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Tessera Boosts Q1 Revenue Outlook

Staff Writer

Tessera Technologies Inc., which licenses miniaturization technology for electronic devices, on Monday raised its first quarter revenue guidance to reflect a payment for past royalties to be received from United Test and Assembly Center Ltd.

San Jose, California-based Tessera said it now expects first quarter revenue to be in the range of \$63.0 million to \$64.0 million, compared to its prior guidance of \$58.0 million to \$61.0 million.

Analysts polled by Thomson Reuters currently expect the company to post revenue of \$60.04 million for the first quarter.

Tessera said that its semiconductor packaging subsidiary, Tessera, Inc., has signed an updated technology licensing agreement with United Test and Assembly Center the initial term runs through the end of 2016, with United Test and Assembly Center having the option to renew the license for an additional five year term.

Under the terms of the agreement, United Test and Assembly Center will pay Tessera \$15.0 million in cash to address past royalties owed under the initial license. Tessera will receive three separate payments, the first of which will occur in the first quarter of 2010 with the remainder in the second half of this year.

Tessera noted that the updated license agreement and payment for past royalties resolves all outstanding litigation between the companies, settling the parties' pending action in the Superior Court of the State of California, Alameda County.

Tessera shares are currently trading at \$18.58, up 62 cents or 3.45%.

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