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National Instruments Business Update Call Transcript

Question-and-Answer Session

Operator

Today's question-and-answer session will be conducted electronically. (Operator Instructions) We will proceed in the order that you signal us and we'll take as many questions as time permits. As a courtesy please limit questions to one with one follow up question. After your follow up question you will be placed back in a listen only mode. Our first question comes from Antonio Antezano - Macquarie Research Equities.

Antonio Antezano - Macquarie Research Equities

I was wondering, looking at the guidance and now we are at the end of early December, why didn't you narrow that guidance for the fourth quarter.

Alexander M. Davern

We looked at the range of business, Antonio, and obviously the big issue that's causing us concern right now, at the end of November we were pretty much on the midpoint track for our guidance we gave at the end of October but the range of scale of companies we're seeing announcing every day that they're pretty much going to shut down from the 21st or 22nd of December onward is really what's giving us pause and caution in our guidance and causing us to bring the revenue expectations down.

That's a little bit unpredictable at the moment. We're continuing to see more and more companies make that announcement so we wanted to maintain the range but account in the guidance for the fact that we're now going to see pretty broad based shutdowns for the last 10 days of December that we hadn't anticipated and had not been announced at the time we gave guidance in October.

Antonio Antezano - Macquarie Research Equities

What is your assumption for the Global PMI in December?

Alexander M. Davern

Right now we're assuming that it's going to stay pretty much where it is in this 35% to 36% range. Obviously it came in in November quite a bit below what we were thinking at the end of October but that really isn't the main factor that's driving the change in guidance. The real factor that's driving the change in guidance is there's going to be I think a significant pause for those companies certainly who are doing shutdowns in the last 10 days or so of the month.

That's really the reason for us to change guidance.

Operator

We'll take our next question from John Harmon – Needham & Company.

John Harmon – Needham & Company

To rephrase Antonio's question before, he asked about the PMI, do you feel like the environment is still deteriorating or have you seen, even though you took down your guidance, any feeling that things might be becoming more stable?

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