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Rimage Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Our first question comes from Greg McKinley with Dougherty & Company. Go ahead please.

Greg McKinley – Dougherty & Company

Hi, good morning.

Bernie Aldrich

Good morning, Greg.

Greg McKinley – Dougherty & Company

Good morning. I am wondering if you could talk to us a little bit about what you are seeing in terms of investment opportunities outside of your core digital publishing systems as you look at sort of managing the lifecycle of our technology over the long term, are you actively sort of scouting the market to see if there is complementary technologies that you could acquire to bring into the business or you are just not seeing – you have not maybe identified that direction, you are not seeing anything attractive in there and maybe just believe in the best use of your cash to preserve the balance sheet right now?

Bernie Aldrich

Okay, this is Bernie, Greg. No, we are definitely researching and looking at what is available out there. I think there are a number of factors. First, in the ideal world, you would love to find something that is really closely aligned and adjacent to what we do where you can leverage perhaps your sales channel, your sales force, your service capabilities some of the existing technologies we have. That being said, that is a real challenge because we also know any time you got to expand your business space, you are not very successful if you decide you are going to be at 180 degrees from where you are today, so it is really how do you migrate that way. In addition to that in today's market, I think there is a lot of uncertainty out there, I also think as far as valuations for some of these businesses (inaudible) one has to be cautious. If one would have made an acquisition even six months ago, the value you would have paid for that business would have been significantly more than you would pay today, and in our view I think some of those valuations are still perhaps much simpler than the analogies the housing market may not have reached their bottom level yet. We recognize that like all companies you have to continue to evolve and move and I think one of the clearest messages

we have sent is with bringing Sherman Black onboard really does put us at the forefront of looking forward and where we are going to be as a company over in five to ten years.

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