

Taiwan's MediaTek profit up 51 percent in 1Q

ANNIE HUANG, Associated Press

TAIPEI, Taiwan (AP) — MediaTek Inc., Asia's largest chipset designer, said Monday its first quarter profit grew 51 percent from a year earlier, boosted by China's flourishing smartphone market.

The Taiwanese company's net profit totaled 3.7 billion New Taiwan dollars (\$125 million) in the January-March period on revenue of NT\$24 billion.

MediaTek helped fuel the sales growth of China's low-cost handsets by providing integrated, customized chipsets that significantly shorten the time and cost of marketing a new product.

It has delivered more sophisticated chipsets over the past year to run entry-level smartphones produced in China.

The company shipped 35 million chipsets that power low- and middle-cost smartphones in the first quarter, accounting for more than 40 percent of overall revenue, said MediaTek President Hsieh Ching-jiang.

Chipset volume is expected to grow to 45 to 50 million in the second quarter with demand for smartphones remaining strong in China and in countries such as India and Indonesia, he said.

The chip designer recently launched a dual-core mobile chip for smartphones. Using the cutting-edge 28 nanometer process to produce, the new chip could help MediaTek maintain its edge over its Chinese rivals, analysts say.

The company is also moving into the tablet computer market. Its processor has been selected by Taiwan's Acer Inc. to power a new 7-inch tablet, codenamed Iconia A1, which will sell for as low as \$169.

MediaTek last year announced a \$3.8 billion takeover of its Taiwanese rival MStar Semiconductor. Chips designed by the two companies for use in televisions have a 70 percent share of the global market. The deal has yet to get approval from China's antitrust regulators. Taiwanese regulators are investigating alleged insider trading in the deal.

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