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Informatica Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Tom Ernst - Deutsche Bank Securities.

Tom Ernst - Deutsche Bank Securities

My question is looking at the license and booking number I would characterize those as surprisingly strong given the challenges we're seeing from other software companies. What surprises me in the other direction is the fall off in education consulting. So I'm curious. What drives that mismatch? Because with strong bookings and strong shipments, are you relying more on third party, perhaps integrators? Or are there just lower attach rates; less service intensive projects are what you're selling? Or are these just delays on stuff that where customers may commit to purchase the license but late delay the services? What's happening?

Sohaib Abbasi

Tom, as you observed, we are very pleased with the overall license bookings and [inaudible] performance given the challenging times. In terms of the services revenues, the maintenance revenue as Earl pointed out was at an all time record level. Very strong growth in our maintenance revenue. And that is a very good indicator that our customers are continuing to use Informatica software and derive a great amount of value out of it. And the best indicator of that is the fact that our renewal rates in the mid-90's are among the highest in the industry.

And that is an indicator that our customers continue to deploy Informatica and gain great value out of it. Now we do have a very healthy partnering ecosystem and this last quarter we had almost 64% of our revenue was influenced by our partners. We have very strong partnerships with global system integrators and we also have a focus on teaming up with a lot of regional system integrators with our new inform program. Clearly our partners are working with us to insure our customers are successful.

However in this macroeconomic environment as customers scrutinize their expenses, one of the areas where we have certainly seen an impact of it is in our education business. And in these times organizations do tend to look at some of their travel and entertainment expenses, P&E expenses, as well as education expenses. And that is reflected in our business. And again to sum it up we are very pleased with what we are seeing our customers use Informatica for. Thanks Tom.

Operator

Your next question comes from Tom Roderick - Thomas Weisel Partners.

Tom Roderick - Thomas Weisel Partners

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