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Silicon Image Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). We'll take our first question from Rajiv Gill (ph) from Needham & Company.

Unidentified Analyst

Yeah, hi thank you. Just a question on your second half. If you take the mid point of the second quarter guidance, you are looking at nearly 50% ramp in the second half. So I wanted to get a better sense of what gives you confidence in terms of that second half? I know you mentioned design wins and order visibility improving. But specifically what revenue contribution are you looking for MHL, what revenue contribution are you looking for the new HDMI 1.4 standard and are you assuming some sort of growth in your existing legacy products as well?

Harold Covert

Yes, I think as Steve just indicated based on design wins that we have in hand now we see opportunity certainly on the DTV side, the next generation of the HDMI standard and moving forward, as our customers start to see increased volume with our design wins in place we expect to pick up revenue in the second half of the year.

Unidentified Analyst

Is there a way you can quantify the revenue contribution from the MHL that will be ramping in Q3?

Steve Tirado

Well, the mobile that's the mobile we call that just mobile revenue. Which actually includes some HDMI chips as well. But actually the mobile business itself is going to ramp pretty aggressively. It's going to go up this quarter quite a bit and it's going to ramp pretty significantly from kind of single million up to 2 to 3 million per quarter, may be even a little bit higher in Q3 and Q4. And that's just based on design wins that we've got.

Unidentified Analyst

And if you could just quickly describe the business model for the MHL so I understand that that will be helpful?

Steve Tirado

So, MHL is going to be eventually both a standard initiative where there will be some money is gotten through that for people who adopt the standard pay subscriptions and there is likely to be a small royalty associated with that. And then there is the product revenue. So one of the things we announced today is that we got a phone a phone OEM who is going into production next quarter with the Smartphone using in MHL. And so there is a chip inside the phone. Okay. And then they wanted a chip that a phone that could talk to any TV. So they have an active cable that has a small chip from us that bridges MHL to HDMI -- standard HDMI. So you can literally plug into any television.

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