

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

## Cirrus Logic F4Q09 (Qtr End 3/28/09) Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

Thank you. We will now begin the question and answer session. (Operator Instructions). Our first question comes from the line of Tore Svanberg from Thomas Weisel Partners. Please go ahead.

#### Evan Wang - Thomas Weisel Partners

Yes, hi. This is Evan Wang calling in for Tore Svanberg. Thank you for taking my call.

#### Jason Rhode

Sure.

#### Evan Wang - Thomas Weisel Partners

I would like to ask you, if you could clarify your gross margin guidance. I understand that it's due to mix shift, but do you expect this to last beyond the 1Q?

#### Thurman Case

Well, we certainly expect some overlap with that range going forward. We're obviously managing our expense, or managing our supply chain as closely as possible. We've done a significant ramp in, as we said new products and new applications. a then as well, compared to year ago, a significant amount of revenue that has been pretty weak from the seismic product line. So the combination of those two has pushed margins down a little bit. We're certainly working to get those to drive those back up going forward.

#### Evan Wang - Thomas Weisel Partners

I think your revenue is expected to -- it is guided (ph) much higher and could you add some color on the revenue guidance as well? In particular, could talk about the smartphone and what kind of ramp you're looking at for the coming quarter?

#### Thurman Case

I don't want to get in to too much detail on it. But we do have backlog for a smartphone application at this point that we expect to ship in Q1. So that's a significant part of that guidance. Broadly, there's a couple of things going on. That is -- it's a pretty significant bump up from Q4 which is counter cyclical for us in normally Q1 in the last few years at least has been down from Q4. So that's good news.

Partially, we are seeing the overall market get a little bit better and when we talk to the foundries that we work with, when we talk to the assembly sides and test sides and all that, they're definitely booking up. And it's kind of -- it seems like, it's coming back sector-by-sector. And it's certainly not anything turning around, turning on a dime, it's along slow recovery I suspect. But things are improving slowly.

So that's part of it and then the other part and frankly, the bigger piece is this new revenue coming from new products and new sockets, one of those being smartphone.

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