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TriQuint Semiconductor, Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of James Faucette with Pacific Crest.

Nathan Johnsen - Pacific Crest Securities

Yes, hi. This is Nathan calling for James. Just wanted to ask real quickly on your revenue guidance. It seems like it is up a little bit since your announcement a couple weeks ago. Just wanted to see what had changed, what is making you guys more confident in your revenue growth?

Ralph Quinsey

In July -- our July 9th announcement, we took our best look at our expectations. Of course, between then and now, we have had a chance to better refine that. As we said, our bookings are quite strong. We are 95% booked to the center part of our guidance. That is a little higher than we typically are. So we thought it was appropriate to adjust the guidance to reflect that.

Nathan Johnsen - Pacific Crest Securities

Okay. Great. Just wondering if you could talk a little bit about order trends kind of through the quarter and into July, I mean, commentary out of Anadigix and TI has obviously been pretty negative, and it seems like the handset commentary outside of Nokia also has been a little on the negative side. Are you guys seeing any increase in order cancellations or are you guys kind of noticing any impact there?

Ralph Quinsey

Independent of the specific ramp related items that we have already discussed, I would say in general, the handset market -- people agree it is about a 10% unit growth market this year. That is down from multiple years of 20% or better. That feels like a slowdown, and I think people are recognizing that now, but I think 10% unit growth is still a solid number.

What is interesting is the growth is starting to come from specific areas. I think smart phones are going to do quite well this year, and I think emerging markets are going to do quite well this year. And so TriQuint fortunately is uniquely positioned, I think, to do well in both of those ends of the market, and we feel good about our second half.

Steven Buhaly

If you look at the mix change in the second quarter, it shifted pretty strongly towards 3G product set, and that really helps create more revenue per phone, and offsets to some degree, any softness in unit volume that might be out there.

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