Samsung logs record-high profit

YOUKYUNG LEE - AP Technology Writer - Associated Press

Samsung Electronics Co.'s third-quarter net profit nearly doubled over a year earlier to a record high propelled by strong sales of Galaxy phones that helped widen its lead over rivals.

The South Korean company said Friday its July-September net income totaled 6.56 trillion won ($5.97 billion), compared with 3.44 trillion won a year earlier.

Operating income stood at all-time high of 8.12 trillion won ($7.39 billion) on revenue of 52.18 trillion won, in line with the company's preliminary results released earlier this month. The third-quarter operating profit was a 91 percent spike from a year earlier while revenue showed a 26-percent increase.

With the latest result, Samsung set a record-high quarterly operating income for four quarters in a row.

In the latest quarter, the company benefited from robust sales of its Galaxy smartphones as well as demand for high-end components for mobile devices, which offset weak global PC demand and a thin profit from its memory chip business.

Samsung said more than half of its overall revenue came from its mobile communications division that sells the Galaxy series of smartphones and tablet computers.

The company, which did not disclose its smartphone sales figures, is believed to have sold as much as 60 million smartphones during the three months ending Sept. 30, according to analysts. Apple Inc. said it sold 26.9 million iPhones during the same period.

High-end display panels called OLED, or organic light-emitting diode, which is used in mobile devices including Samsung's own smartphones, also shored up its bottom line, Samsung said.

While some analysts said the company's fourth-quarter profit might decline from the previous quarter due to higher marketing costs and lower profit from semiconductor sales, Samsung said it will try to further increase profit despite heightened competition during the winter holiday season.

"(We) will do our best to sustain our earnings momentum throughout the fourth quarter by implementing strategies we have developed for our businesses," Robert Yi, Samsung's head of investor relations, said in a statement.

Mobile communications business and sales of high-margin mobile gadgets will continue to be the biggest source of revenue for Samsung in coming months,

helping it weather the negative impact from the weak global economy that curbs corporate spending and demand for personal computers.

Samsung is the world's largest maker of computer memory chips, mobile phones and TVs.

Samsung launched the Galaxy Note II, a smartphone with a 5.5-inch screen a digital pen, in the U.S. market earlier this week, just a day after Apple announced the iPad mini, a smaller and cheaper iPad with a 7.9-inch screen.

Samsung, while continuing to push sales of its flagship Galaxy S III smartphones, is also scheduled to release new ATIV smartphones powered by Windows 8, the latest version of Microsoft's Windows.

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