

# iPad chip designer ARM Holdings posts strong profits

January 31 2012

---



ARM Holdings, the British company whose microchip designs are used to help power Apple's iPads, posted strong fourth-quarter profits Tuesday thanks to keen demand for smarter technology.

ARM Holdings, the British company whose microchip designs are used to help power Apple's iPads, posted strong fourth-quarter profits Tuesday thanks to keen demand for smarter technology.

Pre-tax profits jumped 42 percent to £49.7 million (\$78.4 million, 59.7 million euros) in the three months to December compared with the same period in 2010, ARM Holdings said in a statement.

Earnings after tax rose 11 percent to £33.1 million in the fourth quarter as revenues gained 21 percent to £137.8 million.

The company, based in the university city of Cambridge, said sales in the quarter amounted to about 2.2 billion ARM technology-based chips, boosted by demand for smarter consumer electronics technology.

ARM Holdings signed 25 new processor licenses in the reporting period for a wide range of devices, including digital televisions, mobile computers and smartphones.

Annual pre-tax profits meanwhile jumped to £156.9 million from £110 million last time around.

The impressive results sent ARM shares surging 3.18 percent to 616.5 pence on London's FTSE 100 benchmark index of top companies, which was 0.32 percent higher at 5,689.91 points in late afternoon trade.

"In (the [fourth quarter](#)) and throughout 2011, ARM has seen strong licensing growth, driven by market-leading semiconductor companies increasing their commitment to ARM technology, and more new customers choosing ARM technology for the first time," group chief executive Warren East said.

"We have also seen our royalty revenue continue to grow faster than industry revenues as the ARM Partnership gains share in our target markets."

Looking ahead, the company said it expected an "exciting" performance in the current financial year.

"2012 will bring exciting opportunities and challenges as ARM enters competitive new markets where we are well positioned to succeed with leading technology, an innovative business model and a thriving ecosystem of partners," East said.

"As our customers are designing more ARM technology into their widening product portfolios, ARM is investing in the development of new products.

"These products will drive further long-term growth in our revenues, profits and cash."

(c) 2012 AFP

Citation: iPad chip designer ARM Holdings posts strong profits (2012, January 31) retrieved 27 April 2024 from <https://phys.org/news/2012-01-ipad-chip-arm-strong-profits.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.