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Sourcefire, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) The first question comes from the line of Analyst for Adam Holt – Morgan Stanley.

Analyst for Adam Holt – Morgan Stanley

I was wondering if you could provide some color on your sales force activity. It seems like you still made some hires in Q4 and how is that progressing?

Tom McDonough

We have expanded our sales force in the Nordic regions, in Germany and the U.K., Australia and Singapore last year and as a result of those hires we have seen incremental business which is reflected in the numbers John outlined during his discussion. In 2009 we will continue to invest internationally as John indicated as well as in our federal business segment. So we expect to see increased sales and productivity as a result of that in addition to what we are already seeing in the United States.

Operator

The next question comes from Aaron Husock – Lanexa Global Management.

Aaron Husock – Lanexa Global Management

Can you give us an update on the federal business how you are reading the budget and stimulus plan that President Obama has put out so far, what you think it means to your business and whether you expect any disruption in the budget related to CNCI during the transition period here?

Tom McDonough

That is a great question. As far as the budgeting process goes there are three agencies that currently have approved budgets; DoD, DHS and the Veterans Administration. However there is money that has been allocated to all major departments within the government for the CNCI projects. We do not expect for there to be any interruption or disruption in the flow of funding for these specific projects to protect federal networks. The stimulus package it may augment some of the funding that is already there but for all intents and purposes most of the money has already been allocated to those

agencies or is in the process of being allocated. So we consider ourselves to be in a pretty good position relative to the government and future federal business.

Aaron Husock – Lanexa Global Management

On the European, EMEA channel moved by the addition of various resellers. When do you think we will start to see that impact in the financial results in a more tangible way?

Tom McDonough

I think we saw it last year. We brought on a very seasoned channel executive into EMEA last January and he has put together some great programs and I think we began to see the benefit of his efforts back in Q3 and Q4 and actually they are continuing into Q1 of this year. We are very pleased with what he has done.

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