Symmetricom, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) Our first question comes from Simon Leopold with Morgan Keegan. You may ask your question.

Simon Leopold – Morgan Keegan

Thank you. A couple of things I'd like to clarify. First, let's start with the QoE business which was quite strong this quarter. Certainly, you've got to be happy about it, but coming off of such a strong quarter, I anticipate that this was really around one project. Maybe if we can get an update of how to think about the revenue trending on that line rather extrapolating from this one data point.

Tom Steipp

Yes, I think that is a great point, Simon. One of the things that we have tried to lay out in this call is the importance of all three of our new product offerings, The PackeTime products, the DTI products and QoE. Our measures are really around the progress that we make quarter-to-quarter. There will be some relatively large deployments that come in from time to time as was the case with this Russian opportunity. I think the way you should think about it, though, this is more along the lines of the milestones that we have set out, trials, deployments and partnership agreements and pretty much a steady progression. One of the things we are going to try to do is keep people apprized of how much, in general terms, our new products are generating in the way of revenue on a quarterly basis. It was about $3 million this quarter.

Simon Leopold – Morgan Keegan

When we talk about the new products, you did highlight the cable products this quarter. Are those included within the wireline, I presume?

Tom Steipp

They are. But, as I say, we have tried to give a little bit of visibility to the new products as a combination, so when we broke those out, the $3 million included PackeTime, DOCSIS, DTI as well as the QoE products.

Simon Leopold – Morgan Keegan

Okay, sure, I appreciate that. So when we think about the forecast, you are giving us a full-year forecast with one quarter. So you've essentially given us a Q4 forecast.

Tom Steipp

Yes.

Simon Leopold – Morgan Keegan

I am assuming that within this forecast you are making some assumptions about key customers, particularly AT&T and Verizon and I would like to clarify my view that you are presuming AT&T stays healthy as it was in this quarter and you see a recovery of Verizon, both of which kick in in the June quarter, so you get a good sequential step up, is that a good way to interpret it?