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Millipore Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Our first question comes from the line of Jon Wood with Banc of America Securities. Please go ahead with your question.

Jon Wood – Banc of America Securities

Hi, thanks a lot. Martin, did you say, did you give the Guava revenue number, I'm sorry if I missed that.

Martin Madaus

Last year's revenue number was \$21.9 million.

Jon Wood – Banc of America Securities

\$22 million – and how much of that went through use, so basically incrementally, what is it adding incrementally to the top line?

Martin Madaus

You have that Charlie?

Charlie Wagner

Yes, we are not going to break that out Jon. But in the guidance we've given, the assumption is for the acquisition will add about 1 percentage point for the growth rate.

Jon Wood – Banc of America Securities

Okay. And then Martin, can you discuss just a higher level perspective on what you view as the addressable market for the benchtop flow? And also comment on which end markets our customer groups are most suited for, for this type of instrument?

Martin Madaus

Yes. We target currently the research market, and the research market is divided into the private and public, and academically funded research institutions around the world. And what we bring with this acquisition, we can also go off pharma and biotech and the Guava instrument is mainly used in research applications. It can also be used in the bioprocessing market to help with characterization

and it's used, I understand, by a few customers. And then there's a very small market outside of the US where the product is used for HIV testing in CD4, so that's a diagnostic application. Our goal is to focus very much on the research applications first; second, and explore other applications in our core markets such as in bioprocess. But we will not be focusing on the diagnostic application. And I would say the main benefit, which I highlighted this that you can basically do your own (inaudible) experiment in your own lab, because it isn't expensive and it is easy to use. So we think we will grow the market substantially.

Jon Wood – Banc of America Securities

Okay. Great, then one last one. On the cash flow Charlie, it looks like the free cash flow guidance is about up in line with net income. So, is it fair to assume that there is no incremental working capital benefits built into the cash flow guidance as it stands?

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