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Broadcom eyes entry into LTE chip market in 2013

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NEW YORK (Reuters) - Broadcom Corp said on Thursday it would provide sample chips supporting the latest high-speed wireless services to its top cellphone customers in 2013.

This could help the company compete better with bigger rival Qualcomm Inc, which is years ahead of its peers in Long Term Evolution (LTE), the high-speed wireless technology being adopted by wireless service providers around the world.

Bob Rango, Broadcom's general manager for wireless, announced the company's LTE plan during its annual investor meeting and discussed design features it would include.

Charter Equity Research analyst Ed Snyder said he was impressed by the LTE product specifications promised, such as voice capability and power efficiency, but he was disappointed that Broadcom did not say when the chip would be commercial.

"They were really fuzzy on when it will get into the hands of users," said Snyder, who worried that it may be 2014 before the chips show up in smartphones.

"This is an area they have most chance of growing," he said.

Broadcom's gap between samples and commercial products can range from 6 to 18 months depending on the product maturity, according to Broadcom Chief Executive Scott McGregor.

But McGregor would not say how big the gap would be in this case or when the samples will be ready.

"We do feel really good about the product," McGregor said in an interview after the investor event.

The executive included LTE in a list of "signposts" investors should look for in the next year. "We need to be there. We're not there today."

The latest hot devices, such as Apple Inc's iPhone and Samsung Electronics Co's Galaxy phones, already support LTE.

Broadcom already supplies Apple and Samsung with chips for short-range connectivity such as wi-fi, but an LTE chip would help it increase the revenue it generates from each phone.

The company said it could potentially increase the revenue from each handset to a range of \$10 to \$30 from \$3 to \$6 if it can also provide technologies such as cellular radios and power management as well as short-range connectivity technologies.

Broadcom shares closed up \$1.02, or 3 percent, at \$33.36 on Nasdaq. It raised its financial targets for the current quarter late Wednesday.

CEO McGregor said it was not yet clear whether the improved outlook was due to any improvement in economic conditions. Regardless of the macro situation, he said: "Next year when we look at growth we do expect we'll be faster than the industry."

Broadcom spent time during its meeting discussing the company's success in integrating acquisitions such as NetLogic Microsystems Inc, which it bought in February for \$3.7 billion.

McGregor does not see any change in the pace of Broadcom's mergers and acquisitions, which have come at about one deal per quarter.

"We don't have any significant gaps," McGregor said, but added that "we do have companies on our acquisition roadmap."

(Reporting by [Sinead Carew](#); Editing by Nick Zieminski and [Richard Chang](#))

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