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## Blackboard Inc. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). Your first question comes from the line of Amy Junker with Robert W. Baird. Please proceed.

#### Amy Junker - Robert W. Baird

Hi, good afternoon. First, if I can just have a clarification on your guidance and Mike Beach, I think you addressed this, but you only raised your guidance by 1 penny on the high-end and \$0.03 on the low end. Is entirely due to the higher net interest income or interest expense that you are expecting or is there something else in there as well?

#### Michael Beach

Yes, so the net interest adjustment of \$2.7 million for the full year and is going to be about \$0.5 million in the second quarter, are driving those changes.

#### Amy Junker - Robert W. Baird

You have said that it was \$2.7 million higher than you originally thought, just do you have what level you originally thought, so we just have a full year number of what you are thinking for that line item?

#### Michael Beach

I do not have that right in front of me right now.

#### Amy Junker - Robert W. Baird

Okay. I can follow-up with you off line.

#### Michael Beach

What your next question and we will try to pull that for you.

#### Amy Junker - Robert W. Baird

No problem. The 150 new Connect deals, the deals that closed in the quarter, that is great, that is a huge number, I guess, I just want to understand so 130 of those are actually new customers to Blackboard? If 20 came in existing customers?

**Michael Chason**

The 120 customers

**Michael Stanton**

The 150 clients, Amy was across all markets.

**Amy Junker - Robert W. Baird**

Okay

**Michael Stanton**

20 of them were Higher Education clients they were clients of Blackboard. So, they were significant number of new Higher Ed clients, but the 150 is across obviously K through 12, which is historically their biggest market.

**Amy Junker - Robert W. Baird**

Okay.

**Michael Stanton**

Higher Ed in probably a few in the CTY, the county government space, but definitely there is a reasonable number of new Higher Ed clients there.

**Amy Junker - Robert W. Baird**

Of the new clients, is it too early to tell us at this point and I got to see if are they interested in your suite of other products or what do you think the opportunity is to cross sell in to those new Connect clients?

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