

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

McAfee Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from the line of Sarah Friar with Goldman Sachs.

Sarah Friar - Goldman Sachs

Good afternoon. Good quarter, guys. A quick one if I may, just on the cash flow Rocky. Clearly, a great cash flow quarter for you.

As you look forward through the rest of the year, I know folks are worried about whether or not you're going to keep up the growth on cash flow over the last year, given sort of the one-offs. How do you feel your position now when you look at the cash flow for the year, and any sense for the guidance for the full year?

Albert Pimentel

Sure. Thanks. We don't particularly give guidance on operating cash flow. But, we have made comments in the past that if you look at the historical relationship between non-GAAP operating income and operating cash flow, you would see a correlation.

Having said that, I think we've certainly been confident that if 2009 continues to be successful from an operating income standpoint that we expect that taking a consideration any new opportunities that would require investment.

But having put that aside or considering that separately, we would expect to have a very strong 2009 operating cash flow performance.

David DeWalt

And Sarah, just to add on to that, this is Dave. We've been focused quite a bit on cash flow from operations as you know. This is an area at least the last four to six quarters, we've had a series of one-time, either investments through prepaids to the PC OEM manufactures or distribution partners and consumer, as well as just cleaning up some of the past with McAfee on litigation settlements and things like that.

So, a lot this is getting behind us. We're pleased that we're also getting some settlements with the insurance carriers. We've seen that now as well, where we're getting back recouping some of the legal fees that we have paid through that time.

And good great work by our legal team doing that. We still have some more of that to be able recoup. So, this is our focus. Cash flow from operations is critical. Rocky and his team are focused on receivables, as well as getting it behind us. So, we're hoping to continue to improve in that area.

Kelsey Doherty

Next question, please.

Operator

Your next question comes from the line of Phil Winslow with Credit Suisse.

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.