

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.

Compuware Corporation F4Q09 (Qtr End 03/31/09) Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) The first question comes from the line of Walter Pritchard – Cowen and Company.

Walter Pritchard – Cowen and Company

Laura on the maintenance I'm wondering if you could give us a sense of Euro versus Pound exposure there? I guess that was a little bit more of a negative impact from FX than we were expecting. I know those currencies performed a little bit differently during the quarter year-over-year. I was wondering if you could give us a bit more granularity so we could help get to the numbers you are talking about.

Laura Lawson Fournier

I'm sorry, I don't have a break down of each of the different currencies. I only have it in total. We have never really broken it down between Yen or Pound or Euro. I would have to pretty much stick with the total effect on the maintenance in Q4.

Walter Pritchard – Cowen and Company

As it relates to the services business, could you help us out as it relates to your guidance of the \$0.60-0.70 in earnings and the \$200 million in cash flow. What should we expect from a run rate perspective on the services revenue as we move throughout the year? Also, what sort of billable headcount do you think you will trend throughout the year and maybe ending fiscal 2010?

Robert Paul

We will continue to monitor the business very, very carefully. We have got the processes and the metrics that we talked about before to watch the conditions as we expect the overall conditions of that business to improve. However, the business is a lot smaller in the low \$200 million range from a total from where it was this year. That is because we are as we talked about before we have moved out of the very low margin business. Some of the staff supplementation work we have been doing. We believe that we still have great IT professionals here that can deliver a differentiated value to companies all over the world and we are going to continue to build on those core competencies. Very much focused on only acceptable margins that we approve moving forward. I think that is about 60% of what the business looked like before from a total revenues but obviously driving much higher margins.

Walter Pritchard – Cowen and Company

As it relates to the license declines you saw year-over-year I know one issue here has been that you had some pretty tough compares based on some of the premium licenses you did a year ago in the March quarter. I wonder if maybe you could help us out with normalizing for that or what the business did if you ignore the impact of the premium licenses and I guess I am especially interested on the mainframe side because I don't think premiums were as much of an issue on the distributed side.

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