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MKS Instruments, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions) And our first question comes from the line of Brett Hodess with Merrill Lynch. Please go ahead.

Brett Hodess - Merrill Lynch

Good morning, Leo and Ron, how are you doing?

Leo Berlinghieri

Great.

Ron Weigner

Good thank you.

Brett Hodess - Merrill Lynch

Good, a couple questions first I have got when you look, you commented earlier about solar could grow this year, and I was wondering if you could, it sounds like that's going to be driven by thin film. But I was wondering if you could you have any size that you think it's going to grow to rate it is going to grow out this year?

Leo Berlinghieri

Brett, this is Leo, thanks I think at this point, it's not quite as clear I think obviously there have been discussions about the credit market tightening and would that have an impact. We haven't really seen that yet. We are scrutinizing, we have got 120 customers, many of them new. We are looking at each of those and how they seem to be faring.

On the other side of it, the order rates still look pretty good and we have had some good success in the past several months. So, we are still positive on it and then the current administration seems to be focused on alternative energy and solar being a piece of it. So, that could give us a boost if there is some investment or credits in that area. So, I would like to give you more color, but right now it's a little difficult to do that, but I think we are still expecting the business would grow.

Brett Hodess - Merrill Lynch

Okay. And on the semi side, do you think that your customers inventories are pretty low now so that your semi business matches whatever they are seeing in shipments? Or do you think that they are (inaudible) process? Do you think of taking down the inventories lower given the harsh landscape, how do you see that side?

Leo Berlinghieri

I think the same benefit we get on the upturn, every time their rates go down, at least the theory is that there is an inventory consumption and they don't need to buy as much to cover the shipments and I would say over the last couple of quarters they keep announcing further expectation of reduction quarter-to-quarter. And so for me, I believe we are still in that process. So, I would expect that some point in time, even if things don't change drastically we get some benefit out of that.

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