DemandTec, Inc.
Form 10-Q
January 09, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended November 30, 2008

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number: 001-33634

DemandTec, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**94-3344761**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

One Circle Star Way, Suite 200
San Carlos, California 94070
(Address of Principal Executive Offices including Zip Code)
(650) 226-4600
(Registrant s Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer þ	Smaller reporting company o
		(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

The number of shares of the registrant s common stock, par value $0.001, outstanding as of December 29, 2008 was: 27,831,629.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

DemandTec, Inc.
Consolidated Balance Sheets
(in thousands, except per share data)

	As of November 30, 2008 (unaudited)	As of February 29, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 28,483	$ 43,257
Marketable securities	48,369	30,547
Accounts receivable, net of allowances of $120 and $160 as of November 30, 2008 and February 29, 2008, respectively	12,361	18,227
Other current assets	4,311	4,161
Total current assets	93,524	96,192
Marketable securities, non-current	8,848	2,085
Property, equipment and leasehold improvements, net	5,235	5,139
Restricted cash		200
Other assets, net	10,081	10,180
Total assets	$ 117,688	$ 113,796
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 10,876	$ 6,969
Deferred revenue	45,579	44,006
Other current liabilities	451	478
Total current liabilities	56,906	51,453
Deferred revenue, non-current	4,525	11,369
Other long-term liabilities	516	677
Commitments and contingencies (see Note 3)		
Stockholders equity:		
Common stock, $0.001 par value 175,000 shares authorized as of November 30, 2008 and February 29, 2008; 27,787 and 26,452 shares issued and outstanding, respectively, excluding 10 and 31 shares subject to repurchase, respectively, as of November 30, 2008 and February 29, 2008	28	26
Additional paid-in capital	130,891	122,699
Accumulated other comprehensive income	660	
Accumulated deficit	(75,838)	(72,428)
Total stockholders equity	55,741	50,297

Total liabilities and stockholders equity	$	117,688	$	113,796

See Notes to Consolidated Financial Statements.

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DemandTec, Inc.
Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2008	2007	2008	2007
Revenue	$ 18,989	$ 15,945	$ 55,675	$ 43,866
Cost of revenue(1)(2)	5,834	5,560	17,335	14,898
Gross profit	13,155	10,385	38,340	28,968
Operating expenses:				
Research and development(2)	6,659	5,598	19,772	15,736
Sales and marketing(2)	4,839	4,697	15,250	12,316
General and administrative(2)	2,662	1,956	7,333	4,354
Amortization of acquired intangible assets	331	89	751	271
Total operating expenses	14,491	12,340	43,106	32,677
Loss from operations	(1,336)	(1,955)	(4,766)	(3,709)
Interest income	431	878	1,436	1,658
Interest expense	(31)		(54)	(1,216)
Other income (expense), net	37	291	(25)	266
Loss before provision (benefit) for income taxes	(899)	(786)	(3,409)	(3,001)
Provision (benefit) for income taxes	(91)	181	1	319
Net loss	$ (808)	$ (967)	$ (3,410)	$ (3,320)
Net loss per common share, basic and diluted	$ (0.03)	$ (0.04)	$ (0.13)	$ (0.23)
Shares used in computing net loss per common share, basic and diluted	27,681	26,167	27,192	14,705
(1) Includes amortization of acquired intangible assets	$ 152	$ 154	$ 457	$ 456
(2) Includes stock-based compensation expense as follows:				
Cost of revenue	$ 389	$ 539	$ 1,243	$ 839
Research and development	509	580	1,681	827
Sales and marketing	488	605	1,699	830
General and administrative	424	340	1,222	569
Total stock-based compensation expense	$ 1,810	$ 2,064	$ 5,845	$ 3,065

See Notes to Consolidated Financial Statements.

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DemandTec, Inc
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended November 30, 2008	2007
Operating activities:		
Net loss	$ (3,410)	$ (3,320)
Adjustment to reconcile net loss to net cash provided by operating activities:		
Depreciation	2,149	1,390
Stock-based compensation expense	5,845	3,065
Amortization and revaluation to fair value of warrants issued in conjunction with debt		183
Amortization of acquired intangible assets	1,208	727
Amortization of financing costs	12	93
Charge on early extinguishment of debt		504
Other	167	19
Changes in operating assets and liabilities:		
Accounts receivable	5,955	(3,269)
Prepaid expenses and other current assets	(115)	(661)
Deferred commissions	844	(114)
Other assets	(366)	(30)
Accounts payable and accrued expenses	3,372	(1,841)
Accrued compensation	403	1,056
Deferred revenue	(5,274)	10,426
Net cash provided by operating activities	10,790	8,228
Investing activities:		
Purchases of property, equipment and leasehold improvements	(2,294)	(2,976)
Purchases of marketable securities	(69,805)	(56,652)
Maturities of marketable securities	45,220	15,750
Acquisition of TradePoint, net of cash received		(1,325)
Purchase of intangible assets	(1,000)	
Removal of cash restriction	200	
Net cash used in investing activities	(27,679)	(45,203)
Financing activities:		
Proceeds from issuance of common stock, net of repurchases	2,319	284
Net cash proceeds from initial public offering		57,611
Increase in liability associated with offering costs		166
Payments on line of credit		(3,000)
Payments on notes payable	(8)	(10,400)
Net cash provided by financing activities	2,311	44,661
Effect of exchange rate changes on cash and cash equivalents	(196)	40

