

Samsung 4Q profit rises 17 pct on smartphone sales

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Shoppers look at Samsung Electronics devices at the company's showroom in Seoul, South Korea, Friday, Jan. 27, 2012. Samsung Electronics Co. reported a 17 percent jump in fourth quarter profit on the strength of sales in flat panels and smartphones even as the company battled claims it had copied Apple's iPhone. (AP Photo/ Lee Jin-man)

(AP) -- Samsung Electronics Co. reported a 17 percent jump in fourth quarter profit on the strength of smartphone sales even as the company battled claims it had copied Apple's iPhone.

Samsung said Friday in a regulatory filing that its net profit reached 4 trillion won (\$3.5 billion) in the three months that ended in December. The company earned 3.4 trillion won in the same quarter a year earlier.

The Suwon, South Korea-based company said its [operating profit](#)

jumped 75.8 percent to 5.3 trillion won in the fourth quarter. The figure was closely in line with the company's estimate earlier this month of a 73 percent rise.

The company, however, posted an operating loss of 220 billion won in its display division in the fourth quarter despite a sales increase of 19 percent from the previous year.

"If profit in handsets continues to stream in, this year will also likely be a solid one for Samsung," said Jae Lee, an analyst at Daiwa Securities in Seoul. "The biggest threat would be if the [global economy](#) worsens."

Samsung, the world's biggest manufacturer of [memory chips](#) and [liquid crystal displays](#), said demand for semiconductors in mobile products and servers remained solid despite weakness in personal computers, which face stiff competition from the rising popularity of tablets.

Samsung has over the decades grown into a key global manufacturer of components that let PCs, digital music players and handsets store data and display it on flat, high-resolution screens. The company has recently been stepping up its challenge against Apple Inc. in the global smartphone business, releasing models such as the Galaxy S II.

Cupertino, California-based Apple, which spurred the smartphone boom with the launch of its [iPhone](#) in 2007, has accused Samsung of "slavishly" copying its smartphone and [iPad](#) in design, user interface and packaging. Apple sued Samsung in April last year in the United States.

The legal battle has now spilled into 10 countries, according to Samsung officials. Court rulings so far have tended to side with Apple.

Lee said legal battles with Apple would start weighing less on Samsung this year as the South Korean company is expected to release models

with new designs.

The quarterly profit brought 2011 net profit to 13.7 trillion won, down 15 percent from the previous year.

Samsung shares rose 0.4 percent to 116,000 won in Seoul.

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