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## Cray Inc. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) Our first question comes from Chad Bennett with Northland Securities. Please go ahead.

#### Chad Bennett – Northland Securities

Yes, thanks. I guess, first of all, Brian, on the product revenue number for the quarter, the \$10.5 million or \$10.6 million, whatever it was, was that primarily all XT5h revenue or was there some other stuff in there?

#### Brian Henry

It was a mixture of things. We had – it was not – there was one XT5 system, but there was a mixture of other things, including some peripherals.

#### Chad Bennett – Northland Securities

Okay. Was XT5h, though, the majority?

#### Brian Henry

No, not relative to the \$10.7 million, but it was an important piece.

#### Chad Bennett – Northland Securities

Okay. Okay, and then I think the question of the call will be on the revenue guidance you gave, obviously, pretty remarkable year-over-year growth. I know it is kind of a longtime coming with the Quad-Core AMD issues. I guess how did we get to the 280 or roughly \$280 million for this year? And you talked about visibility into that number. I don't know how to phrase it, but do we need to win material additional business to get to that \$280 million? And I guess on the other side of the equation, how much of a swing factor is the Oak Ridge installation at the end of the year?

#### Peter Ungaro

Hey, Chad, this is Pete. The \$280 million number, as we mentioned, we have very good visibility into that number. We really are not needing to book a tremendous amount of new business to go and achieve that number. Clearly, it consists of a big ramp up of the XT5 MPP systems, because the XT5 really we are very excited about its ability to address a broader market. And with the wins that we already had at places like Department of Defense as well as with the NSF at the University

of Tennessee, we are very excited about that program and that ramp up. And it is clearly also going to be assisted by our XT5h vector systems, which we used to call – formerly called BlackWidow, just to be clear, as well as some other – the quad-core XT4 machines. Clearly, the petaflop system at Oak Ridge is a very significant transaction for us, and that's why we are specifically calling that out in the outlook. But as Brian said, even without that system, we are likely to have – we will have growth year-over-year versus 2007, just not as significant as we are stating here.

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