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Zi Corporation Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Our first question comes from the line of Daniel Morris.

Daniel Morris

Good afternoon, Blair and Milos. Just a question—I'm wondering if you could give a little bit more color on the Palace Agreement. First of all, will there be any engineering that you will seize prior to shipping? And my second question regards to Qix? also is do you have any timeframe when that unnamed European operator may make a decision whether to move forward or not?

Milos Djokovic

Okay, let's just address the unnamed European operator one. We are currently in trial. There are units in the market with them. They're measuring performance. I'm supposed to find out the results and meet with their senior management in May.

Daniel Morris

Okay. Are there any engineering seize?

Milos Djokovic

Yeah, on TELUS there are very little, if any, upfront seize associated with that project. What you will see is most of it is buried in the unit price. That's just the way that deal was cut.

Daniel Morris

Fine.

Operator

Our next question comes from the line of Tony O'Callaghan - Credit Suisse. Please go ahead.

Tony O'Callaghan – Credit Suisse

Hello, gentlemen. One of my questions has been answered. It really had to do with the length of time these trials would be ongoing in Europe and after the data is finally received and reviewed, how long would it take to roll out the products into the market?

Milos Djokovic

Sure, so let's talk a bit about that because we're only talking about the one unnamed operator. In the case of T-Mobile, we're expecting data in April. So, we're hoping to when we get all that, that we'll be able to report back to you guys the performance of that and obviously, based on those results, we'll determine what kind of a deal, if any, we deal with them going forward. So obviously, they've got to see the positive results. We're still feeling really good about it because they've been shipping a lot of units recently and in fact, we're talking to them about the possibility of doing a download as well. So, that's a way to accelerate more units in the market.

Tony O'Callaghan – Credit Suisse

Milos, a follow up to that, you were able to share the test data from these other companies with—?

Milos Djokovic

In the case of T-Mobile, we have mutually agreed to release the data in the agreement. In the case of the other operators, we do not have the right to release the results.

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