

Dell profits take a hit amid PC woes

NEW YORK, USA: Dell said last week its quarterly profit plunged 72% from a year ago as the struggling computer company felt the impact of weak PC sales.



The Texas-based technology firm said its profit for the second fiscal quarter slid to US\$204m, compared with US\$732m in the same period last year.

It marked the seventh consecutive drop in profits for the former number one PC maker, but the results were slightly better than analyst estimates.

Profits translated to 25 cents per share, a cent better than the consensus forecast. Revenues were flat at US\$14.5m, while analysts were expecting a sharper decline.

Dell, which is the focus of a battle for its control led by founder Michael Dell, said it had made some progress in diversifying into areas like software and services.

"In a challenging environment, we remain committed to our strategy and our customers, and we're encouraged by increasing customer interest in our end-to-end solutions and continued growth in our enterprise solutions, services and software businesses," said Brian Gladden, Dell's chief financial officer.

The results come while Dell and dissident shareholders are locked in a battle over the company's value following a plan by its founder to delist the company.

Michael Dell has argued that a radical change is needed to get the company back on track in a market that is shifting away from PCs to mobile devices.

But a rival group of investors led by corporate raider Carl Icahn have argued that the bid undervalues Dell and that the private equity deal would be a "giveaway."

A shareholder vote on the plan has been set for 12 September after three postponements.

Source: AFP via I-Net Bridge