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UPDATE 2-Texas Instruments slightly boosts a profit target

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By [Sinead Carew](#)

NEW YORK, Dec 10 (Reuters) - Texas Instruments Inc on Monday slightly improved a profit target, excluding a massive restructuring charge, as the company is cutting costs due to macro-economic uncertainties.

While the company did not improve the mid-point of its revenue target, a key measure of demand for its chips, its non-GAAP earnings outlook was a penny better than expected.

Investors initially took the change as a positive sign, but an after hours share gain soon disappeared after an executive spoke to analysts on a conference call.

Investor relations executive Ron Slaymaker said that the penny difference was due to general tightening down on expenses where possible because of the weak economy.

"I can't see how you could read a recovery into what TI said," Charter Equity Research analyst Ed Snyder said, noting that TI gave no indication that demand was going to get better or worse and that this would make its stock volatile. Adds analyst comment, executive

"This isn't going to give comfort to either the bulls or the bears because there's no clear indication of a sustained long term trend up or down," he said.

Including a 21 cent per share restructuring charge, the chip maker forecast current-quarter earnings per share in a range of 5 to 9 cents.

But excluding the restructuring charge, the new target implies a midpoint of 28 cents per share on a non-GAAP basis, compared with TI's previous midpoint of 27 cents per share.

The fourth-quarter charge relates to the company's November announcement that it will cut 1,700 jobs as it moves out of the market for application chips in cell phones.

TI forecast fourth-quarter revenue of \$2.89 billion to \$3.01 billion compared with its previous expectation for \$2.83 billion to \$3.07 billion.

The latest guidance implies a midpoint of \$2.95 billion and compares with Wall Street expectations for \$2.96 billion according to Thomson Reuters I/B/E/S.

After rising as high as \$30.25 in after hours trade, TI shares settled back to their \$29.82 Nasdaq close following the conference call.

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