

# Taiwan's Acer profit sharply up in second quarter

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Taiwan's struggling personal computer maker Acer said Thursday its net profit rose sharply in the second quarter on better sales and cost control following a series of internal reforms.

Acer posted a net profit of Tw\$485 million (\$16.2 million) in the three months to June, up from Tw\$1 million in the first quarter and compared with a net loss of Tw\$343 million in the same period last year, it said in a statement.

Revenues in the second quarter fell nine percent on-year but rose six percent on-quarter to Tw\$81.34 billion while Acer reduced its operating expenses by 14.7 percent on-year through "sensible cost control", it said.

For the first half of 2014, Acer's consolidated revenue totalled Tw\$158.06 billion, down 12.8 percent on-year while [net profit](#) more than doubled to Tw\$486 million on-year.

The improvement demonstrated the "positive results of the company transformation", Acer said, referring to a series of reforms initiated late last year by founder Stan Shih, who returned as chairman and interim president after two top executives quit over the firm's poor performance.

"With back-to-school promotions and global new product announcements in the second half, Acer is optimistic of its turnaround progress and expects the third quarter revenues to maintain the growing momentum", it said.

Shih founded Acer in 1976 and built it into the world's second largest PC maker in its heyday, and one of the best known Taiwanese brands internationally, before retiring in 2004.

But Acer's fortunes have worsened in recent years as sales have been hit by competition from Apple and other rivals.

In January, Acer vowed to formulate product strategy, production planning and inventory control with more caution when it posted a third consecutive full-year [net loss](#) in 2013 while senior executives have taken voluntary salary cuts of 30 percent from the same month.

In June, Acer named George Huang, one of the company's co-founders, to succeed Shih as chairman. Shih had relinquished his positions of CEO and president to Jason Chen, a former marketing executive at leading microchip maker Taiwan Semiconductor Manufacturing Co. in December.

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