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Lionbridge Technologies Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And we do have our first question from Richard Baldry from Canaccord Adams.

Richard Baldry - Canaccord Adams

Thanks. Could you give us a line item on stock comp in the quarter and then maybe talk about your pipeline of deals? Obviously the 25 to 30 million in annualized contracts you announced recently was pretty strong. So I'm curious about how that pipeline look going forward, whether you expect to be able to make sort of incremental announcements as the year unfolds ahead? Thanks.

Rory Cowan

Great, thanks. What I'll do, Rich, is I'll start with the pipeline discussion while they shuffle the papers here and find the stats.

Donald Muir

Q4 is 1.1 million Rich.

Richard Baldry - Canaccord Adams

Thanks.

Rory Cowan

Our pipeline in the quarter, as I mentioned Rich what we're seeing is that... we're of course a worldwide sales force and you've probably seen all those charts that you begin to look at. All the charts are looking in the green zone. So what we are finding is those people are committing to us and as I mentioned there is some spend management. So people instead of giving us one projects, they are stringing it out throughout the year. That's a negative although we are seeing is that there is just again a spend management process.

Do we expect to have some other significant wins coming through out the year? I think so. There is a very different nature. There is a maturity in our customer base now of looking at the language process in a more holistic way rather than trying to break it up among five or six or seven individual suppliers. That's a very different sales process, and it's a very different response of process. But, of course, it's a much more advantageous to us.

So we're seeing a firmness which is quite honestly surprising to me that we have this amount of deal increase going on in the pipeline right now.

Richard Baldry - Canaccord Adams

Then maybe could you talk about directionally if not a magnitude where you'd expect cash flows for '09 versus '08? Thanks.

Donald Muir

While as we said we're trying to stay away from many point guidance for '09. Certainly '08 was a very successful year in terms of managing our working capital and we generated about 30 million in operating cash flow. So that's a tough act to follow. But as we said in the call, we do expect to be generating cash in '09.

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