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Rimage Corporation Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Our first question comes from Chuck Murphy from Sidoti & Company. Please go ahead.

Chuck Murphy – Sidoti & Company

Just kind of looking at the numbers of the past few years you've grown EPS probably on average 20% and sales growth, at least for the last couple of years mid to high single digits, is there any reason you'd see a significant slowdown in those numbers in 2008?

Bernard P. Aldrich

I think like all businesses your opportunities are continually moving, technology is continuing to move in different directions, that's why as we explained we've been very fortunate over the last few years where we've had significant penetration within the retail sector also, we've made some very significant inroads within the medical. I think as look forward right now that's why we're really focusing in on what we call business applications where we see the real significant opportunities developing which is always kind of goes through our channels, it's been the core of this business. And, we really feel that we will continue to drive the growth and opportunity on the revenue side in these business application areas. Now, it's not to say we're not going to continue to have retail and medical but we're also going to continue – I think one of the strengths of this company is the broad range of applications and markets that we serve. Applications in the form of different types of solutions and I think the broad range geographically that we reach out to because as we see even take for example a market like medical, we know where the stages of medical and PAX systems installation are in the US, we know that per say in the European market they can trail that by a year or two.

Even outside of medical various applications have different lifecycles and are at different stages of their life. That's why I think we've got some real significant bumps on the retail side where you saw those significant jumps and we will continue those and always push forward with this business and continue to drive the revenues in a broad range of new applications.

Chuck Murphy – Sidoti & Company

What would you estimate is kind of the mix these days between business services, retail and medical?

Bernard P. Aldrich

Well, I think the bulk of our business is still coming through the channel. If we roll our retail and medical together it's probably approximately 30% of our business so that results in the core 70% of our businesses in what we would call business services applications.

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