



Cray Inc. Q4 Earnings Call Transcript

Question-and-Answer Session

Thank you, sir. (Operator Instructions). And our first question is from the line of Chad Bennett with Northland Securities. Please go ahead.

Chad Bennett – Northland Securities

Yeah hi, good afternoon guys, and I don't know what to say, but great quarter and the working capital and cash improvement in this environment is phenomenal. So, I just want to say that first.

Peter J. Ungaro

Okay, thanks Chad

Chad Bennett – Northland Securities

I guess Brian, maybe I will start out with you real quick and just trying to understand kind of what's in and what's not in your net cash that you ended up within the quarter. Can you give me a sense, I am not sure how much we had left from a cash perspective to get from Oak Ridge, did we in fact get whatever we were owed. And then secondly, I know we recognize the milestones for achievement in terms of the offset to R&D, but did we physically get that cash in the quarter?

Brian C. Henry

Okay, good questions, Chad. Well as you look at the balance sheet that we have accounts receivable of almost \$96 million. We have a lot of money to collect. About \$45 million of that is the remaining portion of the Oak Ridge petaflop machine. We did actually receive cash on the at DARPA milestone before the end of the quarter, which is very helpful.

Chad Bennett – Northland Securities

Okay.

Brian C. Henry

We feel very good with the cash balance that we have and the accounts receivable that we carry into the year to have strong cash flows at least at the beginning of the year.

Chad Bennett – Northland Securities

Okay so, is it, I don't know if it's fair to say, how we want to termite that at the end of the March quarter net cash should likely improve again all else equal?

Brian C. Henry

Yes, I would say that. In what we disclose we indicated that we expected net cash to generally be above the \$53 million throughout 2009. It's possible that at quarter end it could be lower than that but in general we expected to be above that.

Chad Bennett – Northland Securities

Okay and then Pete you talk about - you guys sound very confident in the guidance and outlook I guess you gave for fiscal year '09 and indicate, a decent amount is away there. I guess is there anyway to, I don't know if we can compare your visibility going into this year, compared to last year, because I think last year your visibility was pretty down and good, but is there anywhere to characterize the confidence in the 260 and how far down we are in terms of to that number and then also on top of that, can you give us a sense of your conviction related to up your new I guess products and services that being the custom engineering and kind of the material nature of that in '09 and then the CX1 kind of what should we expect from a incremental opportunity there, I guess looking out over the next 12 months?

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.