

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

## National Instruments Corporation Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

(Operator Instructions).

Our first question comes from Antonio Antezano with Macquarie Capital.

#### Antonio Antezano - Macquarie Capital

Thank you. Good afternoon.

#### James Truchard

Hi, Antonio, how are you?

#### Antonio Antezano - Macquarie Capital

Good. I wanted to ask you, back in early January, the preliminary guidance you provided for Q1 was a single digit decline. So, should we take that or what should we think about that preliminary guidance you provided earlier?

#### Alex Davern

Well at this point in time, Antonio, we are rescinding that guidance and basically at a point where we're not going to give revenue guidance for the first quarter. The reason for that change in simple terms is that, we had talked about Q4 as we went through the fourth quarter, October and November were slightly positive and then we saw a significant decline in very challenging conditions in December.

January has turned out to be very similar to December at this point in time. It's also been a little bit confused by a significant number of our customers being shutdown during the early part of January and then the shifting of the Chinese New Year into January, instead of February, as it was last year. Those elements have confused the picture a little bit, made it more difficult.

I also think that the flood of kind of bad negative news that's come out from many companies over the course of last two weeks has probably made it likely that many of our customers themselves are going through a re-budgeting process and it's quite likely they themselves at this point don't know exactly what their spending plans are going to be.

I think, given that, it's most likely that the biggest variable influencing the outcome if you want for NI will be the broader based economy in the next couple of months and given that that's not a factor that we control, I think the sensible thing for us to do at this point is wait till the picture is a little clearer, and hence, we're going to do a business update call early March. And I think at that point we'll have a very clear idea of how things are going to play out.

**Antonio Antezano - Macquarie Capital**

And a follow-up. The 3%, I guess, decline in operating and spending, if you could expand? What actions are you taking to get to that and what should we expect on a quarterly basis during the year?

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