# PLATO Learning, Inc. Q1 2009 Earnings Call Transcript

## Question-and-Answer Session

**Operator**

(Operator Instructions) Your first question comes from the line of Bob Evans - Craig-Hallum Capital.

**Bob Evans - Craig-Hallum Capital**

Few questions; first I apologize I interrupted a little bit at the beginning but could you give me the PLE statistics that you gave at the beginning again?

**Robert J. Rueckl**

Yes, we gave, total customers added to PLE in the quarter were 71 and those are school districts; 31 were existing PLATO customers and 40 were new PLATO Learning customers.

**Bob Evans - Craig-Hallum Capital**

Okay and have you gave a sense of order size for those new customers?

**Robert J. Rueckl**

We did give order size for our large deals.

**Bob Evans - Craig-Hallum Capital**

I did not get that. Then orders, I think you gave some order metrics as well.

**Robert J. Rueckl**

Well, yes. Total PLE orders were $5.6 million plus 40% of those were renewal orders, being in the balance of convention or new customer orders and our renewal rate on a dollar by the end of the quarter was 88%.

**Bob Evans - Craig-Hallum Capital**

And that $5.6 million, what was that compared against last year?

**Robert J. Rueckl**

Yes, up 38%, $4 million last year in the first quarter. Yes, I said about half of that was volume, volume increase and half of it was, of the increase was longer subscription terms in the quarter.

**Bob Evans - Craig-Hallum Capital**

So term and volume, okay, alright. I guess, nice to see the subscription growth that impressed with the subscription margin, how should we view that going forward? Certainly it will be conservative from a modeling standpoint but the 60%, a little bit better than 60% that you did this quarter, should that be a sustainable level?

**Robert J. Rueckl**

Oh yes, it should be. I do not think we will see it go up this year. We talked about our 1.3 release, a very exciting release. It was one of our larger releases. That was released in December so that will start getting amortized to subscription cost and revenue actually a little bit in Q1 it did and then going forward. So, that will probably bring our margins down a little bit in Q2 but then we will continue to have subscription revenue growth which will even develop.

So that is a long answer to say that they should be able to stay around the 60% range.