

National Semiconductor to cut 1,725 jobs

March 11 2009

(AP) -- Faced with a steep decline in sales, chip maker National Semiconductor Corp. said Wednesday it will eliminate more than one-quarter of its work force, or 1,725 jobs.

The company said it will immediately begin trimming 850 positions worldwide in its product, marketing, manufacturing and support businesses. An additional 875 jobs will be lost with the shuttering of facilities in Suzhou, [China](#), and Arlington, Texas, over the next few quarters. [National Semiconductor](#) has about 6,500 employees.

The Santa Clara-based company said the [layoffs](#) will cost \$160 million to \$180 million in severance and other charges, \$130 million to \$145 million of which will likely be recorded in this fiscal quarter.

The cuts came as National recorded a 71 percent decline in its third-quarter earnings, posting a profit of \$21.1 million, or 9 cents per share, compared with \$72.9 million, or 29 cents per share, a year earlier.

Sales fell more than one-third to \$292 million from \$453 million.

Analysts polled by Thomson Reuters expected a loss of 5 cents per share on sales of nearly \$296 million.

"The worldwide recession has impacted National's business as demand has fallen considerably," Chief Executive Brian L. Halla said in a statement.

National Semiconductor said it expects another 5 percent to 10 percent sequential decline in sales, which would put its fourth-quarter revenue between \$263 million and \$278 million. Analysts were expecting revenue of \$293 million.

Shares of National Semiconductor fell 28 cents, or 2.4 percent, to \$11.42 in morning trading.

The company also said its [quarterly dividend](#) would remain 8 cents per share and will be paid on April 14 to shareholders on record as of March 23.

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