

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Bally Technologies Inc. F1Q10 (Qtr End 30/09/09) Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Bill Lerner - Union Gaming.

Bill Lerner - Union Gaming

A few questions for you; one, Gavin, you mentioned something about pricing relative to your peer group, you mentioned one competitor. Just can you give us a proxy, is this a small competitor? I just want to get the sense that pricing or I would like to confirm that pricing is generally rational and then I've got some follow-up.

Gavin Isaacs

The pricing is generally rational, Bill. We're talking about a smaller competitor in this market.

Bill Lerner - Union Gaming

Then one more for Gavin, actually you talked about obviously unit counts were a little bit lower or were lower this quarter than we've seen in the recent past. Obviously, it's a function of the external environment with very little replacement and new openings, but it strikes me as, if you had booked Aria that numbers would have been relatively consistent with the last few quarters.

So I'm guessing that it's a function of how conservative you guys are in terms of booking units, but in terms of magnitude, if I'm correct in this line of thinking, is it 400 plus units and a few cents in EPS that we would have seen this quarter, that we'll see next quarter for no other reason other than the way you guys account for things?

Gavin Isaacs

I think that's about accurate, Bill. We're the second to report, so we don't know the full numbers out there. We could even be higher than what we thought our ship share could be.

Bill Lerner - Union Gaming

Then I guess two other; I'll try to be quick on these last two. One, I don't know whether this is for Dick or Ramesh, but you guys are giving systems guidance, total systems revenue guidance for the first time.

Is that a function of that, I know maintenance, which is a higher visibility piece of your systems revenue is getting bigger. Is that a function of having more visibility in systems? Is there some other reason and Ramesh, how much visibility do you think you have in that systems guidance? Is it 50%? Is it at 60% of that revenue and then a last one, I promise.

Ramesh Srinivasan

The fact we're giving systems guidance now is both a reflection of better visibility and better confidence in the business. Our leadership position is strengthening and the kind of feedback we're getting from customers and the opportunities we have. It also reflects an increased confidence level in the business. I would say that in terms of overall visibility of the number given a considerable majority of it, we have pretty certain visibility to us.

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