

Lenovo says quarterly profit up 90 percent

May 23 2013, by Joe McDonald

Computer maker Lenovo Group said Thursday its latest quarterly profit rose 90 percent as sales of smartphones and mobile computing technology expanded.

Lenovo said it earned \$127 million, or 1.22 cents per share, in the three months ending March 31. Revenue rose 4 percent over a year earlier to \$7.8 billion.

Lenovo ranks a close second behind Hewlett-Packard Co. as the biggest maker of [personal computer makers](#) but growth in that market has slowed as consumers shift to mobile Web surfing on smartphones and tablets.

Lenovo said [sales](#) of desktop and laptop PCs both declined 2 percent to \$2.4 billion and \$4.2 billion, respectively, but still made up a combined 83 percent of its business.

Sales of smartphones and other mobile Internet and "digital home" products rose 74 percent to \$736 million, accounting for 9 percent of revenue.

"We will focus our investments on the fast-growing tablet, smartphone and enterprise hardware areas, while working to enhance the profitability of our core PC business," said chairman Yang Yuanqing.

For its full fiscal year ending March 31, Lenovo's profit rose 34 percent to \$635 million on a 15 percent rise in sales to a record \$34 billion.

Lenovo, with headquarters in Beijing and in Research Triangle Park, North Carolina, entered the wireless Internet market in 2010. It has launched smartphones and Web-linked [tablet computers](#) to compete with Apple Inc. and South Korea's [Samsung Electronics](#) Corp.

The company said quarterly sales in North America, traditionally a weak area for Lenovo, rose 13 percent over a year earlier to \$1.2 billion, accounting for 15 percent of the global total. It said its market share rose 1.8 percentage points to 9.3 percent.

In its home China market, quarterly sales rose 8 percent to \$3.1 billion and revenue for mobile Internet products rose 74 percent.

More information: Lenovo Group: www.lenovo.com

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