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Silicon Image, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) And your first question will come from Sukhi Nagesh with Deutsche Bank.

Sukhi Nagesh – Deutsche Bank

Yes, hi, thanks guys. I just jumped on late. Could you talk about why your December quarter revenue guidance is much lower than what you guys had guided for the entire year?

Hal Covert

Yes, Sukhi. So I think – right now, if you remember, our overall guidance for the year was \$284 million to \$289 million. And we did start to see some softness in our order uptake and sell-through in this month. And so taking that into consideration, we did decide to pull down our overall guidance in Q4 to be \$68 million to \$69 million level that we just talked about. I would also like to point out though, if you run through our guidance that we are actually going to exceed our expectations in the guidance that we've provided for EPS. So even though we are experiencing some rockiness or toughness on the top line, we still expect to exceed or meet the guidance on the bottom line.

Sukhi Nagesh – Deutsche Bank

Your guidance is a pretty tight range. Are we going to assume that the turns requirement, given your guidance range, is pretty minimal or nonexistent?

Hal Covert

Well, the only thing I would point out is that we did give you the guidance of \$68 million to \$69 million. And given that we just reevaluated that, we feel that we have enough visibility to achieve that level. And at this point, we don't expect anything different. Again, it's a pretty tough economic environment out there right now and we have to see what happens. But we don't expect any changes.

Sukhi Nagesh – Deutsche Bank

What's yours turns in the third quarter?

Hal Covert

The turns in the third quarter were fairly close to normal. We normally end the quarter with about 70% of our revenue visibility in hand or we can see it. And again, the caution that we have now is we did

see a slowdown and in sell-through and some other key indicators during the month of October. And again, that's why we arrived at the guidance we did for revenue.

Sukhi Nagesh – Deutsche Bank

Okay. My final question here is regarding your OpEx, if you would see a continued deterioration in the economic environment here, how should we think about your OpEx for a quarterly basis at least in 2009? What I'm trying to get at is kind of the bookends for your OpEx in a quarterly basis. Thanks.

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