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Epicor Software Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Analyst for Mark Murphy – Piper Jaffray.

Analyst for Mark Murphy – Piper Jaffray

Can you talk about your retail business in the quarter and what you're seeing and expecting for fiscal year '09?

L. George Klaus

Well, all you have to do is read the paper to know that the retail industry is under pressure. With that said, our retail business in the quarter had a nice EBITDA contribution to our overall bottom line. We have sized the business appropriately. We won some nice orders in the quarter, in fact our largest NLR order in the quarter came from our retail sales organization and we are well positioned as the leader in the specialty retail space and with any kind of slight return in the market we'll come back strong.

We also refocused ourselves a little bit and actually tried to move down market a little bit in to some of the mid market if you will retail environments and we've been very successful in doing so and we think that will also bode well for us in '09.

Analyst for Mark Murphy – Piper Jaffray

Just to add on to that I guess what are you expecting for your hardware revenue for fiscal year '09?

L. George Klaus

Do we break that out Russ?

Russell Clark

We haven't typically provided guidance on hardware specifically.

Analyst for Mark Murphy – Piper Jaffray

Then also, last question from me is I noticed that the win back decelerated sequentially slightly in the quarter. What are you hearing from customers, are they just given the macro they're not signing back? Can you just talk a little bit about that?

L. George Klaus

I think there might be some of that but on the other hand, as you continue to win back a lot of customers quarter, after quarter, after quarter the amount that are left out there to win back get smaller and smaller. So, I think we still had a very excellent quarter in win backs.

Operator

Your next question comes from Analyst for Ross MacMillan.

Analyst for Ross MacMillan

I was wondering if you could talk a little bit more about costs doing forward? Are we sort of done with cost cutting or are there any plans to add more sales staff next year as we try to push Epicor 9 further on?

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