

German chip maker Infineon meets full-year targets

November 12 2013

German semi-conductors giant Infineon said on Tuesday a strong fourth quarter had enabled it to meet its goals for the year just ended, but warned of falling sales in the current quarter.

Infineon, which runs its business year from October to September, said that [net profit](#) jumped by 85 percent to 142 million euros (\$190 million) in the [fourth quarter](#).

Revenues climbed by 3.0 percent to 1.503 billion euros.

"In the fourth quarter, sales, profits and margin increased for the third time in succession. The 2013 fiscal year has therefore turned out to be better than expected one year ago", said chief executive Reinhard Ploss.

Taking the 12 months to September as a whole, sales fell by 1.6 percent to 3.843 billion euros and net profit was down 36.3 percent at 272 million euros.

"From the second quarter onwards, demand picked up at a significantly faster pace than expected, which more than compensated for the negative impact of a weaker-than-budgeted exchange rate of the US dollar against the euro," said CEO Ploss.

Infineon said it would propose an unchanged dividend of 0.12 euros per share for last year.

Looking ahead, sales were projected to decline across all divisions in the [current quarter](#), from October to December, as demand is traditionally weak at this time of year, it said.

First-quarter sales were expected to come out between 960 million-1.0 billion euros and the profit margin would fall to 8.0-10.0 percent.

But for the year to September 2014, Infineon is pencilling in an increase in [sales](#) of 7.0-11.0 percent and a [profit margin](#) of 11-14 percent, Ploss said.

Investors did not seem to be impressed and Infineon shares were the biggest losers on the Frankfurt stock exchange, shedding 4.5 percent in afternoon trading in an only slightly softer market.

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