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Cymer earnings improve, but stock falls

Shares in Cymer Inc. fell more than \$8, or 20 percent, in after-hours trading July 25 after the company released second-quarter earnings.

The Rancho Bernardo company makes laser light sources for semiconductor manufacturing. Shares closed at \$40.16, but hit the \$32 mark after-hours.

The Associated Press attributed the decline to Cymer missing an analysts' consensus target of 56 cents per share. Cymer reported diluted earnings per share of 55 cents.

Cymer reported net income of \$23 million on revenue of \$135 million for its second quarter. In the like quarter of 2005, Cymer reported net income of \$11 million on revenue of \$96 million.

Cymer's stock price has been up and down in the last week, said Dennis Brewster, a financial adviser with AIG Financial Advisors in the University Towne Center area.

Semiconductor stocks in general "were hit hard last week," said Brewster. Standard & Poor's on July 21 declared a cyclical downturn in the semiconductor market, based on information reported by several companies. Cymer closed at \$44.07 on July 19 and ended the week 14 percent lower July 21.

Cymer's business is "brutally cyclical," Brewster added.

Looking ahead, Cymer said revenue should rise 5 percent to 10 percent in the third quarter.

For the six-month period, Cymer had net income of \$43 million on revenue of \$262 million during 2006, beating the net income of \$16 million on revenue of \$181 million posted during 2005.

Cymer's light sources sell for roughly \$1 million apiece.

Shares trade on the Nasdaq as CYMI.

— Brad Graves