



Qualcomm backs guidance, lifts dividend

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Qualcomm Inc (QCOM.O: [Quote](#), [Profile](#), [Research](#)) backed its previous financial guidance at its annual meeting on Tuesday, raised its dividend and announced a \$2 billion stock repurchase plan.

The wireless chip maker said it was on track to meet its guidance for the current quarter a day after rival Texas Instruments Inc (TXN.N: [Quote](#), [Profile](#), [Research](#)) issued a weak outlook, raising some investor concerns that Qualcomm also could be hurt.

"We're very comfortable with the guidance we gave, and we see strong order flow going into the future," Chief Executive Officer Paul Jacobs told shareholders during a Webcast of the shareholder meeting.

In January, Qualcomm, which is betting on high-speed wireless technology for future growth, forecast current-quarter earnings of 50 cents to 52 cents per share and revenue of \$2.4 billion to \$2.5 billion.

Late on Monday, TI had cited a significant fall in orders for chips used in high-speed wireless phones from one customer in particular for a weaker than expected first-quarter outlook.

While TI had said it was too soon to say if that news signaled a wider slowdown in demand, some analysts pegged the order pullback as the result of inventory management at the world's largest phone maker, Nokia Oyj (NOK1V.HE: [Quote](#), [Profile](#), [Research](#)), TI's biggest client.

But even after the reassurance from Qualcomm's Jacobs, one investment manager said it was not immediately clear whether the TI news was a sign of weaker consumer demand for advanced phones or just of inventory management moves.

"It could easily be either, or a combination of both," said Dan Davidowitz, portfolio manager at Polen Capital Management, which includes about 600,000 Qualcomm shares in its \$600 million under management.

But Davidowitz said Qualcomm was still a strong long-term investment regardless of any near term demand fluctuations.

Earlier in the day Qualcomm had said its board had approved an increase to its quarterly dividend to 16 cents a share from 14 cents per share and a \$2 billion stock buyback program.

The company said it had returned \$8.5 billion to shareholders through buybacks and dividends since 2003.

Polen's Davidowitz said that the dividend increase was not a surprise as the company has a history of periodically raising its dividend and has enough cash on hand to support this.

The company's stock closed up about 25 cents to \$39.42 after falling as low as \$37.86 earlier in the day.