

Intel 3Q profit unchanged, but beats predictions (Update)

October 15 2013, by Bree Fowler

Intel said Tuesday that its third-quarter net income was unchanged, stymied by a continued slump in global PC demand.

The chipmaker earned \$2.95 billion, or 58 cents per share, compared with \$2.97 billion, or 58 cents per share, in the same quarter of 2012.

Revenue also was unchanged at about \$13.5 billion.

The drop in PC-related sales came amid another decline in PC shipments. Intel supplies chips for about four out of every five PCs. The rest come from Advanced Micro Devices Inc., which reports financial results on Thursday.

IDC said last week that worldwide PC shipments fell nearly 8 percent during the third quarter, to 81.6 million, while fellow market research firm Gartner Inc. put the decline at almost 9 percent, to 80.3 million. The two firms define PCs slightly differently. The drop marked the sixth-straight quarter of decline for the industry, as computer makers, and the companies that supply them, try to reshape themselves amid the continued shift toward tablets and smartphones.

Intel CEO Brian Krzanich said on a conference call with investors that while consumer demand in emerging markets was sluggish during the recent quarter, the company started to see early signs of improvement in North America and western Europe. He attributed that to the company's growing product lineup.

Intel's results for the quarter, which ended Sept. 28, beat Wall Street predictions. Analysts polled by FactSet expected a profit of 53 cents per share on revenue of \$13.4 billion.

Revenue at the company's personal-computer business fell 3.5 percent to \$8.4 billion because of a drop in the number of chips sold, while data center revenue increased 12 percent to \$2.9 billion, helped by both higher prices and higher volumes.

For the fourth-quarter, Intel projected revenue of \$13.2 billion to \$14.2 billion. Analysts were looking for \$14.0 billion.

Shares of Santa Clara, California-based Intel Corp. fell 59 cents, or 2.5 percent, to \$22.80 in extended trading after the release of results.

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