

Taiwan's HTC reports 83 percent drop in 2Q profit

July 30 2013

Taiwan smartphone maker HTC Corp. reported an 83 percent drop in second quarter profit Tuesday, hit by intensifying competition in the smartphone market.

HTC's profit totaled 1.2 billion New Taiwan dollars (\$40 million) on revenue of NT\$70 billion in the three months through June.

The company predicted revenue to drop to between NT\$50 billion and NT\$60 billion in the third quarter as high-end smartphone sales appear to have reached their peak.

Rivals Apple Inc. and South Korea's Samsung Electronics Co. have felt similar pressure as the high-end handset boom gives way to growing demand for mid-range models.

HTC became the first maker of smartphones based on Google's Android software in 2008 and its sales then surged. But they began a sharp decline in the second half of 2011.

The company had hoped to win back some of its market with the launch of the "HTC One" series of phones, which offer users a better camera and music experience.

Recently, HTC has launched a market push for mid-range smartphone models, an area in which is expected to face stiff competition from China's ZTE Corp. and Huawei Technologies.

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