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Asyst Technologies, Inc. F2Q09 Earnings Call Transcript

Question-and-Answer Session

Operator

Ladies and gentlemen, we will now begin the Question and answer session. (Operator instructions)
Our first question comes from Timothy Arcuri – Citigroup

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I wanted to ask, how do you see the ramp of the new products in this deteriorating and poor marketing environment? You have mentioned in the last call about shipping Falcon product at year end. How do you see that playing out? And you also mentioned, you were looking for margin improvement on the ramp of new products, thus you could address those?

Steve Schwartz

Well sure, still couple things, we were generating now about \$10 million a quarter from new products, the parts that we talked about at the analyst meeting back in May, and it is the combination of several different products.

We are still on track with the qualification of the Falcon product. Specifically, it is going to be up to the shipping volume of the equipment makers that is the ways we were able to be able to ship product by year end, but the qualification is on schedule with three different customers right now.

Aaron Tachibana

Just to add, we actually had our first revenue shipments of the Falcon in the current quarter and we now apply a production in Singapore. So, ready to ramp as customers are.

Operator

(Operator Instruction) You have a follow up question from [Glen Promac] – [Broad View]

[Glen Promac – Broad View]

During the Analysts Day, there was some hope that you will be able to go to your customers and get paid for your service system capability for the fewer improving yields and proving spaces, maybe

you get a portion of those savings, is that happening at all? I think that was maybe part of the Agile motivation program?

Steve Schwartz

The service business is increasing slightly this year. So, in a down environment that service business is increasing a little bit. It is really going to require a significant penetration of some of the Agile products before we will be able to cash our servers from those who remain confident that all of the Agile capability will go with the service component and the ability to capture some of the increased value of the customers. So, we still stand behind that, we are still confident that will happen, we will be able to demonstrate that after those products begin to deliver some revenue.

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