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VASCO Data Security International Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). Our first question comes from the line of Brian Freed, Morgan Keegan.

Brian Freed - Morgan Keegan

Good morning. Thanks for taking my question. Really I have two of them. First, on the reversal kind of back to the envelope, it was \$0.04 to \$0.05 incremental over the quarter depending on what tax rate. Is that calculation consistent and what does that imply for your kind of go forward operating expenses is more like the \$14 million quarter run rate rationale?

And then secondly, with respect to some market share, EMC reported this morning, RSA was actually up about 5% year-over-year. Can you kind of comment about what you're seeing in the market? Do you feel like you're losing share versus RSA or do you think it's a make shift within the market, just kind of give me a color there?

T. Kendall "Ken" Hunt

Thank you, Brian. I'll have Cliff answer the first question and Jan you address the second question about market share competition.

Clifford Bown

Brian related to the impact of earnings per share. We computed the adjustment for the first quarter to be about \$5.5 a share. So you're in the right ballpark with the numbers that you were looking at. Given the sensitivity of our tax rate as those moneys came back to the income, our tax rate moved down. So there is a netting effect of the two pieces.

In terms of the long-term run rate, you should take that add it back to the expense base in -- I really can't comment on whether \$14 million is, but if you took the 12 million, we just reported in the quarter added 2 million back, it would be at least at that level.

Brian Freed - Morgan Keegan

Yeah. Would you address the question about market share competition?

Jan Valcke

Sure. Thank you. First of all, as we compare ourselves to RSA, there are some differences of course in our business. In the banking market, the banking market we mean here e-Banking application or security for e-Banking application, we don't see so much RSA as a competitor. And secondly, in the enterprise security where you of course we have heavily completion with RSA. We see also that there is not so much a decrease in our business. Of course I cannot compare to the total number of RSA. RSA is doing all the things and only authentication.

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