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SAVVIS, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Absolutely. [Operator Instructions] Our first question comes from Colby Synesael from Merriman.

Colby Synesael - Merriman Curhan Ford & Co.

Hey thank you for taking my question. You just touched on the sale about how the four new facilities are... you guys have already about one third full. Do you think that that's been a good gauge then for the additional facility that you are building now in the first and second half of 2008? My other question, what's the lead time that you guys need to buy equipment for the Managed Hosting Services. In other words, what is the potential that, if in fact we do experience some sort of economic downturn that you guys could be stuck with a lot of equipment that you just didn't need to buy?

Philip Koen - Chief Executive Officer

Okay Colby, thanks for your question. Regarding the... actually it was 40,000 square feet on a 100,000. So it's closer about 40%. I think that's a terrific pace. Now, I think what I want to draw your attention to is that these are... demand is very much locality driven. So, while I am very pleased with that kind of pace, I don't think it would be good to extrapolate that to every single market. Some markets we know, for example, London is currently facing a shortage of space. So, I will expect to see that once we get that open, to be rather brisk market. And that's not to say that the other markets that we are opening are unattractive, but may not have the exact same demand and supply characteristics. I think that we've given... I am looking for Jeff, that we normally think about, that when we build a facility that from the time that we open to be fully sold out is approximately, how long.

Jeffrey Von Deylen - Chief Financial Officer

We said 18 to 24 months in terms of sold and then installed.

Philip Koen - Chief Executive Officer

So, I think that still stands to be a good benchmark as you think about all of these extensions. With regard to the second question, I'll let Jeff wait in here. The strategy we've employed on the Managed Hosting is we buy once we have a signed contract. So, the idea here is never be exposed with buying forward on equipment that we wouldn't use. And normally the equipment we are buying is pretty readily available, not specialized type of items for Managed Hosting. Jeff, you want to add anything?

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