



iPass Inc. F1Q09 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Edward Einboden – William Smith & Company.

Edward Einboden – William Smith & Company

I was wondering maybe you guys can talk a little bit more about the update and on the travel patterns you guys are seeing the general weakness in the economy and some of your customers' outlook for the rest of the year.

Evan Kaplan

In terms of travel, we saw a decline of about 6% in our Wi-Fi utilization. The numbers that we're seeing in the broader market are 10-12% down on travel across the board. It's hard to give forward guidance, particularly in this uncertain economy and so I'll avoid doing that. We feel comfortable with the projections we've given you on this call.

Edward Einboden – William Smith & Company

As you look forward, how much other operating expenses do you feel comfortable taking out of business, still having the manpower and ability to look for growth avenues but also be able to cut cost if the top line doesn't improve.

Evan Kaplan

It's an ongoing exercise. So we're going through the process now of really digging deeper into our processes. In some sense, the restructuring was straight forward, because we basically refocused the business around the opportunity that we saw most clearly and so we removed cost that didn't support that. Now we're in the process of engineering cost associated with improving our processes, making ourselves a better development organization, making ourselves a better service delivery organization, making ourselves more effective as it faces the market. So those costs, while I expect to be able to achieve steady results, they take a little bit more time to figure out what exactly needs to be done in what timeframe.

Edward Einboden – William Smith & Company

Thus far, you've been pretty satisfied with the progress you made and are a little bit ahead of plan of the costs you want to take out of the business?

Evan Kaplan

It's not my nature to be satisfied with what we've done. So let's just say, we're doing okay for where we're at right now.

Edward Einboden – William Smith & Company

Can you also talk more about the interest in directors and what you were discussing on the call about some interest in adding fresh talent for the board.

Evan Kaplan

I think what we said was I was honored by the capability of the directors who have stepped up. Most of them were people I did not know before who have taken either an interest in iPass or taken in interest in working with me and very specifically pleased with just how industry talent is around the table. Just been very pleased with the kind of people we've been interviewing in that process.

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