

Texas Instruments says past 'shallow downturn'

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In this Jan. 19, 2011 photo, Texas Instruments products are displayed at a computer store in Santa Clara, Calif. Texas Instruments Inc., reports quarterly financial earnings Monday, Jan. 24, 2011, after the market close.(AP Photo/Paul Sakuma)

(AP) -- Texas Instruments Inc. on Monday posted fourth-quarter results that narrowly topped forecasts, and the chipmaker said it is now past a "short and shallow downturn" that hit in the second half of last year.

The company said it earned \$942 million, or 78 cents per share, in the October to December period.

That included 14 cents per share in one-time gains from the sale of a product line and a tax benefit. Excluding those effects, earnings beat the average estimate of analysts polled by FactSet by 1 cent per share.

In the same period last year, TI earned \$655 million, or 52 cents per share.

Revenue rose 17 percent to \$3.53 billion, beating the analyst forecast of \$3.51 billion.

For much of last year, TI's results reflected the company's rebound from the recession. Then, in October, the company warned that the market was weakening, and that its outlook for this year was cautious. Demand for chips for laptop computers, hard disk drives and televisions started to look poor, while chips for video games and smart phones stayed in strong demand.

But on Monday, CEO Rich Templeton said the fall's downturn now looks "mostly complete." The company used it to replenish its inventories and return product lead-times to normal, he said.

TI projected a revenue range for the first quarter - \$3.27 billion to \$3.55 billion - that stretches well above the average analyst forecast at \$3.34 billion. It expects net income of 54 cents to 62 cents per share, straddling the analyst forecast at 58 cents.

TI shares fell 83 cents, or 2.4 percent, to \$33.82 in extended trading Monday, after rising 74 cents in regular trading. The stock is close to a 2-year high of \$34.86 set a week ago.

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