

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

IRIS International, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) We will take our first question from Steven Crowley with Craig-Hallum Capital Group.

Steven Crowley – Craig-Hallum Capital Group

Good afternoon, gentlemen.

César Garcia

Good afternoon, Steve.

Steven Crowley – Craig-Hallum Capital Group

A double – a two-part single question on your VELOCITY backlog situation. You broke up in the call when you – at least on my phone when you talked about the dollar amount of backlog that you exited the quarter with and may be you could just give us a little more color on the product registration issue or issues you dealt with in Q3 and where you are in that process now.

César Garcia

Honestly, I did not cover the dollar backlog. I think that we are not going to disclose that at this point in time but a significant – the issue with their registrations is that we release a product, the product that needs to be registered in each local market. So we release in units they are being used by the distributor to complete the registration process. For his – until the registrations are approved the distributors cannot ship units to end users. That's all mostly for Latin America and the Asia Pacific rim. In Europe we are basically now in the selling process.

Steven Crowley – Craig-Hallum Capital Group

Okay. So, you are still working through the final stages of those registration issues in Latin America and Asia Pacific as we speak?

César Garcia

That's correct.

Steven Crowley – Craig-Hallum Capital Group

Okay. Then my second question follow-up is related to the discussions we were having at the AACC conference around urinary tract infection – hospital-acquired urinary tract infections. Do you sense a growing awareness by the customer base programs that are being formulated for next year that might include more urinalysis or is this still very much in the concept stage? What do you see going on with the customers there?

César Garcia

I think the customers are waking up to the need to implement some automation to do this. I think that we also are making it more visible and one of the things we are working in a significant product upgrade that will be released in 2009 that will better address the need of the UTI market. And those are kind of a combination of initiatives, making them more aware, and giving them a product that more specifically targets their needs. And we still remain convinced that this has got – that's going to generate significant pull-through on consumables and at the same time that it will help to justify automation in laboratories that are being marginal for automation at this point in time.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.