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## Lionbridge Technologies, Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator's instruction) Your first question comes from Brian Kinstlinger - Sidoti & Company.

**Brian Kinstlinger - Sidoti & Company**

I wanted to ask first the statement that you guys made in your release saying second half of the year earnings would accelerate. Is that year over year or is that from the second quarter? I want to exclude that tax benefit in the third quarter so I was looking at pretax profit. Was that what you were trying to get up this September and December?

**Rory Cowan**

The first half, Brian. I guess, Brian the reason why we are focusing on that because last year was last year and about the new currency environment so we are trying to really look at sequential improvement here because the world, it is like the airlines have the jet fuel increase. I mean, comparing to last year is one thing but sequential quarter is what you are looking at there.

**Brian Kinstlinger - Sidoti & Company**

Right and so for the little bit last revenue in the September quarter, there will be some more cost savings like in some of the other income line and a little bit better maybe pricing that helps you achieve a similar pretax profit number, is that how to look at it?

**Rory Cowan**

I think that those items will certainly offset the decline in sequential revenue. We are leaving up to you to do that math but certainly we will have a little bit lower revenue sequentially in Q3 versus Q2. That will put some downward pressure on gross margins but as we mentioned in the call, we have some offsetting factors like price changes that will mitigate some of that.

**Brian Kinstlinger - Sidoti & Company**

Right and it is really when you can provide revenue by your three segments that will give us some kind of indication of they were moving you over year or quarter over quarter, however you want to look at it.

**Rory Cowan**

Yes, let us see the prior quarter, actually it is interesting on the quarter on quarter, it is almost across the board even a growth from Q1 in those 7.2, 7.3, 7.2 sequential quarter.

**Brian Kinstlinger - Sidoti & Company**

Okay and what about margins? It seems that your margins have moved up, which division, which segment is the one that seems to be moving up? Is that the price increases you are getting on GLC or is that something else driving that?

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