

Taiwan's HTC expects 30 percent sales plunge in 1Q

February 6 2012



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But the company said the anticipated poor performance, extended from the [fourth quarter](#), should bottom off following the release of new products.

In a statement released at the quarterly [investor conference](#), the company

said its first [quarter revenue](#) will likely fall 33 percent-38 percent to Tw\$65 billion-Tw\$70 billion, down from Tw\$104.16 billion (\$3.43 billion) a year ago.

Its [first quarter](#) gross profit margin is expected to drop to 25 percent from 29.3 percent the previous year, while its operating profit margin would likely plunge to 7.5 percent from 15.8 percent a year earlier.

Despite the worse-than-expected forecast figures, the company insisted the performance would not last long.

"These margins are a temporary phenomenon and will normalize when product cycle transition is over," the company said in the statement.

The company's [net profit](#) in the three months to December dived to Tw\$10.94 billion, down from Tw\$18.6 billion in the previous quarter.

"While short term performance may not meet the results as expected, we have gained further experience and advancement in the areas of brand management and product innovation," HTC Chief Executive Peter Chou said.

For the full year of 2011, the company's net profit came in at Tw\$61.98 billion, up 56.77 percent year-on-year while revenue rose 67.09 percent year-on-year to TW\$465.79 billion.

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Citation: Taiwan's HTC expects 30 percent sales plunge in 1Q (2012, February 6) retrieved 27 April 2024 from <https://phys.org/news/2012-02-taiwan-htc-percent-sales-plunge.html>

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