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MEMC Electronic Materials Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) And our first question is from Brett Hodess of Bank of America.

Paul Thomas - Bank of America

Hi, this is Paul Thomas - Bank of America for Brett Hodess. On the solar contracts, it was pretty reasonable you guys renegotiated with Suntech and Gintech, were similar terms offered to Conergy?

Ken Hannah

We've been engaged with conversation with all of our long-term partners. All of those discussions have been similar in nature. Unfortunately we were not able to reach an agreement with Conergy.

Paul Thomas - Bank of America

Okay. And then as a follow up on the 8-K with Gintech, there was a comment in there that said that time had been extended for them to comply with the credit terms. Have they paid their full deposit for 2009 yet?

Ken Hannah

Yes, they have paid their full deposit.

Paul Thomas - Bank of America

And the other three contracts as well?

Ken Hannah

There is one customer as we had mentioned at the last call that had not made their final payment.

Paul Thomas - Bank of America

Okay. So the decline in the customer deposits was just revenue chip wafers?

Ken Hannah

Yes.

Paul Thomas - Bank of America

Okay. Thank you.

Operator

And our next question is from Stephen Chin, UBS.

Stephen Chin - UBS

Hey thank you. Hi Ahmad, hi Ken.

Ahmad Chatila

Hello Stephen.

Ken Hannah

Hi, Stephen.

Stephen Chin - UBS

Since you won't give us revenue guidance for the second quarter, can you at least give us an idea of sales by month progressed through this March quarter? What was -- maybe 40% of sales done in this month of March. I am just trying to get a sense of the change in customer demand. And can you give us an idea of how, in the month April is progressing versus that month of March? Thank you.

Ken Hannah

Yeah Stephen I guess if you look from February to March across the industry, and MEMC is not all that different in the industry. But there was a 60, 40% increase in demand in the industry. And we're seeing that continue into the first portion here of April.

Unfortunately, even with a 40% increase in March, we're still 60% below third quarter 2008 levels. So, when we -- what we try to do in our outlook, if you will, is you give you some additional color over what we're seeing, and try to explain that there is very limited demand visibility. And that while we're very encouraged, it's not clear to us that this is something that's going to sustain. And the moment that we feel as though we have some clarity we'll be glad to share that insight.

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