



NetScout Systems, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) Your first question comes from Jonathan Ruykhaver with ThinkPanmure.

Jonathan Ruykhaver – ThinkPanmure

Well, congratulations on the quarter. Can you give an update on the plan for the rollout of the integrated products? What do you ship today and what is on the horizon?

Anil Singhal

We are shipping the standard product from both the companies right now, with the promise of a free upgrade in the next quarter with the first step of integration, and actually sometime this quarter and in the next quarter with a fully-integrated set. So basically, anybody who is basically signed up for maintenance has a software upgrade because they are buying the support contract is eligible for that combined integrated solution.

Jonathan Ruykhaver – ThinkPanmure

Okay, so that is regardless of how old the product is that they are paying the maintenance on?

Anil Singhal

Yes. Basically that was part of the promise we made at the time of selling, that basically, that part of the road map we are going to be providing the integrated solution and which will have the combined functionality of the two products so they can continue buying our products.

David Sommers

Let me just clarify, if I may. That is part of our standard practice with our maintenance agreements to provide that sort of software fray, we are continuing that practice, and as we go through in developing integrated products.

Jonathan Ruykhaver – ThinkPanmure

Okay. I guess when you look at the integrated product, it is going to begin shipping and how do you manage and take it into account when you give guidance for the pause that might occur as new customers hold out purchase today in the expectation of the new or integrated products?

Anil Singhal

Okay, first of all the new integration is like, new features which are ongoing every year, and so people don't hold off purchases generally because unless they need that one feature right away, and some of those things could happen, but we had a fairly robust set of features in each of the products already and instead of buying those features in two separate products, now you will be able to use it in one product. So we have really not seen any big pause in spending as a result of this because they are getting more than what they expected when they bought it.

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