

[<< Back](#) | [Print](#)

## TI updated guidance bodes well for wireless, analog markets

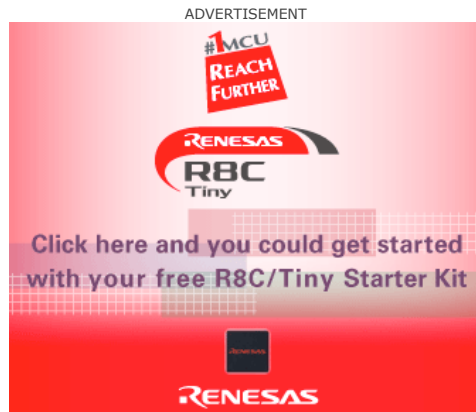
By Suzanne Deffree, Managing Editor, News -- 12/11/2007  
Electronic News

Wall Street reacted positively this morning to a narrowed Q4 guidance from **Texas Instruments Inc.**, driving company stock up as analysts made upbeat statements about two of the markets TI plays in.

In a scheduled update to its business outlook Monday, Dallas-based TI said it now expects total revenue between \$3.5 billion and \$3.66 billion, compared with the prior range of \$3.4 billion to \$3.68 billion. Broken out, TI estimated semiconductor revenue between \$3.43 billion and \$3.57 billion, compared with the prior range of \$3.33 billion to \$3.59 billion; and education technology revenue between \$70 million and \$90 million, unchanged from the prior range.

TI is now projecting EPS from continuing operations between \$0.50 and \$0.54, compared with the previous range of \$0.48 to \$0.54 for the quarter ending on December 31.

The high-end narrowed update comes after TI in its **Q3 financials** reported a possible sales slow down in its wireless group this quarter, a projection analysts called "disappointing" when made in October. According to analyst checks this morning, sales from TI's wireless group are showing positive signs.



"In line with our recent handset market checks, TI's wireless business appears to be tracking ahead of expectations in Q4," Tim Luke, an analyst with Wall Street watching firm **Lehman Brothers**, said in a research note this morning.

Lehman reported that while growth is below seasonal due to the ramp down of 3G basebands at **Ericsson Mobile Platforms** (EMP), which was **picked up by STMicroelectronics** around this time last year, strength from TI's largest customer, Nokia, may be driving some upside to expectations.

"Our checks following the recent upbeat Nokia analyst day and our [Lehman Brothers] conference indicate Nokia continues to see robust demand and share gains. We believe the step down at EMP is tracking as planned. With respect to linearity, TI had expected demand to slow in December versus October and November, but demand has remained steady to date," Luke said.

**American Technology Research** analyst Doug Freedman seconded Lehman's sentiments.

"TI's positive commentary comes on the back of positive results last week from [National Semiconductor Corp.], which beat on wireless strength; Nokia, which suggested it is managing its way through the component tightness in December (but gave no specific guidance) and also forecasted 10% industry unit growth for 2008; Motorola, which reiterated December guidance following several sell-side cuts; and RF Micro Devices, which is highly levered to Nokia's supply chain and is seeing visibility build into March," Freedman said in a separate research note today.

Analog also got a nod from the analyst community today on TI's updated forecast.

"We believe TI's analog demand trends remain solid, consistent with expectations in October. We believe analog may be benefiting from continued strength in the PC market, in areas such as power management, as well as likely share gains across the space," Luke said. "Going forward, we believe TI continues to see opportunities to further expand its market share in the \$37 billion analog market, from current 13% market leading level, leveraging the breadth of its portfolio and the strength of its sales coverage."

Thanks to the positive Q4 update and analyst reactions, TI's stock was up nearly 3% as of 1:30pm eastern today to \$33.65 on Monday's close of \$32.67.

TI's quarter closes on December 31.

[<< Back](#) | [Print](#)

© 2007, Reed Business Information, a division of Reed Elsevier Inc. All Rights Reserved.