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TIBCO Software, Inc. Q2 2009 (Qtr End 05/31/09) Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of John DiFucci - JPMorgan

John DiFucci - JPMorgan

Nice job here, cash flow was really strong again this quarter, but deferred revenue was down a little bit sequentially; just wonder if you can comment on it. I think your guidance was something like \$17 to \$20 million and as you just said, like \$42 and I know part of that is coming in from the net income which is a nice way to see it come in there, and it's a little surprising to see the negative contribution there from deferred revenue, so if you can comment on that a little bit.

Sydney Carey

Our cash flow was stronger than we had originally provided guidance on. We found that our DSO for the period was better than anticipated at 62 days. That coupled with the additional profit caused our cash flow to be \$42 million. In regards to our deferred, what we see is our deferred revenue, our pattern of deferred is that in our Q2 and Q3 we see deferred decline and then it typically builds back in the Q4 timeframe.

We expect to see a similar pattern. This quarter we had the timing of June 1st being in Q3 and that impacted some of the timing of the deferred revenue.

John DiFucci - JPMorgan

We're seeing companies out there like Oracle continue to execute on its platform expansion strategy both on the application side and on the middleware side, so for a company like Oracle integration becomes more important to it and then with Sun I think if that we to close, they get [inaudible] there too. I'm just curious how do you think that affects TIBCO. Does that make TIBCO more important to the other application vendors out there especially the other leading vendor SAP, who seems to have had some issues with its own middleware strategy?

Vivek Ranadive

Well it does may TIBCO more important and there's a couple of things going on. The first thing is there is a backlash we're starting to see from customers who don't want to keep putting more and more eggs in the Oracle basket so that's one factor. The second factor is that Oracle has multiple offerings, some of their own [Ciebion] and so there's uncertainty as to which horse they're going to

back even within their own company and so people start gravitating toward the neutral third party which is us.

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