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Actuate Corporation Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

As you know this is a live earnings call. So, we are going to let everyone in the room to ask questions first and then we'll actually open up the call to the folks that are listening on the phone lines. So, with that we will be happy to take your questions.

Analyst

Congratulations on a strong quarter. I am just curious with the trends you have seen in Q2 and the license revenue picking up significantly and I know some of that is also due to seasonality, but as you look towards Q3 have those trends started to carry over in terms of their early activity that you are seeing and also your comments on the last quarter, where that the back half should be a pretty nice pick up from the first half of the year, so I just wanted to make sure that's still the case?

Peter I. Cittadini

That should be a positive pickup over the first half, but still indeed. As far as comments on Q3, the pipelines entering into the quarter very adequate for what we intend on doing and achieving the reiterated guidance, we feel very positive about that as well.

Analyst

And then just on the restructuring charges mentioned in the non-GAAP earnings, just curious if you could remind us kind of what those are around and what type of the potential cost savings, can I know that?

Peter I. Cittadini

I believe it was the consolidation of our Toronto facility reducing it by one floor. Cost savings are fairly small within counter.

Nathan Schneiderman

Hi, Nathan Schneiderman, Roth Capital. Nice job on delivering the quarter congratulations.

Peter I. Cittadini

Thanks.

Daniel A. Gaudreau

Thank you.

Nathan Schneiderman

A handful of questions for you. One is Q3 seasonality for software companies tends to be sequentially down versus Q2 given weakness in Europe vacations etcetera, is that the way you envision your business in Q3 without, I guess you don't want to get into this business except Q3 guidance but is that a logical way to model it?

Peter I. Cittadini

Historically for us we have been bit of an anomaly but as we have grown enterprise software we are getting more normalized if you will. So, to us we typically represent Q3 as flat or slightly down, as sort of a macro level descriptor. But it's typically not been a dramatic step function down for Actuate Corporation if you look at some of the previous years' performances.

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