

# Improvement in chip divisions boosts profit at TI

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In this Jan. 25, 2010 file photo, a sign outside Texas Instruments' offices in Sunnyvale, Calif., is seen. Texas Instruments Inc., reports quarterly earnings Monday, April 26, 2010, after the market close. (AP Photo/Paul Sakuma, file)

(AP) -- Texas Instruments Inc.'s first-quarter profit leaped after the chip maker improved results in all its product lines, and the company offered an outlook better than what financial analysts were expecting.

The numbers partly reflect greater demand for [cell phone](#) chips. That benefits TI because Internet-connected "smart" phones need more powerful - and more profitable - chips. TI's results also show the company benefiting from an overall rise in technology spending. Its chips are used in a range of electronics, from cars to manufacturing equipment to communications gear.

TI said after the market closed Tuesday that [net income](#) was \$658

million, or 52 cents per share, for the quarter ended March 31. That was a penny per share better than analyst estimates, according to Thomson Reuters.

In the same period last year, when all of TI's businesses suffered declines, TI earned \$17 million, or a penny per share.

TI's revenue jumped 54 percent to \$3.21 billion in the latest quarter, with all of TI's major divisions showing gains. Analysts polled by Thomson Reuters expected \$3.14 billion.

TI's profitability also increased because its factories were more fully utilized than last year, when its customers weren't buying as many chips.

For the current quarter, TI predicted better numbers than [Wall Street](#) was expecting. The company forecast profit of 56 cents to 64 cents per share. Analysts were expecting 53 cents. Revenue should be \$3.31 billion to \$3.59 billion, TI said. Analysts expected \$3.22 billion.

TI shares rose 12 cents, or 0.4 percent, to \$27.30 in extended trading. In the regular session the shares gained 49 cents, or 1.8 percent, to close at \$27.16. During the day they hit \$27.35, a 52-week high.

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