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RadiSys Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Our first question comes from Matt Petkun – D. A. Davidson & Co.

Matt Petkun – D. A. Davidson & Co.

Scott, I was wondering you disclosed a new top five customer which is great and I think you said that that customer was in the wireless area although that doesn't look like that was embedded in your Q4 revenues, at least if we assume that Nokia Siemens Network was the majority of that, so did that fall in to the IP network and messaging space? How are you accounting for that?

Scott C. Grout

The new customer is both wireless and wire lined. The application they're working with us on is on wireless. Unfortunately, as you probably deduced we can't disclose the name and the revenue is included in the other communications bucket.

Matt Petkun – D. A. Davidson & Co.

So like general network and switching and those types of things?

Brian Bronson

Yes.

Matt Petkun – D. A. Davidson & Co.

Then in years past you guys have provided at least at this point a general sense of what the full year is going to look like and obviously this year that's probably more challenging than ever but, when we look at your largest customer and their assumptions for business to be down at least 5% do you think you have an opportunity to do better than that, worse than that? Can you give any color about the full year?

Scott C. Grout

A couple of comments, as you had mentioned visibility out in time is much more challenging than it has been in the past. I think we feel pretty good about Q1, rest of year is still year to unfold in front of us. As it relates to Nokia Siemens Networks, I think it's fair as they go up and down there's no

meaningful meaning that that business with them would be materially different. So, I would expect us to track reasonably well with what they are doing.

Matt Petkun – D. A. Davidson & Co.

Then Brian, the historic lumpiness that we've seen in that customer, have you solved some of the issues or do you believe at least that they have solved some of the issues surrounding the lack of linearity in that business?

Brian Bronson

Well, a couple of things, I'd say that I still go back and point to a couple of pretty specific reasons why there is lumpiness historically with that customer. But, fast forward now, they are merger integrated, etc. and have done a really nice job and continue to be relatively accurate on their forecasts but I'm talking out a quarter. So it kind of goes back to the out a quarter okay, full year can be roughly right but as you get to that second, third and fourth quarter it still can be pretty volatile. Volatile meaning it's still pretty deal centric in emerging countries.

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