

UPDATE 3-TI profit, revenue beat Wall St forecasts

- * Q3 revenue \$2.88 bln vs Wall St \$2.82 bln
- * Sees Q4 rev \$2.78 bln-\$3.02 bln vs Wall St \$2.79 bln
- * CFO says all segments better than expected in Q3
- * TI shares rise almost 3 pct to \$24.17 in late trade
(Adds TI comments on demand by region, share price update)

By [Sinead Carew](#)

NEW YORK, Oct 19 (Reuters) - Texas Instruments Inc ([TXN.N](#)) posted better-than-expected third-quarter results on Monday, citing strong demand from every industry that uses its chips, from cars to computers and phones.

The chip maker, whose shares rose 2.5 percent, also said results in the fourth quarter would be stronger than current forecasts by analysts.

The company said the results showed that customers had finally stopped running down product inventories -- a practice that badly depressed demand for chips earlier in the year -- and were ramping up production.

Chief Financial Officer Kevin March said PC, mobile phone and automotive customers were among those boosting production, but also noted that it was not unusual to see production increase in the third quarter in anticipation of the holiday shopping season.

Seeking to temper expectations, March said holiday demand could be softer than usual this year.

"Santa Claus tends to come back every year. The question is, how big is his bag?" March said in an interview. "It's difficult to think it's going to be real exciting. One would have to expect it's going to be fairly subdued if for no other reason than that unemployment remains high."

But at least one analyst said the results and forecast, which followed a better-than-expected report from chip giant Intel Corp ([INTC.O](#)), suggested that demand had recovered.

"It's clear that the recovery for the semiconductor guys is real and not inventory-driven," said Charter Equity Research analyst Ed Snyder. "That gives a lot of people hope that we're not seeing a false start."

The company itself said that while most of its growth came from Japan and the Asia Pacific region, it also saw improvements in Europe and the United States for the first time in several quarters.

It also said the unexpected increase in demand for analog chips and other products had caused a supply pinch for TI in certain areas.

For the third quarter, profit fell 4.4 percent to \$538 million, or 42 cents per share. That surpassed analysts' average forecast for profit of 40 cents a share, according to Thomson Reuters I/B/E/S.

Revenue also fell, dropping 15 percent to \$2.88 billion, but it also beat analyst expectations of \$2.82 billion.

TI forecast fourth-quarter earnings per share in a range of 42 to 50 cents on revenue of \$2.78 billion to \$3.02 billion, compared with Wall Street expectations for revenue of \$2.79 billion.

The company's shares rose 2.8 percent to \$24.17 after closing at \$23.52 on the New York Stock Exchange.

(Editing by [Paul Thomasch](#), Gary Hill, Matthew Lewis)