Advanced Energy Industries, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) The first question is from Brett Hodess. Your line is open.

Paul Simons – Merrill Lynch

This is Paul Simons for Brett. Just a question on solar; so the jump you had this quarter obviously was from PV deposition and you have got the new products coming out. What is the mix of solar going to look like by the end of next year? Is it still going to be mostly PV?

Larry Firestone

Yes, I think as we continue to gain traction in the inverter business, that is still going to be a longer trajectory rollout, so I think it is pretty safe to say that given the activity that has gone on in the deposition tool market that PV will slope down the landscape, but we haven't given any color as to what percentages those are.

Paul Simons – Merrill Lynch

And then you mentioned the credit situation. Do you have any thoughts on what portion of your addressable market do you think is still in financing?

Larry Firestone

In the solar business?

Paul Simons – Merrill Lynch

Yes, in the solar business.

Larry Firestone

Well, I don't think that one is in our purview, given the fact that our channel to the market is principally through OEMs.

Paul Simons – Merrill Lynch

Okay.

Operator

Next question is from Joe Feng. Your line is open, sir.

Joe Feng – JP Morgan

Hi, good afternoon. Can you give us some more details on what you are seeing in the fourth quarter, since you are guiding roughly down with 15% to 22%, but solar is going to up, so the fact suggests that semi is going to be down or even worse than that?

Larry Firestone

I don't think we gave the direction on really any other market. Semi is the biggest contributor of the downward shift in revenue in the markets though.

Joe Feng – JP Morgan

So, in the past, you mentioned that solar will double in 2008 and do you think you are still on track for that guidance?

Larry Firestone

Yes, we are.

Joe Feng – JP Morgan

And then, any thoughts for 2009?

Larry Firestone

We are really not a point where we are giving an outlook to 2009 solar revenues.

Joe Feng – JP Morgan

Okay, and then perhaps. If you can give us your thoughts, do you think there is such a thing as a minimum maintenance for the semiconductor orders that would be sustainable pretty much no matter what goes on out there? And where do you think you are at?