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SiRF Technology Holdings, Inc. F1Q09 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator's instruction) Your first question comes from the line of Nicolas Gaudois - UBS.

Nicolas Gaudois - UBS

Could you give us some a bit more clarity on what you see the drivers of the new up tick in Q2 by end markets that could be quite useful? And also second question will be, how long should we expect for cash flows, I mean as you said there are I think \$9 million receivables coming back into a cash into a prior quarter and so could you give some degree for cash burn, how do you look in the recent two years second quarter with working capital in mind? Thank you.

Kanwar Chadha

This is Kanwar. I will take the first part of the question and I guess Dennis will take those back in. As far as the market questions, if you look at Q1, the automotive side of the market was relatively weak. In Q2, we see stabilization of the automotive market segment and I have some view that in the division of some of the market related coming up, the consumers oriented automotive system market is also going to show better finds of stabilization. But we do see growth and stabilization across our market segment.

Dennis Bencala

This is Dennis. So, regarding cash, couple of things; one, on the very positive side, SiRF has fully implemented its operating expense reductions and we are in the very final stages of our reduction in forces that we have put in place. As a result, we have had positive results in terms of cash, in terms of regulating our cash expense. In Q1, net of the one-time note receivable that we received, we had a cash burn of approximately \$15 million and I would expect that to be based on the increase in revenues for Q2 to that rate to be slightly lower than that, perhaps in the \$10 million range in Q2. We do not give a long-term cash projection but again, on the positive side, we have fully implemented our operating expense reduction and are confident on our cash position.

Nicolas Gaudois - UBS

I got a very quick follow up. You talked about additional attrition on top of [27.00]. Could you maybe give a little color what came from sales and marketing central functions or R&D? Thank you.

Dennis Bencala

Well, again that is a good question. When I mentioned the attrition, I said to a lesser extent, there has been some attrition and we just considered that as part of the normal turnover that any company, especially here in Silicon Valley, experiences. It was not in any one particular area and we do not believe that the attrition that we did experience in Q1 would have any negative impact on our business at all.

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