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## PDF Solutions Q3 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Our first question comes from Dennis Wassung.

#### Dennis Wassung - Canaccord Adams

Thanks. Good afternoon. A couple of questions; first, John, I was wondering if you could go over a little more detail on the new engagements you signed. I just wanted to be clear on it. It sounds like you closed the LOA from Q2 and then you signed four new additional engagements, and two of those are memory. Is that correct?

#### John K. Kibarian

Two are memory, one is logic yield ramp, that includes also pdBrix. One is a 65-nanometer DFM engagement with a fabless customer, and then there were a series of extensions on existing engagement, an extension on existing yield aware FDC engagement, and on a memory engagement. And then there was a small 45-nanometer evaluation engagement for pdBrix with an existing customer.

#### Dennis Wassung - Canaccord Adams

Okay, so it sounds like pdBrix was involved in two of the transactions at this point?

#### John K. Kibarian

Yes.

#### Dennis Wassung - Canaccord Adams

Okay, so one was an evaluation and another one is a 45-nanometer logic?

#### John K. Kibarian

Yes.

#### Dennis Wassung - Canaccord Adams

Okay. Can you give any other detail about some of these customers -- geographical locations or --

#### John K. Kibarian

I think I said four continents, and then I thought to myself, you know, I'm not sure there were four continents. I think it's Asia, Japan, U.S., and Europe. I guess we have promoted Japan to a continent. I think it's four geographies is probably what we should have said.

I think with the memory accounts, we've been very careful not to say exactly which continent they are from, as you would guess pretty quickly who they were. I think there was meaningful business in all four geographies. I don't know that we are going to go into much more detail than that.

**Dennis Wassung - Canaccord Adams**

Were the memory engagements all DRAM at this point, or was there any Flash involved?

**John K. Kibarian**

That's correct. They were all DRAM at this point.

**Dennis Wassung - Canaccord Adams**

Okay, and when you look at the revenue line here, the integrated solutions line was only up \$300,000 in the quarter, but you signed a lot of new deals here. How do you think about that as you go forward? The guidance would imply that there is at least a reasonably sizable increase here into Q4. Were a lot of these deals signed later in the quarter or did you not take a lot of revenue here from these contracts? Is that the right way to think about it?

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