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InterDigital, Inc Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Janet Point

All right. Jamie you can give the instructions for asking questions.

Operator

Thank you. (Operator Instructions) We will go first to Bill Nasgovitz with Heartland Funds.

William Nasgovitz – Heartland Funds

Hello.

Janet Point

Hello, are you there?

William Nasgovitz – Heartland Funds

I am.

Janet Point

Okay good.

William Nasgovitz – Heartland Funds

This bear market must be taking its toll. I am first oh my god! Well, good morning to everyone. What I came on late, so I might have missed this is, what's your share, 3G share today is and in the past you've made some very - well, you've had a goal of pretty aggressive goal, would you like to restate that or amplify on that?

William Merritt

Sure I mean the goal of the company is to secure revenue on every 3G device sold. Today we are at approximately 50% of that market.

William Nasgovitz – Heartland Funds

50%. And Nokia would represent what percent?

William Merritt

They are probably about 30% in that, maybe a little bit below that.

William Nasgovitz – Heartland Funds

Okay, well good luck in those efforts.

William Merritt

Okay. Thank you.

William Nasgovitz – Heartland Funds

We like the trend.

Janet Point

Good luck in the market.

William Nasgovitz – Heartland Funds

Yeah, thank you very much.

Operator

We will go next to Michael Ciarmoli with Boenning & Scattergood

Michael Ciarmoli – Boenning & Scattergood

Hi guys, thanks for taking my question. Just on some of your bigger licensees NEC Sharp, do you have any idea how far those two revenue sources will trend lower or what the magnitude will be in 2009. I guess they did NEC about \$27 million, Sharp about \$36 million, can you give us any sense as to where those slide down to?

Scott McQuilkin

Mike, it's Scott McQuilkin. As you know, it's pretty difficult to project what's going to happen with the economy in 2009. Clearly, if you look at the numbers historically, the fourth quarter reflects a pretty significant decrease in those numbers and I think the general view in the industry is there was a pretty significant inventory adjustment that took place. And there is a pretty weak outlook generally. So, I think it's hard to put a number on it, but our view as I said in my comments is that it's going to be a challenging year for everybody and probably for the Japanese licensees in particular, just because of their market tends to be more mature and you have this issue of the subsidization by the operators of the pricing, being a headwind that's fairly unique to that market.

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