

## Altera reports 34% drop in fourth-quarter profit

By [Benjamin Pimentel](#), Dow Jones MarketWatch  
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**SAN FRANCISCO (MarketWatch) -- Altera Corp. reported a 34% decline in fourth-quarter profit on Thursday, despite a gain in revenue.**

[ALTR](#)) reported net income of \$65.5 million, or 20 cents a share, compared with a profit of \$99.9 million, or 27 cents a share, in the year-earlier period. Revenue was \$323.2 million, up from \$317.4 million in the same quarter last year.

Analysts had expected the semiconductor company to report earnings of 17 cents a share, on revenue of \$309.9 million, according to Thomson Financial.

John Daane, Altera's CEO, said in a written statement that the company had "a challenging, yet productive year, noting that "softer demand led to a disappointing sales year."

But he said the company's latest chips based on 65-nanometer technology has been "well-received by our customers."

Daane said Altera also got a boost from new software and intellectual property products, and the company took "major steps" to lower operating expenses in 2007. "We will do again in 2008," he added.

Altera said it expects first-quarter revenue to be flat to up 2% and gross margin of 64% to 65%. Analyst John Dryden of **Charter Equity Research** said the company's outlook is in line with expectations "as a seasonal mix-shift to higher margin product sales typically occurs in the first half of the year."

But he said he remains cautious on revenue growth "dependent on wireless infrastructure and the uptick of wireless data."