

HTC's profits slump 83%

TAIPEI, TAIWAN: Smartphone manufacturer HTC said that net profit in the April to June quarter fell by 83% year-on-year, although it was a slight improvement from the record low seen in the previous three months.



The result comes as the firm struggles to turn itself around with its high-end HTC One smartphone and its investment in marketing.

Unaudited net profit in the second quarter came in at Tw\$1.25bn, compared with Tw\$7.4bn a year ago but sharply up from the Tw\$85m profit made between January and March, the company said.

Revenue fell 22% to Tw\$70.7bn year-on-year but surged 65% from quarter-to-quarter and was in line with its own forecast of Tw\$70.0bn.

Chief executive officer Peter Chou predicted a sharp rise in second-quarter revenue thanks to the HTC One, which he said had received "overwhelmingly positive" reviews since its launch in February.

He hailed it as a "technological breakthrough" as the company battles to win a market share in a sector dominated by Apple's iPhone and Samsung's Galaxy S4. However, analysts suggest sales of the phone peaked in May.

Research firm IDC said the company held a 4.6% share of the global smartphone market in 2012, a sharp decline from 8.8% it held a year earlier. Samsung held a 30.3% while Apple had 19.1%.

HTC sells its own smartphones and makes handsets for a number of companies, including Google's Nexus One.

Source: AFP via I-Net Bridge