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## Rimage Corporation Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### **Operator**

(Operator Instructions) Your first question comes from Chuck Murphy - Sidoti & Company.

#### **Chuck Murphy - Sidoti & Company**

Can you tell us as far as the end market that you're serving, are any of them doing better or worse than the rest?

#### **Bernard P. Aldrich**

I guess when you talk end markets, if you look at particular markets, whether it be in the broadcasting, education, government, professional services, I think the good part of our business is that it is broad-spread. I think if you look at the particular quarter that just ended, take the government sector for an example. The way the government budgets, the third quarter is always a very significant quarter for us in the government end. It was no different this past quarter.

We continue to see a broad range of markets and applications being served. With the exception of, as we mentioned earlier, the retail sector is one that has definitely been impacted this past year as a direct result of the economy. It puts capital budgets on a hold.

#### **Chuck Murphy - Sidoti & Company**

And within government, is there any particular application that stands out or any particular branch of the government that stands out?

#### **Bernard P. Aldrich**

I think in today's world, definitely Homeland Security has a large impact on government. And the nice things about government is, our business is all about distributing information. And nobody collects more information and distributes more information than our government. And we are a nice add to that. We facilitate that function and it's a market that has many diverse needs. But we definitely have very strong inroads in areas of Homeland Security and Defense.

#### **Chuck Murphy - Sidoti & Company**

So it's more a matter of secure distribution of files.

#### **Bernard P. Aldrich**

Yes, to a large extent. And yet it gets down to some very basic things, such as if you take the military and you look at all the, take the vehicles and tanks and things of that nature, think of all the repair manuals, something as basic as that. Or training manuals. And all of that is distributed on discs.

**Chuck Murphy - Sidoti & Company**

Anything new on the kiosk front, both movie and photo?

**Manual M. Almeida**

I would say the answer to that would be no. The movie front has been very slow to come into the market. We have not been dependent on it. Our dependency within retail has continued to be primarily in the photo area, and around the archiving of images, either from a digital camera or from film, from the little film that is still being shot, which is pretty low volume these days.

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