

Top PC maker Lenovo posts 29% jump in annual profits (Update)

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Customers check out the computers at a Lenovo shop in Hangzhou, Zhejiang province, on February 2, 2014

Chinese computer maker Lenovo Group on Wednesday announced a jump in full-year net profits of 29 percent, driven by record sales of smartphones.

Net profit for the financial year ending March 31 rose to \$817.23

million, up 28.7 percent year-on-year.

Revenues were up 14.3 percent to \$38.71 billion, the company said in a filing to the Hong Kong Stock Exchange.

"Fiscal year 2013/14 was another record year for Lenovo," Yang Yuanqing, the company's chairman and chief executive officer, said in the filing.

"The record sales and profits that we delivered last year prove that Lenovo can grow and deliver its commitments, no matter the market conditions," he added in a press statement.

The Hong Kong-listed firm is the world's leader in the PC market, with a 17.7 percent global market share, but has plans to shift away from its traditional focus as consumers buy more tablets and smartphones.

Yang said in February that the company aims to become the third largest player in the global smartphone market following the acquisition of US telecom firm Motorola Mobility, which Google agreed to sell for \$2.91 billion in January. The sale has yet to be completed.

Lenovo said in the filing it has sold a "record-high" level of smartphone devices last year, totalling more than 50 million units—a 72 percent rise year-on-year.



A staff member checks a Lenovo mobile phone display prior to a launching ceremony in Beijing, on September 16, 2009

China contributed 38 percent of the group's total revenue, while the market for the Americas made up 21 percent.

Europe, the Middle East and Africa, contributing 25 percent, recorded a 24 percent boost in PC shipments compared to last year.

Aside from the Motorola acquisition, Lenovo also snapped up IBM's low-end server business for \$2.3 billion in January.

The company has defended the acquisitions and said it has enough funding for the purchases, with both transactions pending regulatory approval.

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