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Aruba Networks, Inc. Q2 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first call comes from Sanjiv Wadhvani – Stifel Nicolaus.

Sanjiv Wadhvani – Stifel Nicolaus

A quick question on the Federal government vertical. I think that was sort of a wild card. Can you just talk about how that vertical did during the quarter?

Dominic Orr

Federal business for the quarter was roughly flat year over year. We are continuing seeing deployment of the programs that we won from last year and we continue getting traction, on the track of winning new programs. But as you indicated, some of the program purchases are kind of lumped here and there that may not necessarily align to our quarterly boundary. I'm pleased with the state of affairs of our Federal business but for the last quarter it was basically a very uneventful quarter.

Sanjiv Wadhvani – Stifel Nicolaus

Flat year over year, obviously last year January Federal was an issue, so I'm guessing it sort of came in below expectations.

Dominic Orr

I would say again because we have a January end fiscal quarter, it doesn't align to any Federal spending cycle so the fact that some orders come in before or after quarter close does not bother me. I would not classify that as disappointment.

Sanjiv Wadhvani – Stifel Nicolaus

Steffan, you gave November, December, January metrics, those were bookings, right?

Steffan Tomlinson

Correct.

Sanjiv Wadhvani – Stifel Nicolaus

Obviously we are almost through the month of February, do you care to give us any updates on what happened the month of February? Is that a continuation of what you saw in January?

Dominic Orr

Pretty much a continuation of what we saw in January, yes.

Sanjiv Wadhvani – Stifel Nicolaus

Customer count 700 in the October quarter, 500 in the January quarter, obviously it's still a pretty large number but clearly a down take. Is that just given the economy or something else going on?

Dominic Orr

I actually am possibly surprised by the over 500 acquisition. My expectation was a little bit less than that so I'm actually, I thought it was a good thing.

Operator

Your next question comes from Ryan Hutchinson – Lazard Capital Markets.

Ryan Hutchinson – Lazard Capital Markets

First off, I understand the macro as everyone does, but when you look at what IDC said this morning, I just want to get a sense, flat year over year, and I know you're not giving full year guidance, but would you anticipate that you grow faster than what they highlighted today as sort of flat year over year growth for '09 over '08?

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