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Rogers Corporation Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Your first question comes from Avinash Kant - Broadpoint Capital Inc.

Avinash Kant – Broadpoint Capital Inc.

Good morning Bob and Dennis. I had a few questions. In your prepared remarks you did talk about roughly a \$50 to \$60 million drop in revenues versus last year due to certain product lines now and you said it may not be compensated. Does that mean we should expect a year over year revenue decline in calendar '08 and if at all yes, by how much?

Robert Wachob

We do expect a year over year decline as we don't believe the other businesses can grow by \$50 million to \$60 million in this current environment. We have not made a projection as to what the decline will actually be. We're going to have to take this one quarter at a time as the economy I think is going to be changing quite a bit during the course of the year.

Avinash Kant – Broadpoint Capital Inc.

Given what you see at this point though, would you expect and especially the traction from the new products would you expect the second half to be better than the first half in calendar year '08?

Robert Wachob

I don't know because I don't know what the economy is going to look like. We will be driven by the US economy.

Avinash Kant – Broadpoint Capital Inc.

But barring any broad economic slowdown seasonally, how have things tracked for you?

Robert Wachob

Seasonally the second quarter generally is the lowest quarter and the third sometimes is the highest and sometimes the fourth is the highest. It kind of depends upon how our customers are feeling; bullish or not so. The first is generally just mediocre as you can see based upon our forecast.

Avinash Kant – Broadpoint Capital Inc.

And second typically the weakest right?

Robert Wachob

Yes. And this year I expect that Durel will have it's most significant declines in the second half because the second quarter is generally when phones reach end-of-life and third quarter is when new ones begin to ramp and there'll be more reaching end-of-life and there will be new ones ramping.

Avinash Kant – Broadpoint Capital Inc.

In terms of margins, your gross margins improved significantly this quarter. Should we expect similar margins going forward in calendar year '08 and how would you guide us there?

Robert Wachob

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