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Trimble Navigation Ltd. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions]. Your first question comes from the line of Rich Valera with Needham & Company.

Richard F. Valera - Needham & Company

Thank you, good afternoon. Steve in your prepared remarks, I thought you mentioned that Europe you were seeing some slowness in E&C. And just wanted to clarify if that was the case? And if that is the case, I think last quarter you mentioned that the U.S. exposure of E&C was about 20% of total of revenue. If you added Europe to that, what would that bring as a percentage of your total revenue?

Steven W. Berglund - President and Chief Executive Officer

Relatively to the breakup, I don't have the number readily at hand. But I think what we were... I think last quarter we talked conversationally about UK and Ireland and elements of Spain having seen the effects. I think the environment in Europe is more uncertain today than it was three months ago without a doubt. I think today's data would support.

And so I think that we've become more cautious about Europe than maybe we were three months ago, at least publicly, I think we were already cautious about Europe three months ago and we're hedging our expectations a bit, not knowing what was exactly going on in Europe. So I think it's hard to be definitive about elements of Europe. I think Eastern Europe is one story. I think Germany and France are another story and the UK, Ireland and Spain are kind of suffering from post bubble relative collapse in some ways, although there are elements of within those economies that are still positive.

So I think that for the moment I'll differ on your question in terms of the 20% number until we can formulate that a little bit more precisely. But we are definitely more cautious about Europe than we were three months ago, and I think we're watching in, although it still has elements of buoyancy depending on which country you're talking about.

Richard F. Valera - Needham & Company

That's helpful. And one more if I could on @Road. In the period... sort of the one to two year period prior to when you purchased @Road, they suffered some seemingly pretty significant impacts from an economic slowdown in the U.S. at that time, notwithstanding the fact that they are obviously a productivity enhancer, and a fuel saver. Have you seen anything yet in this downturn, that would suggest that enterprises are cutting back or being more judicious about expenditures even on efficiency enhancing products like what @Road provides?

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