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Vignette Corp. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Nathan Schneiderman - Roth Capital Partners.

Nathan Schneiderman - Roth Capital Partners

A handful of questions for you here; one is, I hope you can share with us. I understand your desire not to get overly specific in the guidance because we are seeing that from a number of companies, but I am struggling with the idea that license could actually be flat to up 20%. So can you talk us through this?

What's the scenario for actually achieving that? Are you assuming that the second half of the year could be massively positive comp, because I assume you expect revenue licenses to be down sequentially in the first quarter, but correct me if I'm wrong there.

Patrick Kelly

Yes, so I guess we said Nate that we do expect generally results to improve throughout the year. So I guess you can take an implication from that. We do think that at the level we are, we have an opportunity to grow license revenue this year. We really do not feel that our performance was strong in 2008. We think that a lot of things we are doing are going to lead to higher productivity of sales and marketing and so we believe that we should be able to maintain and potentially grow license revenue this year.

Nathan Schneiderman - Roth Capital Partners

I understand you don't want to get overly specific on Q1, but is it fair to say that you expect traditional seasonality of a reasonably steep decline sequentially in licensees?

Patrick Kelly

Yes, I think it's fair to say we don't think seasonality has gone away altogether.

Nathan Schneiderman - Roth Capital Partners

Can you talk about this one time adjustment of \$1.8 million, the accrual adjustment and what exactly was that and where does it show up on the income statement? Because I saw you have it as an add-back but just can you clarify what that is?

Patrick Kelly

That was a good guy in other income on our GAAP results and really was an adjustment to a balance sheet item that reached back many years and was something that we had on the balance sheet and after doing quite a bit of analysis believed that we should make that adjustment now. Because it didn't have to do with the operating results of this period we excluded that good guy from our non-GAAP results.

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