

PC maker Lenovo turns to profit on China sales

August 19 2010



In this May 25, 2006 file photo, a man adjusts a Lenovo display at a high-tech exhibition in Beijing, China. Lenovo Group, the fourth-largest personal computer maker, said Thursday, Aug. 19, 2010, it rebounded to a quarterly profit from a loss a year earlier, driven by strong sales in China and other emerging markets. (AP Photo, File)

(AP) -- Lenovo Group, the fourth-largest personal computer maker, said Thursday it rebounded to a quarterly profit from a loss a year earlier, driven by strong sales in China and other emerging markets.

Profit was \$55 million for the three months ending June 30, or 54 cents per share, compared with a \$16 million loss last year, the company said.

Global sales surged 50 percent from a year earlier to \$5.1 billion,

boosted by a 50 percent rise in Lenovo's home China market. Sales in other emerging markets doubled.

Lenovo has tried to build on its dominance in China and expand in other developing markets to offset weakness in Western economies amid the global crisis - a tactic that chairman Liu Chuanzhi said was working.

"Our performance was strong globally, Lenovo has a clear strategy when and where to focus on gaining share, and when and where to focus on maximizing profit, and we executed that strategy well," Liu said in a statement.

The company said its share of the global PC market rose to 10.2 percent, its first double-digit figure to date.

Lenovo was hit hard by the [global economic crisis](#), which prompted its core corporate customers to slash purchases. The company suffered three losing quarters before rebounding to profit in the three months ending last September.

The company acquired IBM Corp.'s PC unit in 2005 and expanded into wireless computing this year, launching its first smart phone and two Web-linked portable computers in January.

In China, sales rose to \$2.5 billion, accounting for 48.7 percent of worldwide sales, said the company, which has headquarters in Beijing and in Research Triangle Park, North Carolina.

Sales rose to \$821 million, or 16 percent of the total, in other [emerging markets](#) including Eastern Europe, India, Latin America, Pakistan and Turkey.

Sales in the United States, Europe and other mature markets grew less

strongly but still racked up a 38.5 percent rise over a year earlier to \$1.8 billion.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: PC maker Lenovo turns to profit on China sales (2010, August 19) retrieved 25 April 2024 from <https://phys.org/news/2010-08-pc-maker-lenovo-profit-china.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.