

Semiconductor giant Infineon upgrades outlook

November 19 2009



Flags with the logo of chip maker Infineon fluttering at the Munich fairgrounds. German semi-conductor maker Infineon on Thursday upgraded its turnover and profits forecast over the next 12 months because of higher demand from the auto industry and cost cuts.

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"Assuming a stabilizing or growing world economy, currently high demand and order levels lead Infineon to expect sales growth of 10 percent or more" during its fiscal year between October 2009 and October 2010, the company said.

Infineon also forecast that the biggest increase in revenue would come

from the automotive industry, which is recovering from a severe slump in demand that had helped drag down the semi-conductor maker's results in recent months.

In its 2008-2009 financial year, Infineon said sales had fallen 22 percent to 3.02 billion euros (4.49 billion dollars).

But in the July-September quarter of this year, the company said it had managed to eke out a [net profit](#) of 14 million euros.

"We made a net profit in the fourth quarter. I don't see why we can't make a profit over the financial year," Infineon's [chief financial officer](#) Marco Schroeter told reporters after the announcement of the results.

[Infineon](#) was facing financial ruin earlier this year because of the collapse of the global automotive industry and after its loss-making [flash memory](#) unit Qimonda filed for insolvency in January.

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Citation: Semiconductor giant Infineon upgrades outlook (2009, November 19) retrieved 2 May 2024 from <https://phys.org/news/2009-11-semiconductor-giant-infineon-outlook.html>

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