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Intersil Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions)

Your first question will come from the line of James Schneider with Goldman Sachs.

James Schneider - Goldman Sachs

First of all could you tell us, do you think you are shipping to end consumption levels now across all your end markets or are there any areas where end markets where you're still reducing inventory?

Dave Bell

Yes James this is Dave Bell. It's always hard to tell exactly how much is going to consumption and how much might be going to some inventory replenishment. We can see how much inventory is in our distribution channel and as we mentioned we've actually dropped that quite a bit. On the other hand, we don't have a completely clear picture of how much is going in our shelves at our OEMs and manufacturers. So it's a bit of guesswork there.

My guess, as I mentioned during the prepared remarks, is that a good deal of our resumption in bookings for the PC business is going to consumption. On the other hand, I think there's a portion of that, how much is not really clear, but a portion of that I think is probably going into certain inventory replenishment.

We know a little bit will go into the inventory in our international distributors, but I think there's probably a portion that's going on the shelves primarily as a result just to the fact that lead times or that the orders were placed in the later part in Q1 were very short lead times and many suppliers were unable to react. So I think some customers are going to build a little bit of inventory there.

In the other markets, I guess we don't have quite as much clarity there. Some of the other markets are still going down. So, my guess is that if there is some inventory replenishment it probably is not as much as we're seeing in the PC market right now.

James Schneider - Goldman Sachs

Fair enough. That's very helpful. And then maybe just as a follow-up, Dave. I think on the last call you talked about some Vcore design wins for the Intel notebook refresh coming up this year still having to be decided. Could you give us an update on the status of those design wins please?

Dave Bell

Yes, what I probably told you last quarter was that some thing like half of those designs probably were decided or something like that for Calpella, and that the refresh, which is kicking in usually early in the year and those things, what are in production now in ramping.

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