

# Samsung 3Q profit slides 23 percent

October 28 2011, By FOSTER KLUG , Associated Press

---



Visitors pass by a billboard of Samsung Electronics' Galaxy smartphone in Seoul, South Korea, Friday, Oct. 28, 2011. Samsung's net profit has slid 23 percent in the third quarter despite strong smartphone sales. (AP Photo/Lee Jin-man)

(AP) -- Samsung Electronics said quarterly profit slid 23 percent as weaker demand for flat panels and computer chips offset booming smartphone sales that were estimated to have surpassed those of industry pioneer Apple.

Samsung, the world's biggest manufacturer of [memory chips](#) and [liquid crystal displays](#), said Friday it earned 3.44 trillion won (\$3.1 billion) in the three months ended Sept. 30, down from 4.46 trillion won (\$4 billion) a year earlier.

The company's display panel business suffered a [quarterly loss](#) of 90 billion won (\$81.5 million) and its revenue of 7.08 trillion won (\$6.4 billion) was down 13 percent from a year earlier. Samsung's

semiconductor businesses had sales of 9.48 trillion won (\$8.58 billion), a drop from last quarter.

But the company said its telecommunications business hit a record in quarterly sales of 14.9 trillion won (\$13.4 billion) - a 37 percent increase from last year - with growth mainly due to strong Galaxy smartphone sales.

Jae Lee, a Daiwa Securities [technology analyst](#), estimated that Samsung had shipped about 28 million smartphones in the third quarter, up from about 20 million last quarter, and had surpassed Apple's iPhone sales. Lee expects strong sales in the next three months as Samsung continues to focus on an array of smartphone products.

Samsung spokesman Nam Ki-yung wouldn't comment on whether Samsung had passed Apple Inc. in smartphone sales, saying the company no longer provides its sales figures for handsets. It did say, however, that handset shipments jumped more than 20 percent from last quarter, and global smartphones sales were up 300 percent from last year.

The Suwon, South Korea-based company said its handset revenues were 14.42 trillion won (\$13 billion) in the third quarter, a 39 percent jump from last year, and it forecast [strong sales](#).

"Looking ahead into the fourth quarter, when industry demand is traditionally at its peak, Samsung expects sales of mobile devices to remain strong and flat panel TV shipments to increase," the company said in a statement.

Samsung also said the third quarter saw increased demand for flash chips used in mobile devices and enhanced revenue in the business that creates mobile application processors and image sensors.

The gains in smartphones came despite the South Korean electronics giant being locked in a global patent battle with Apple, which began legal action in April against Samsung for what it says is uninhibited copying of its iPhone and iPad designs.

Apple says the product design, user interface and packaging of Samsung's Galaxy devices "slavishly copy" the iPhone and iPad. Samsung fought back with lawsuits of its own, accusing Apple of patent infringement of its wireless telecommunications technology.

Earlier this month, Samsung asked Japanese and Australian courts to block sales of Apple's new [iPhone](#) 4S in those countries over alleged patent violations.

Samsung is also appealing an Australian court's decision to temporarily ban sales of Samsung's new Galaxy tablet computer.

In an attempt to win sales in the market between smartphones and tablet PCs, Samsung on Friday unveiled a new Galaxy Note, Yonhap news agency reported.

The Galaxy Note is smaller than tablet computers but offers the same features as other wireless devices with applications. Its 5-inch screen is bigger than the Galaxy S2 smartphone, and a digital pen can be used to write on the screen, Samsung said.

Yonhap says the Note will debut in Europe next month and then later in China, [South Korea](#) and other Asian countries.

©2011 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Samsung 3Q profit slides 23 percent (2011, October 28) retrieved 19 April 2024 from

<https://phys.org/news/2011-10-samsung-3q-profit-percent.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.