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## MSC Software Corp Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). Your first question comes from the line of Michael Coady with B. Riley.

#### Michael Coady - B. Riley

Thanks, good afternoon.

#### Bill Weyand

Hi, Michael.

#### Michael Coady - B. Riley

Hi, Bill. Could you talk about? you mentioned acquisitions to drive to be a growth driver in the future. Could you talk about the size of potential acquisitions, any metrics and for example, maybe what you paid for network analysis?

#### Bill Weyand

Well, first of all, I'll comment in the first part, and Sam can add some color, but now that we have completed the business execution and have basically robustness in all of our software products. And we're running in also on a geographically, and we now want to grow organically as well as be acquisitive. We're not talking about being a hugely be acquisitive in terms of size of operations, but we clearly are in a consolidated market.

We've got about \$135 million in cash, and so I'm looking at, and we're looking at what was called technical tuck-ins and in the simulation space there are a lots and lots and lots of private companies and there are a few public companies. So, without talking about size or scope, these are transactions all the way from little revenue -- second stage companies to established companies that have industry specific solutions that add more robust system functionality to our enterprise solutions. We've done to and we intend to do a number of more going forward. Sam, on the size?

#### Sam Auriemma

Yes, I think that's right. The size is generally been in the something \$5 billion market. Mark, as Bill has indicated, we look at these as buy versus make acquisitions, time to market acquisitions, some check the box acquisitions for us, and they have been small in size. We can go up the scale a little bit, but

generally speaking high domain expertise, our ability to executive have to be strong in that market, and they have to have a lot of value to our product offering.

**Michael Coady - B. Riley**

Okay. And just a quick question, Sam, on cash flow from operations for the year -- was that 6.8 million gain on the security sale included in that?

**Sam Auriemma**

Absolutely, yes. Yeah, we have started off with the net income number on that 6.8 million did include that.

**Michael Coady - B. Riley**

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