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Power Integrations, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Your first question comes from the line of Tore Svanberg - Thomas Wiesel Partners.

Tore Svanberg - Thomas Wiesel Partners

Balu, could you talk a little bit about your notebook adaptor business? I know that is a new business opportunity for you and it is probably quite a small percentage of revenue but as we walk throughout 2009, can you just talk about how you expect that business to run?

Balu Balakrishnan

Yes. We have several designs ongoing right now. They are all, I would say tier-two type of design and we are optimistic that we will get some revenue in the second half of 2009.

Tore Svanberg - Thomas Wiesel Partners

And Joe, can I do a quick follow up?

Joe Shiffler

Yes, go ahead.

Tore Svanberg - Thomas Wiesel Partners

With the test being outsourced more, what type of saving could that potentially give you on a quarterly basis or has that saving already occurred?

Bill Roeschlein

We factored in the savings into the guidance that we gave on the call already.

Operator

Your next question comes from the line of Ross Seymore - Deutsche Bank Securities.

Ross Seymore - Deutsche Bank Securities

Could you clarify a bit on the 'churns required' commentary you gave and then how much you need as of today, I guess?

Joe Shiffler

Yes, Ross. This is Joe. The churns requirement for full quarter is just under 70% and the other comment we gave was that it includes the churns that we have gotten already were up to 65% booked to the midpoint of the guidance.

Operator

Your next question comes from the line of Steven Smigie - Raymond James.

Steven Smigie - Raymond James

So, I was hoping you guys could talk a little bit about how you think Chinese New Year has impacted orders here? How much shutdowns there may have affected standard ordering patterns and what you think maybe will start to happen next week and the following weeks as we get pass that?

Balu Balakrishnan

Well, the Chinese New Year was the last week of January and as we normally expect, there was very little in terms of bookings from Asia and of course, this week, we are out of the Chinese New Year and we have seen the bookings pick up. So, we have passed that.

Steven Smigie - Raymond James

Okay because my understanding was there were a lot of shutdowns that were still going to be in place this week and it is really next week that you can see probably the full force of orders coming back.

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