjustment.

The company's online recruitment business remains 51job's fastest-growing component, now accounting for 34% of revenues. So why didn't the bottom line outpace the top line, given the high margins to be had in cyberspace?

In a sense, it did. Operating income actually soared 46%. At that point, a steeper foreign currency loss adjustment and a nearly 50% spike in 51job's tax bill ate into the numbers. In short, it was a great quarter.

51job isn't perfect, though. The company expects a sequential lull in the current period. It's guiding investors to expect an adjusted profit per ADS of \$0.14 to \$0.17, on \$26.9 million to \$28.2 million in revenue.

That's not great, but it's hard to let that weigh too heavily upon the long-term upside. This is still a growing market. **China Career Builder** (OTC BB: CCBX.PK) is starting to make some waves, yet we're still talking about a country with 1.3 billion residents. We have less than a quarter of that amount here, and no one is wondering whether **Monster Worldwide** (Nasdaq: [MNST](#)), **Yahoo!** (Nasdaq: [YHOO](#)) HotJobs, or **Dice** (NYSE: [DHX](#)) will go hungry catering to domestic job-seekers.

Trading at 33 times this year's profit target, 51job isn't the screaming bargain that it used to be, but it's still an intriguing play into a growing segment within a very hot market. In short, 51job is getting the job done.

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*Longtime Fool contributor [Rick Munarriz](#) believes in Chinese growth stocks, but he does not own shares in any of the stocks in this story. He is also part of the [Rule Breakers](#) newsletter research team, seeking out tomorrow's ultimate growth stocks a day early. The Fool's [disclosure policy](#) speaks perfect Mandarin.*

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