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Double-Take Software, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) The first question comes from the line of Walter Pritchard – Cowen and Company.

Walter Pritchard – Cowen and Company, LLC

If I look at the guidance it looks like you are guiding that your Opex is going to grow faster than your revenue. You didn't say exactly what your amortization assumption is there but I gather your Opex still grows faster than revenue in 2009 and I'm just wondering if that is the case. If so, why would you be hiring like that into a more uncertain environment?

Craig Huke

The amortization I did give is about \$400,000 a quarter for the intangibles. I think it is safe to say the operating expense will grow a little bit more than revenue but as I think Dean said we are looking at relatively muted headcount growth and I would expect us to keep an eye on that as we see where the revenue comes in. A lot of the expense growth through the year is really getting a full year effect of the headcount increases we had from last year. We are not looking at a lot of headcount certainly not in the first half of the year.

Walter Pritchard – Cowen and Company, LLC

Related to the maintenance revenue it looked like it was down sequentially. I'm just wondering how much of that was FX and what that number looks like if you normalize?

Craig Huke

The FX had about 2-3% on maintenance revenue. It is a little bit tougher to measure that based on how it comes out of the deferred revenue but it was a little bit of an impact at 2-3%.

Walter Pritchard – Cowen and Company, LLC

How much of your business is denominated in Pounds because this quarter the Euro and Pound were pretty different actually.

Craig Huke

EMEA was in total about 30% of our sales and of that about 40% give or take a little bit is in the U.K. So that is where we had the impact.

Walter Pritchard – Cowen and Company, LLC

Dean, on the positioning it seems like moving more into the back up space. I'm just wondering it is a bit more crowded than the market you are in today and I'm wondering what the angle is there in terms of differentiating from the bigger guys like Symantec and [inaudible] and others there?

Dean Goodermote

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