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RadiSys Corp. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Certainly, sir. (Operator Instructions). Your first question comes from the line of George Notter of Jefferies. Sir, your line is open.

Unidentified Analyst

This is actually [Rajiv Dubey] just subbing for George.

Unidentified Company Speaker

Hi, Rajiv.

Unidentified Analyst

Just a couple questions here. One, on the commercial division, we're obviously looking at a pretty turbulent microenvironment right now. And on the past, you guys have talked about the medical and testing field softening a little bit. It sounds like that leveled out. I guess, I'm just wondering how we should think about the other verticals on the commercial side. As we look into next year, how much visibility do you have in those accounts? How dependent are you on new customer wins with those growing, existing accounts? Any color there would be helpful?

Scott Grout

Since you mentioned medical and custom measurement, really the mainstay within commercial and indications we have thus far, I mean, the order fill has held up well as I've mentioned. We've introduced a new product that will bring a new tier one medical imaging customer into our revenue stream. So that should be helpful to us. Some of the other verticals within commercial, at this point, we're not seeing definitive kinds of softness on a go-forward basis, but I think, just reading the headlines and thinking about possible ripple effects, there certainly is a possibility there.

Unidentified Analyst

Okay. Do you still expect the medical business to grow in the second half?

Brian Bronson

To grow in the second half, I think we -- medical was what, 32 million bucks in 2007. It probably will be flat to slightly down for the year.

Unidentified Analyst

Okay.

Brian Bronson

And I haven't calculated the second half to answer your question, but for the year, it is flat to slightly down business '08 over '07.

Unidentified Analyst

Okay. And that customer you referred to on the last call, the new medical imaging customer, should I assume they haven't kicked in yet?

Brian Bronson

No. Not in a meaningful way.

Unidentified Analyst

Okay. And I guess, my last question is on AT&T. I didn't hear their name on the top five. How should we think about that opportunity as you look at next year, any sort of color and how big to be sizewise?

Scott Grout

So, continuing to do well with AT&T. As we talk about all the time, the top five, you'll have some that are way at the top as they come in and come out. We only list them in alphabetical so it's kind of hard to tell where their position is.

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