

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha symbol in orange on a dark red background.

## Seagate Technology F3Q09 (Qtr end 3/31/09) Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

(Operator Instructions) Your first question comes from Keith Bachman – Bank of Montreal.

#### Keith Bachman – Bank of Montreal

A couple of times you mentioned having products in the SSD space. I was hoping you could flush that out a little bit. What's Seagate, how are you going to drive value in that area? How do you compete with your existing products in terms of margins in the enterprise space?

#### Steve Luczo

We're not disclosing specific product strategy there yet, but I think we can articulate it enough to say that as we look at the margin analysis from our viewpoint today, leveraging the expertise that we have in the enterprise market which is where we think the SSD is going to play first, for us at least, that a lot of the value obviously relates to things other than heads and disks.

Of course there will be a lot more competitors in there with significant market share. So writing to different media while providing maybe some different technical challenges, we still think that there's a great margin opportunity for us and it shouldn't be ultimately that different than what we get in the enterprise sector today.

Again, I think SSD is really fast memory and we think anything that improves performance of systems will then also drive additional storage which would also probably drive the necessary requirement of greater storage behind it which would most likely be in rotating magnetic's. So it's the hierarchy that we're looking at and we'll basically be rolling out a product strategy through the rest of the fiscal year 2010.

#### Keith Bachman – Bank of Montreal

Just so I'm clear, I think you said before the end of the calendar year you'll be rolling out products in the SSD side? Did I hear that correctly?

#### Steve Luczo

It will be in fiscal year 2010 and I think just depending on some of the issues that we're working with our customers on, I don't really want to disclose specifically the timing, but it's the end of 2009 or the beginning of 2010 because a lot of it relates to the work we're doing with specific customers. But it's 2010 event.

**Keith Bachman – Bank of Montreal**

You mentioned OpEx is \$340 million and then additional restructuring. Is there any color that you can or want to add on how OpEx unfolds post the June quarter and then obviously the fourth?

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.