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Cymer, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. (Operator instructions) First question comes from Brett Hodess from Merrill Lynch.

Brett Hodess – Merrill Lynch

Good afternoon. Bob, I'm wondering if you can talk a little bit about the – you talked about a lot of the wins here with the new products. But as SemiCon last week Giga Fulltone [ph] was talking about share gains as well. So, I'm wondering if you could talk a little bit about the mix going forward, is it mostly going to be immersion side, I guess what I'm trying to ask is was the most going to immersion in the leading edge going forward, does Giga Fulltone in fact is far away at this point as a competitive threat on the leading edge items, and it is sort of backward looking relative to their comments on market share?

Bob Akins

Yes. What we believe as they stated and we discussed before Brett that the XLR offers many – very compelling advantages to our direct customers and to the chipmakers. And actually I think about this, you might recall that when we introduced our mop up [ph] products for the first time in January 2003, it was strongly embraced by one of our direct customers, a second direct customer got into a neutral position, and the third direct customer didn't adopt it for another year and a half or so. So, when we first introduced that product, it took about a year and a half or two before we saw it have a significant impact on our market share. And we believe that XLR is going to happen more quickly than that, but we started to ship that in Q4 of 2007 and it takes time for these machines to be evaluated qualified, orders placed and for that to pull over into the plant where we were including it in our installed base market share. And let me just briefly outline that the XLR brings with it in no particular order a number of energy stability improvements, lower cost operation, longer pulse durations for reduced optics damage or increased optics lifetime both in the laser and in the scanner. It has to be all these to support individually or together. GLX for the longer lifetime, EVS and tunable ABS to help chipmakers really tune their processes to make the most of masks or to utilize existing masks that they already own and mix the masks between tools. Also of course light source which is upgradeable from 60 watts to 90 watts in the field, which allows customers to take advantage of productivity enhancement packages from scanners – from scanner manufacturers without having to change the light source. There are other advantages that we start to publish in conjunction with our direct customers such as speculum prevents that can reduce line with roughness starting at about the 45nm node as well. So, believe that really changes the game. I think I used the term raises the bar, which is used by one of our large customers who had qualified the product recently. And I think that the adoptions

that we announced at SemiCon by Toshiba and prior to that some selections by Samsung and other companies attest to that compellingness.

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