

Lenovo says 1H profit nearly doubled

November 3 2011, By ELAINE KURTENBACH , AP Business Writer

Lenovo Group, one of the world's leading personal computer manufacturers, reported Wednesday that its profit in the first half of the year nearly doubled on strong emerging market sales.

The company also announced a management reshuffle, as company chairman and founder Liu Chuanzhi stepped down and CEO Yang Yuanqing took on the chairmanship.

Net profit for the half-year period was \$252 million, or 2.52 U.S. cents per share, up 92 percent from \$131 million a year earlier.

The results built on Lenovo's expansion into mobile Internet, competing with Apple Inc. and other foreign rivals, and in developed markets with an acquisition this year in Germany and a joint venture in Japan.

Lenovo, which acquired IBM Corp.'s PC unit in 2005, overtook Taiwan's Acer Group this year to become the third-largest [PC vendor](#), according to International Data Corp.

The company said improving commercial demand helped make up for weakness in consumer purchases.

After spending the past two years focusing on expanding sales, Lenovo has adjusted its strategy to give equal emphasis to profits.

A "protect and attack" strategy of sustaining its [leading market](#) position in China while expanding into other regions with diverse products helped

fuel "balanced, strong growth in all geographic segments and products and customer segments," it said.

Lenovo said it held a worldwide PC market share of 13.5 percent in its second fiscal quarter, July-September, a trend that helped it regain a ranking among the Fortune Global 500 companies for the first time since 2008.

Lenovo entered wireless Internet last year and has launched smartphones and Web-linked [tablet computers](#) in competition with Apple, South Korea's [Samsung Electronics](#) Corp. and Taiwan's HTC Corp.

Liu, who founded Lenovo in 1984, will remain chairman of Lenovo's parent company, Legend Holdings. He also was named "honorary chairman and senior advisor" of Lenovo, "In order to commend Mr. Liu's valuable contribution to the company ... and to benefit from Mr. Liu's tremendous experience," the company said in its notice to the Hong Kong stock exchange.

Yang held the chairmanship of Lenovo from 2005 to February 2009, when Liu returned to help guide the company through the global crisis.

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