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Anadigics, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

(Operator Instructions)

The first question comes from Pierre Maccagno of Needham.

Pierre Maccagno- Needham & Company

Could you give some clarity as to next quarters' decline in sales? Is that going to be Wireless?

Thomas Shields

We see a split of revenue guidance 50/50 between Wireless and Broadband.

Pierre Maccagno- Needham & Company

And when you say Broadband can you be more specific? Is it Wireless LAN, is it infrastructure?

Thomas Shields

Not at this time, but we believe that cable infrastructure will be pretty reasonable. The majority probably is coming out of Wireless LAN.

Pierre Maccagno- Needham & Company

And is that because of share loss in Wireless LAN?

Gilles Delfassy

I guess that is mostly because of share loss in Wireless LAN.

Pierre Maccagno- Needham & Company

I thought that the issue was mostly with handsets, correct? The issue of putting customers on a location and Wireless LAN, could you be more specific with what is basically happening there?

Gilles Delfassy

Well again, I think that has been heard, it is very public now. There is a larger customer on which we were sole source and that customer has brought up a second supplier which is going to of course when you start with 100% market share is going to turn back our share in Wireless LAN. That is a fact which is pretty well-known.

Pierre Maccagno- Needham & Company

So going forward I guess we should expect that business not to ramp up as fast as we were expecting, I guess?

Gilles Delfassy

If you are talking about the C Wireless LAN that is correct; however, you know that Wireless LAN is a feature which is more and more in demand for equipment such as portable devices, MID's or even high-end Smart phones and Feature phones and that is domain where we believe we have room for a lot of growth in the future.

Pierre Maccagno- Needham & Company

Last question. What is the CapEx that you are expecting now for this year?

Thomas Shields

For the fourth quarter we are expecting another \$15 million of previously committed capital.

Operator

The next question comes from Harsh Kumar of Morgan Keegan.

Harsh Kumar- Morgan Keegan

As I look at your press releases there is talk of cost-control. Let me start there and ask you specifically what steps are you taking to bring down the cost to try and get back to profitability again?

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