

Samsung Q1 net profit surges to record high

30 April 2010, By KELLY OLSEN , AP Business Writer



An employee of the Samsung Electronics greets to customers at its show room in Seoul, South Korea, Friday, April 30, 2010. Samsung Electronics said net profit surged more than six-fold in the first quarter to a record high on strong demand and higher prices for memory chips as well as increased sales of mobile phones and flat screen televisions. (AP Photo/ Lee Jin-man)

(AP) -- Samsung Electronics said net profit surged more than six-fold in the first quarter to a record high on strong demand and higher prices for memory chips as well as increased sales of mobile phones and flat screen televisions.

Samsung earned 3.99 trillion won (\$3.59 billion) in the three months ended March 31, the company said Friday. It recorded net profit of 582 billion won the year before.

The latest figure was an all-time high for the company, said spokesman Jason Kim, surpassing 3.81 trillion won in the third quarter of last year.

The company also said sales in the first quarter totaled 34.64 trillion won. That was 20.8 percent higher than the 28.67 trillion won reported a year earlier.

[Samsung Electronics](#) Co. is a major force in the

global technology industry, ranking as the largest manufacturer of computer memory chips, flat screen televisions and liquid crystal displays. It also stands No. 2 globally in mobile phones behind Finland's Nokia Corp.

Samsung said in a release that sales in its [semiconductor business](#) jumped 57 percent to 8.2 trillion won in the first quarter. The company said tight supply and strong demand caused prices for DRAM, or [dynamic random access memory](#), chips to rise. DRAM are used mostly in personal computers.

The company also cited steady demand for NAND flash memory chips in line with consumer purchases of smart phones and mobile application products. NAND are used in devices such as digital cameras, music players and smart phones.

"Strong demand for mobile products continued despite weak seasonality," Samsung said in presentation materials for investors.

In mobile phones, Samsung sold 64.3 million of the devices in the first quarter, up 40 percent from the year before. It predicted demand will increase in the current second quarter in line with the global economic recovery.

The company also sold 8.4 million flat screen TVs in the first quarter, an increase of 47 percent from the year before. Samsung said it expects demand to grow 34 percent in the second quarter.

"In the TV business, we launched aggressive marketing activities focusing on 3D TV as well as LED TV," Robert Yi, Samsung's head of investor relations, told analysts on a conference call. "As a result, our shipment and profit margin improved significantly year on year."

Investors cheered the results, sending Samsung shares 2.9 percent higher to close at 849,000 won.

Samsung's stock price, which surged 77 percent in 2009, hit a record high of 870,000 won on April 5 this year.

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