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UTStarcom, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Hamed Khorsand - BWS Financial.

Hamed Khorsand - BWS Financial

Could you provide some color as to the IPTV field trials that are ongoing, any of them in South America, Middle East, Europe, anything like that?

Peter Blackmore

Our biggest one in South America is Brasil Telecom and it's gone very successfully, so they are now looking at expansion of that. The Middle East, we are talking with a number of people but we don't have any projects current there, but we have high hopes that we can break into the Middle East market.

And then we did in the call highlight where we are strongest which is China, India, Taiwan and obviously we have a strong presence with SoftBank in Japan using IPTV as well and we saw growth in our China and India and Taiwan markets last year

Hamed Khorsand - BWS Financial

On the Indian market, any comments on the news over night with MTNL or MTML and their licensing issue.

Peter Blackmore

I am not up to date with that, so I would have to come back to you, which I am willing to do once I've looked at it. So I apologize, I missed that news.

Operator

Your next question comes from the line of [Andrew Rosenberg] - Prince Asset Management.

[Andrew Rosenberg] - Prince Asset Management

Can you talk a little bit about on the IPTV front with 70% I guess of the '08 guidance covered by backlog. Is it long sales cycle as to why that might be flat this year?

Peter Blackmore

It's a long sales, sorry.

Fran Barton

Let me just clarify the 70%. The 70% was the whole business unit, so it wasn't necessarily IPTV; it was the whole MCBU business unit, a good portion of which is frankly PAS.

Peter Blackmore

IPTV is typically a six to nine month sales cycle because people usually spend a lot of due diligence on what product they want. They usually do testing and then it to go live, usually once we've got a contract, the first stage would go live after about three months. And they tend to really test that thoroughly and then they'd ramp you know according to their own plans.

And we would get obviously revenue, typically the way we do that, we get part revenue at install, part revenue appearing after install and then usually a balance of 20% twelve months later. So that would, that explains you know the revenue recognition timeline.

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