

AMD tops estimates with 4Q results

January 21 2011, By ANDREW VANACORE , AP Business Writer



Advanced Micro Devices (AMD) chip advertisements are displayed on a computer at Micro Center computer store in Santa Clara, Calif., Wednesday, Jan. 19, 2011. Advanced Micro Devices reports quarterly financial earnings Thursday, Jan. 20, 2011, after the market close. (AP Photo/Paul Sakuma)

(AP) -- Advanced Micro Devices Inc. said Thursday that its fourth-quarter profit shrank from a year ago, when a big legal settlement it won from archival chip maker Intel Corp. pumped up AMD's earnings.

Excluding unusual items, however, AMD's results for the last three months of 2010 topped Wall Street forecasts. And it projects higher revenue for the first quarter of 2011 than analyst do on average, according to FactSet.

Coupled with Intel's better-than-expected results from last week, AMD's [earnings](#) suggest the market for personal computers is continuing to improve. Intel and AMD are the world's No. 1 and No. 2 providers of

microprocessors, respectively.

AMD shares rose 9 cents Thursday to close at \$8.02. They lost 2 cents after hours.

Like other chip makers, AMD hopes to profit from the growing popularity of sophisticated mobile gadgets. Earlier this month the company ousted CEO Dirk Meyer for not getting AMD processors into tablets and other mobile devices faster.

Interim CEO Thomas Seifert, who also serves as the company's chief financial officer, declined to give specifics Thursday about why the company decided to look for a new leader.

The move caught some industry analysts off guard. Meyer had taken charge of AMD 2-1/2 years ago and brought it back from a near collapse, spinning off its expensive factory operations and reviving its share price.

Still, Rick Bergman, who leads AMD's products group, offered a glimpse of the company's strategy in a call with analysts, saying tablet computers represent a "wonderful opportunity."

"We've really struggled to get into the living room," he said. "It's clear that tablets are finding their way into the living room - a real consumer experience."

In the fourth quarter, AMD earned \$375 million, or 50 cents per share, down from \$1.18 billion, or \$1.52 per share, a year ago, when the company booked a \$1.24 billion legal claim against [Intel](#).

Stripping out one-time gains, the company said earnings per share rose to 14 cents from 11 cents. On that basis, analysts surveyed by FactSet

expected earnings per share to remain at 11 cents.

AMD's revenue came in flat at \$1.65 billion, a little better than the \$1.63 billion analysts were predicting.

For the full year, earnings totaled \$471 million, or 64 cents per share, up 55 percent from \$304 million, or 45 cents per share, in 2009. Full-year revenue climbed 20 percent to \$6.49 billion from \$5.4 billion.

Looking ahead, AMD said it expects revenue will be flat to down 4 percent in the three months ending in March compared with the fourth quarter. That works out to a range of \$1.58 billion to \$1.65 billion, while analysts expected revenue would dip further, to \$1.54 billion.

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Citation: AMD tops estimates with 4Q results (2011, January 21) retrieved 26 April 2024 from <https://phys.org/news/2011-01-amd-tops-4q-results.html>

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