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## TeleCommunication Systems Inc. Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Our first question comes from the side of Tim Quillin with Stevens Incorporated. Please go ahead sir, your line is open.

#### Tim Quillin - Stevens Inc.

Good afternoon, another nice quarter. You're fairly giving guidance with a lot of caution. I just want to figure out where exactly your caution is coming from? So, you're assuming anyway that first quarter is going to be the high water mark, both in terms of revenue and EPS?

I guess first of all on you SMS outlook is you're caution really more related to the competitive landscape and the fact that maybe you think your competitor is just due for an order from your biggest customer there and is there anything specific that would give you a reason to be cautious about that?

#### Maurice Tose

Well, let me start with saying, I'm not sure of the message was that Q1 is our high water mark. I would say that; one, we're just trying to be cautious and continue to upgrade guidance quarterly throughout the year, throughout the process. I mean the first half of the year, we pretty much see it. It's here, it's all about booked.

So, again we don't want to give granular and giving quarterly guidance and in part on the SMS front, we went through one multi-quarter deal, we're almost through another or anticipate we'll be through another and probably exhaust the second one accordingly or probably early again as well, but there is a second competitor in the carrier, even though we have the lion's share of the market.

So, it's been difficult to force the 800 pound relay into a behavior that maybe best for us, but, the history of the last nine or ten quarter show that it's been there for us, all but one quarter in that period of time. So we're just not wanting to get our knuckles racked and we just like to I guess cautiously bring things up, but we are bullish. I mean we are very bullish on the year.

#### Tim Quillin - Stevens Inc.

So there's nothing that your customers telling you or nothing about the posture of your competitor there that would suggest that you wouldn't get the next order. It's just as you say, there's just kind of an abundant of caution there?

#### Maurice Tose

I'd say primarily an abundance of caution and as we said, the orders can vary. So, we can't say much more than that and we'll get our appropriate share of that business, which has been the lion share.

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