

More bad news for Motorola

Q1 losses and sales decreases predicted for Q2

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Motorola's problems look set to continue.

The company's shares have nose-dived upon the news of losses for the first quarter of 2008 and also predictions of further tumbling sales to come.

Motorola, which remains number three in the US phone market, has admitted that its share of the global mobile market fell to 9.5%.

Reuters reports that this is about one-fourth the share of market leader Nokia, and less than half its own market share of 23.3% at the end of 2006.

Motorola's first-quarter loss was \$194 million, with net sales falling to \$7.45 billion from \$9.43 billion.

And analysts are predicting the storm to continue for Motorola.

Reports suggest that the ailing company is likely to lose even more market share in the second quarter - a prediction that has been compounded by its own forecasts for flat mobile phone revenue.

Reuters adds that this is despite an expected small increase for the overall market.

In the meantime, LG, who threw down the gauntlet in front of Motorola in February, is gaining market share and has now, according to statistics released this morning, climbed into fourth place in the world phone rankings, with Motorola clinging in third.

Despite the Q1 results and Q2 predictions, Motorola's boss remains upbeat.

Greg Brown told analysts, "It's all about building momentum", and he was "optimistic about the prospects for restoring" the business.