Asyst Technologies, Inc. Q3 2009 Earnings Call

Question-and-Answer Session

Operator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. (Operator instructions) Your first question comes from the line of Brett Hodess - Merrill Lynch.

Brett Hodess - Merrill Lynch

Steven, I am wondering if you can talk a little bit about the decision process for the customer not using dual source and you getting the whole fab. Do you think that in this tougher environment with customers that do not want to screw around as much that you are having more chances with your big customers to get the whole fab, if you will kind of thing?

Steve Schwartz

Brett, I think so. I think we are getting to 300 mm and automation was brand new at the beginning of the 300 mm generation. I think people understand the technical capability exists now and the differences between the three major suppliers of AMHS and so rather than having to make technical decisions, I think these are economic decisions that are considerably lower risk now that they have proven suppliers that they have been able to evaluate over the years. So, I think you are absolutely right in economic decision and the fact that we have been able to demonstrate reliable and dependable technology over the years is what allowed the win.

Brett Hodess - Merrill Lynch

It seems like though you are able to do it with much better margins than you did in the past, even though it is an economic decision rather than a technical decision.

Steve Schwartz

Yes, Brett actually we somehow successfully masked the better gross margin we had on the lot of the projects. We were really saddled by a pretty large project with a lower margin that dragged the whole business down. We have been able to improve that single customer margin performance, if you will, and now the rest of the performance improvements in the AMHS business are beginning to show through.

Brett Hodess - Merrill Lynch

Okay and then I wonder if you could just settle on a little bit on the two other questions. On the cost side, as you head down to that $50 million to $55 million breakeven level, can you sort of give us an idea of how much of the cost savings that you are getting to go down there are temporary, the layoffs. I have seen in the reduced pays and things like that versus permanent so that we can get an idea that when revenues grow again, how much extra leverage might we see or how much leverage might we not see because a lot of temporary things might have to come back on?