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STEC, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operators Instruction). Your first question comes from Dan Morris with Oppenheimer.

Dan Morris

Good morning guys. Congratulations on the quarter.

Dan Moses

Thank you, Dan.

Dan Morris

Yeah, can you first talk little bit about the SSD opportunity in the back half of the year. I think, they originally talked mainly about more than \$50 million, which I think was predicated more on the high-end storage. Could you talk little bit about the more, some of those expectations for the back half?

Manouch Moshayedi

Well, that's for the -- well the MFO storage business as we have today ZeusIOPS as Dan mentioned, we have already done \$7 million in the first quarter, we expect that to grow in the second quarter and we fully still expect to hit that \$50 million mark on the ZeusIOPS sales for this year. As, we mentioned in our press release also we have several qualification in many of the storage OEMs and we expect them to also ramp up by the end of this year.

Dan Morris

Is there any type of magnitude that we could??.?

Manouch Moshayedi

The \$50 million would include right now -- at this point \$50 million would include all of those opportunities. However, in total SSD again on the Mach8/MLC we are starting qualification, getting qualified at major laptop OEMs. On the Mach8/IOPS the server OEMs have started qualifying also. So we expect the Mach8/MLC to start hitting production somewhere in the third quarter and on the Mach8/IOPS in the fourth quarter.

Dan Morris

Okay. And you had mentioned that you are in qualification with several customers, I mean with those type of launch dates in 3Q, and 4Q, are you talking multiple customers or is that single customer?

Manouch Moshayedi

Multiple customers.

Dan Morris

Okay. I mean, could you talk little bit about the competitive fronts and what you are seeing there and how intend to keep your first mover advantage?

Manouch Moshayedi

Let me start with, ZeusIOPS, we still feel that there is no one that comes close to the speed and the efficiency of our product, and we still think that at least couple of years ahead of the competition, on these ZeusIOPS line of products. On the Mach8/IOPS, I believe that we are about three quarters ahead of the competition and on the Mach8/MLC everyone has already mentioned that they will be coming into that market by the third quarter or fourth quarter of this year, so somewhere around couple of quarter ahead of everyone else.

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