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## Volterra Semiconductor Corporation Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Tore Svanberg – Thomas Weisel Partners.

#### Tore Svanberg - Thomas Weisel Partners

In regards to your outlook, like you stated, the range is fairly wide. Could you just qualitatively talk about what are some of the assumptions behind the range? What would take you to the low end and what would take you the high end?

#### Mike Burns

Yes, it's primarily going to be our turns orders. There is so much uncertainty these days, we decided to widen the range, wider than we ever have in the past, and what gets us to the bottom or top end of that range is going to be turns orders. Some of that would require turns from our graphics segment to get to the top end of the range. And we just wanted to set a bottom end of the range that we were comfortable that we could reach, given the uncertainty out there right now.

#### Tore Svanberg - Thomas Weisel Partners

And, Jeff, you mentioned that the design cycle now for the next generation server and storage is complete. Can you talk a little bit more about that, maybe give us some anecdotes on how you would compete against share in that segment?

#### Jeffrey Staszak

Yes. The input we're getting from our customers is this launch, this new Thurley launch, is still going to occur in the mid-Q1 time frame. To what extent we don't know but we believe the launch is still going to occur. We have indicated in the past that we expect the server, a two-processor silicon opportunity for us, has gone roughly from \$35 to \$40 a board, with the old platforms to the new Thurley platforms of about \$45 to \$50.

We are going to take additional market share from and expand our existing business with our existing customers. So it's basically additional silicon content, it's more platforms, and it's with some additional programs that are with our existing customer base.

#### Tore Svanberg - Thomas Weisel Partners

And on the notebook business, you are now in about a \$15.0 million to \$16.0 million run rate. Could you talk a little bit about what you expect in 2009 as you continue to gain share there? Should we expect you to continue to double your business a quarter or just give us some more color there.

**Jeffrey Staszak**

The ramp has pretty much flattened out. We said going out of Q4 we would be in that \$4.0 million to \$5.0 million range from a revenue standpoint or an \$18.0 million to \$20.0 million type of annualized run rate. So we would expect to see a flattening of the notebook business in Q1 and Q2 and then we are expecting, with the Capella launch, a much better increase in revenue going out of the year.

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