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Blackboard Inc. 2008 Acquisition of NTI Group Call Transcript

Question-and-Answer Session

Operator

[Operator Instructions] Your first question comes from the line of Tom Roderick from Thomas Weisel Partners.

Tom Roderick – Thomas Weisel Partners

I wanted to get a little bit more on what's driving the growth for NTI. You are picking up a company here with some really nice growth and I guess if we look at maybe some catalyst last year in the industry it certainly seemed like the unfortunate incident at Virginia Tech played a role in notification and alerts being in higher demand. Can you talk a little bit about that specific incident and any other catalyst that drove the growth rate here for NTI in '07 and then maybe speak to how sustainable you think that growth rate can be in '08?

Michael Chasen

Certainly there were a lot of events over the last two years that have really influence the strong demand that we've seen for this type of product in the marketplace. I want to expand upon some of the things that you had mentioned because it certainly goes beyond the fact that there have been a number of campus security incidents and tragedies, and severe weather that has really caused schools to really feel this type of technology is required.

In addition to that we are just starting to see increased demand from institutions that need to be able to have more broad communication capabilities to stay in touch with all of their students. Even just as they are putting more and more of their educational institution online. Also another driving factor is many of the schools are starting to incorporate more mobile-centric technologies and need improved outreach communications for the various PDA's and other devices that exist on campus. I think it's actually all of those things that are contributing to the high demand that NTI has seen and we expect to continue to see over the next several years.

Tom Roderick – Thomas Weisel Partners

A question for you on the financials the operating margin assumption of performance basis is 22% and I want to make sure I'm including and excluding the right items on an apples to apples basis. By my analysis on Q4 it would seem like where the year shakes out this year is right around 23% operating margin give or take a little bit. How does the 22% give or take to your prior guidance that operating margins would be flattish to slightly up for 2008.

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