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National Semiconductor Corp. (Qtr End 05/31/09) Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Ross Seymore - Deutsche Bank

Ross Seymore - Deutsche Bank

Just a question on the inventory internally and in the channel, what are your expectations of what that's going to do in the next quarter in both places.

Lewis Chew

Internally we're looking to hold it flat to maybe slightly down, some of that will depend on what happens with our bridge build for the transfers and within the channel, we're looking for that to be flattish. That will depend a lot on the resales.

Ross Seymore - Deutsche Bank

On the OpEx side of things, what do you think that does going forward as revenues grow and the cost cutting if you've been through a portion of the total restructuring and the benefits on the OpEx side, you talk a little bit about how much more is left to come there and how and when we'll see it in OpEx please.

Lewis Chew

The OpEx guidance that I gave for Q1 does reflect the majority of the savings we get from the headcount reductions. And then going forward the first part of your question, I suppose it would be safe to say that we absolutely expect to grow the OpEx slower than the revenues grow but in the short-term here until we see more significant signs of recovery which Brian alluded to in his comments, we're going to try to hold those OpEx numbers relatively under check.

So we're not really planning on any significant growth in OpEx subject to just kind of quarterly fluctuations if you will.

Operator

Your next question comes from the line of Sumit Dhanda – Banc of America

Sumit Dhanda – Banc of America

A couple of questions, just to clarify you indicated that you expect the channel inventory to be relatively flat, or sorry, based on flattish resales, so the growth that you're seeing on the overall top line, is that more driven by your OEM customer base.

Lewis Chew

It is fair to say that, yes. When we came into the quarter I think all three of us mentioned the fact that our opening backlog is up which is certainly a nice place to be considering the last couple of quarters where its been down and a large chunk of that opening backlog up is reflected in our OEM base.

So with our distributors, I would say that they obviously burnt off quite a bit of inventory the quarter we just came off of so we're still waiting to see some signs of a more sustained snap back if you will.

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