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## CyberSource Corporation Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### **Operator**

(Operator instructions) Your first question comes from the line of Wayne Johnson.

#### **Wayne Johnson – Raymond James**

Good afternoon. I just wanted to add a couple of questions here. Can you talk a little bit about what the cross selling was between Authorize.Net and CyberSource, like what percent of sales it was and the services that would be included in that for the quarter just reported?

#### **Bill McKiernan**

Yes, cross-selling is a relatively nascent part of the synergies that we are realizing, Wayne. We are still working on integrating the two platforms so we can cross-sell fraud services to the small business segment of the market. We are sharing some leads that come in, in order to offer merchant accounts to some customers, so that is one example of the synergy. But we are still working on getting the integrations between the two platforms to capture fully the synergy opportunity.

#### **Wayne Johnson – Raymond James**

Right, so on a top-line basis, I guess, as a percentage of total sales, it was less than 5%?

#### **Steve Pellizzer**

Yes. I would say so. It's a small percentage. One of the strong indicators of the synergies though, as Bill mentioned is just the merchant acquiring leads, where we are getting leads from the A.NET base for merchant accounts, and that was mentioned in the script in terms of the number of new adds there.

#### **Wayne Johnson – Raymond James**

Right.

#### **Steve Pellizzer**

And as a percentage of revenue, it's relatively small, and it's one of those situations where we are going to build obviously a customer base over time.

#### **Wayne Johnson – Raymond James**

And so then the same, the follow-up would be the same question as it relates to cost synergies between Authorize.Net and CyberSource, and how do you see that playing out throughout the year? When do you think the quarter – which quarter will feel the greatest financial impact of that in the results?

**Steve Pellizzer**

Yes. We've really seen it already. The biggest synergy from the expense side was closing the Marlborough Office, the headquarters for Authorize.Net. And that was done as of the end of 2007, so that's already built into our financial guidance, as well as our first quarter results. So, that's the biggest opportunity from an expense perspective. We really didn't reduce the workforce in any way. We retained the entire workforce of Authorize.Net and CyberSource, and have no plans to reduce headcount.

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