

Citrix's 3Q earnings, outlook lift stock by 17 pct

The Associated Press

FORT LAUDERDALE, Fla. (AP) — Citrix Systems Inc.'s third-quarter earnings and forecast for the remainder of the year exceeded analyst estimates, underscoring the hot market for software that helps computers run more efficiently.

The fresh reminder about Citrix's growth potential galvanized investors. The company's shares surged 17 percent after Thursday's report came out.

Citrix earned \$92.1 million, or 49 cents per share, during the three months ending in September. That represented a 5 percent increase from net income of \$87.8 million, or 46 cents per share, at the same time last year.

If not for costs covering employee stock compensation and several items unrelated to its ongoing business, Citrix said it would have earned 64 cents per share.

The average earnings estimate among analysts polled by FactSet was 58 cents per share.

Citrix's revenue climbed 20 percent from last year to \$565 million, about \$20 million more than analysts had projected.

The company, which is based in Fort Lauderdale, Fla., specializes in a technological niche known as "virtualization." The term refers to software that helps computers harness more of their unused processing power and unleashes applications stored on a single machine in a data center for use by multiple computers.

The field has taken off in the past few years as companies throughout the world try to wring more productivity from their business. The growing demand has minted VMware Inc., the leader in virtualization, with a market value of about \$42 billion.

Citrix, with a market value of \$14 billion, is riding the rising tide. Its sales of new software licenses rose 28 percent from last year to \$194 million. New licenses are a key gauge of a software maker's health because they typically generate additional revenue in future years from upgrades and product maintenance.

The remainder of the year looks promising. After adjusting for certain items, Citrix predicted that its per share earnings for the fourth quarter would be 75 cents or 76 cents, excluding one-time charges, on revenue ranging from \$610 million to \$620 million. Analysts, on average, had estimated earnings of 74 cents per share on revenue of \$610.5 million.

For the year, Citrix expects earnings per share, excluding special items, from \$2.45 to \$2.46 on revenue of \$2.2 billion to \$2.21 billion. In 2010, Citrix earned \$2.08 per share on revenue of \$1.87 billion

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Citrix shares gained \$11.19, or 17 percent, to \$75.41 in Thursday's afternoon trading.

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