



Silicon Image, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thanks very much. (Operator Instructions)

First up is James Schneider with Goldman Sachs. Mr. Schneider, your line is open if you have a question?Hearing no response, we will move on to Tayyib Shah at Longbow.

Tayyib Shah - Longbow Research

Hi guys. Steve, what change that led to better traction in your major OEM accounts and was it for 1.3 products or was it for all the generation products?

Steve Tirado

Is, what I would say, is for some of the major OEM, they're doing better than we thought they would and they're probably even better than they thought they would, and it's almost all of that 1.3 base.

Tayyib Shah - Longbow Research

And the strength that you saw late in the quarter or was it fairly early on right after the last call that revenues were tracking better than expected?

Steve Tirado

I think that generally we've seen the strength throughout the quarter.

Tayyib Shah - Longbow Research

So it sounds like this falls on demand strength within the market and in your account. It wasn't so much market share gain on your part, right?

Harold Covert

Yes, I would definitely write it that way. Yes.

Tayyib Shah - Longbow Research

And then I want to understand the second quarter revenue guidance. It's flat—traditionally it's been up and this year, you're also are [inaudible] so just trying to understand why it's flat sequentially.

Harold Covert

The way we look at the revenue guidance for Q2 is in our finding process the first half of the year, we thought was essentially going to be pretty close to the same quarter-over-quarter. Now, we were a bit stronger in Q1 and we're being cautious about Q2 and not getting ahead of ourselves. The real goal for us is as we focus on Q3 and we do expect a sequential increase in Q3 as we've historically seen, as well as, getting traction from some new products that we're going to have. In addition to that, we are seeing the strength in our PC and storage lines right now and we expect that to continue.

So, our real goal is to achieve our internal plans which are in line with our guidance for the first half of the year and then we'll get the bump up effect that we're looking for in the back half of the year.

Steve Tirado

Yes. Tayyib, if you look at your own model—you look at the first half revenue—I think that we're on track.

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