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## Super Micro Computer, Inc. Q2 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you, sir. Ladies and gentlemen, our question-and-answer session will be conducted electronically. (Operator's instruction) Your first question comes from the line of Alex Kurtz - Merriman, Curhan Ford & Co.

#### Alex Kurtz - Merriman, Curhan Ford & Co.

So, what steps are you guys taking to improve your visibility with your channel partners so investors can have some increased confidence in the guidance you just gave? I know it is a challenging market there right now, but are you guys taking any visible actionable steps to inspect your pipeline more or do something so you feel that investors will get behind the guidance that you just gave?

#### Howard Hideshima

Yes, this is Howard. We are increasing our efforts to get closer to our partners and so we are working even harder with our partners to help them during the challenging times. I do not understand exactly what the requirements are going to be.

#### Alex Kurtz - Merriman, Curhan Ford & Co.

Howard, does that mean your channel team is doing more reviews every week or doing more inspection of the pipeline? Is there something different happening?

#### Charles Liang

Yes. I mean we have a regular sales meeting almost twice a week so we have a very good feedback from customers from the market both channel and OEM customers.

#### Alex Kurtz - Merriman, Curhan Ford & Co.

Okay. Then Charles, can you put a stake in the ground and give us a better sense of when you guys start expecting the shift of Nehalem for revenue in the next couple of quarters like can you give us a month or a couple of months when you start to expect the ramp to happen?

#### Charles Liang

Okay, as you may know, Intel official launch will be at end of March, right? But traditionally, because our tender market, so usually we are able to service fitting solution or some really special appeal so

this year will be a similar opportunity. So we will shift something this quarter will show and maybe this quarter or early April for sure. That will start to shift at regular volume. So, other than Nehalem, we also have some new product line that will support Nehalem or also support our current product. So a couple of important products also will be start shifting about February.

**Alex Kurtz - Merriman, Curhan Ford & Co.**

And just last question, Howard, just on what Charles is just saying, how should we think about gross margin between March and June as Nehalem starts to ramp? And thanks again.

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