

Nokia sales plummet as €227m is lost

HELSINKI, FINLAND: Mobile phone company Nokia said on Thursday (18 July) that it had reduced losses to €227m in the second quarter of this year, but sales were sharply down.



The loss was 84% less than in the same period last year, but revenue fell by 24% to €5.7bn.

The decline in sales of traditional mobile phones continued, dropping 39% from the level a year earlier in terms of value, while smartphone sales were down 24% over the same period.

Sales of Lumia, the smartphone on which the troubled company has bet its future, rose by 32% from the previous quarter to 7.4m units.

Nokia used to be the global leader in mobile phones but has been overtaken by rivals and is struggling to establish winning business models and mobile devices.

"During the third quarter, we expect that our new Lumia products will drive a significant part of our smart devices revenue," chief executive Stephen Elop said in a statement.

Nokia's losses came in below a €276m loss predicted by analysts polled by Dow Jones Newswires, but the revenue fall was sharper than the 17% consensus.

The group has cut costs by reducing its workforce by 23% in the past year and by seven percent in the last quarter.

Results were boosted by a turnaround at telecommunications equipment manufacturer Nokia Siemens Networks (NSN), which made a profit of €8m, compared with a loss of €226m last year.

Source: AFP via I-Net Bridge

