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Syniverse Holdings Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Tom Ernst –Deutsche Bank.

Tom Ernst – Deutsche Bank Securities

On the very strong growth in technology and interoperability, you highlighted some of the drivers in it but I'm curious if there's any one-time effects in some of those businesses that drove the exceptionally strong results this quarter.

Tony G. Holcombe

No, Tom, not really. The things that we've been looking at on the data roaming side, the keys now that we tend to focus on on data we tend to look on sessions which are triple digit growth rates, we tend to look on uptake of subscribers utilizing these services and those are very strong and whether we see that customer base and those utilization services in North America or Europe and Asia they're very consistent across the board. So it's the same pattern we've seen now really almost over the last year, just very strong demand for the service at a subscriber, aggressive roll out of the service by the operators and strong uptake of the usage of the service.

Tom Ernst – Deutsche Bank Securities

If we look back at history historically I'm wondering if the seasonal pattern has changed because the revenue mix has shifted pretty dramatically here this last year towards technology and interoperability away from some of the other sold good categories. So should we still expect the same strong seasonal Q2 and then in a week, we actually saw sequential growth this quarter.

Tony G. Holcombe

I think we have to separate out the data growth which I mentioned which seems to be very consistent and not particularly seasonal. The number of subscribers utilizing new devices, think PDAs, Blackberries, iPhones and all those data applications available to them now, that's very strong and as we said many times before triple digit growth.

However, having said that, on the voice traffic and SMS traffic we still see seasonality in those particular volumes, we would expect to see seasonality there, and I still think we expect to see seasonality across those core services as we get into some of the traditionally strong quarter for us which is Q3.

Tom Ernst – Deutsche Bank Securities

We baked in the cost productions of the duplicative costs between BSG and Syniverse's platforms. After you have the business under your microscope for a quarter, do you feel like you've got a handle on the risks of costs associated with that migration and on the outcome in terms of the duplicative costs, on other words do we have any downside risk here towards redundant switch costs and moving the customers over or do you think perhaps there's a chance that we don't realize all those cost savings?

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