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Volterra Semiconductor Corporation Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions)

Our first question is from Tore Svanbert with Thomas Weisel Partners. Please go ahead.

Evan Lang - Thomas Weisel Partners

Hi, this is Evan Lang calling in for Tore Svanbert. Thank you for taking my call and congratulations on the great quarter. I have a quick question about your graphics business. Given your past reservations about graphics, could you provide us with some additional colors on what is perhaps giving you the current confidence?

Jeffrey Staszak

Backlog. And our sales team has done a great job. You know, we have sat down and met with these two customers, explained, you know, our history—which they're well aware of—and these new products that we're getting into are also large revenue generators for them, as well, so it's important that they ensure that have a good supply of product so that they can meet their shipments—their customer shipments—and revenue plans. And as a result, you know, we—I mentioned it earlier that we had very strong backlog going into the quarter and that goes for graphics as well.

Evan Lang - Thomas Weisel Partners

Great. Thanks. And speaking of backlog, what was the turns business this past quarter?

Mike Burns

A little better than we thought. We had initially thought we would be in the 20% range, somewhere around there. We ended up a little bit better than that and that enables us to meet our guidance.

Evan Lang - Thomas Weisel Partners

Okay. And what level of turns business are you factoring into your Q2 guidance?

Mike Burns

Relatively low this quarter. Probably a little less than that, what we built into last quarter. Like Jeff mentioned, a very strong backlog entering the quarter so it's not going to be so much depending on

turns this quarter, Evan. It's going to be more, again, getting things through the supply chain and into the hands of our customers.

Evan Lang - Thomas Weisel Partners

Okay, great. And I have a final question about the business that's ramping up right now. In the early stages of these platform ramps, are you seeing any changes in the competitive landscape? Are you gaining shares in addition to your top dollar [inaudible] increase and what level of competition or even pricing type of pressures are you seeing?

Jeffrey Staszak

It's basically the same competition we've had in the past in graphics. In CPUs and memory, it's an Intersil based discrete solution and in storage and communications it's primarily a Linear discrete-based solution and in notebooks it's basically a Maxima discrete-based solution. So really the competition and the players haven't changed.

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