Net increase (decrease) in cash and cash equivalents	(14,774)	7,726
Cash and cash equivalents at beginning of period	43,257	21,036
Cash and cash equivalents at end of period	$ 28,483	$ 28,762
Supplemental information:		
Cash paid for interest	$ 9	$ 956
Cash paid for income taxes	$ 208	$ 200
Reclassification of preferred stock warrant from liability to additional paid-in capital	$	$ 712
Conversion of preferred stock to common stock and additional paid-in capital	$	$ 51,144

See Notes to Consolidated Financial Statements.

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DemandTec, Inc.
Notes to Consolidated Financial Statements

1. Business Summary and Significant Accounting Policies

Business Summary

DemandTec, Inc. was incorporated in Delaware on November 1, 1999. We are a leading provider of Consumer Demand Management, or CDM, solutions. CDM is a software category based on quantifying, predicting and shaping consumer demand. Our software services enable retailers and consumer products, or CP, companies to define strategies based on a scientific understanding of consumer behavior and make actionable pricing, promotion and other merchandising and marketing decisions to achieve their revenue, profitability and sales volume objectives. We deliver our applications by means of a software-as-a-service, or SaaS, model, which allows us to capture and analyze the most recent retailer and market-level data and enhance our software services rapidly to address our customers ever-changing merchandising and marketing needs. We are headquartered in San Carlos, California, with additional offices in North America, Europe and Japan.

Initial Public Offering

In August 2007, we completed our initial public offering, or IPO, in which we sold and issued 6,000,000 shares of our common stock at an issue price of $11.00 per share. We raised a total of $66.0 million in gross proceeds from the IPO, or approximately $57.6 million in net proceeds after deducting underwriting discounts and commissions of $4.6 million and other offering costs of $3.8 million. Upon the closing of the IPO, all shares of convertible preferred stock outstanding automatically converted into 13,511,107 shares of common stock, and all outstanding warrants to purchase shares of convertible preferred stock automatically converted to warrants to purchase 181,747 shares of common stock.

Fiscal Year

Our fiscal year ends on the last day in February. References to fiscal 2008, for example, refer to our fiscal year ended February 29, 2008 and references to fiscal 2009 refer to our fiscal year ending February 28, 2009.

Reclassifications

Certain amounts previously reported in our consolidated balance sheet at February 29, 2008, in our consolidated statement of operations for the nine months ended November 30, 2007, and within operating activities in our consolidated statement of cash flows for the nine months ended November 30, 2007, were combined with other line items to conform to the current period presentation. We combined these line items in order to improve the presentation of our financial statements.

Significant Accounting Policies

Basis of Presentation

Our consolidated financial statements include our accounts and those of our wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The accompanying consolidated balance sheet as of November 30, 2008, the consolidated statements of operations for the three and nine months ended November 30, 2008 and 2007, and the consolidated statements of cash flows for the nine months ended November 30, 2008 and 2007 are unaudited. The consolidated balance sheet data as of February 29, 2008 was derived from the audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended February 29, 2008 (the Form 10-K) filed with the Securities and Exchange Commission, or SEC, on April 25, 2008. The accompanying statements should be read in conjunction with the audited consolidated financial statements and related notes contained in the Form 10-K, as well as subsequent filings with the SEC.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP, pursuant to the rules and regulations of the SEC. They do not include all of the financial information and footnotes required by GAAP. The unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of our management, include all adjustments necessary, all of which are of a normal recurring nature, for the fair presentation of our statement of financial position and our results of operations for the periods included in this quarterly report. The results for the three and nine months ended November 30, 2008 are not necessarily indicative of the results to be expected for any subsequent quarter or for the fiscal year ending February 28, 2009.

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Use of Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. These accounting principles require us to make certain estimates and judgments that can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Significant estimates and assumptions made by management include the determination of the fair value of share-based payments, the probability of attainment of service and performance conditions established related to performance-based awards, and the fair value of acquired intangible assets and the recoverability of long-lived assets. We believe that the estimates and judgments upon which we rely are reasonable, based upon information available to us at the time that these estimates and judgments are made. To the extent there are material differences between these estimates and actual results, our consolidated financial statements will be affected.

Revenue Recognition

We generate revenue from fees under agreements with initial terms that generally are one to three years in length. Our agreements contain multiple elements, which include the use of our software, SaaS delivery services, and professional services, as well as maintenance and customer support. Professional services consist of implementation, training, data integration and modeling, and analytical services related to our customers use of our software.

Because we provide our software as a service, we follow the provisions of the SEC Staff Accounting Bulletin No. 104, *Revenue Recognition*, and Emerging Issues Task Force, or EITF, Issue No. 00-21, *Revenue Arrangements with Multiple Deliverables*, or EITF 00-21. We recognize revenue when all of the following conditions are met:

- there is persuasive evidence of an arrangement;
- access to the software service has been provided to the customer;
- the collection of the fees is probable; and
- the amount of fees to be paid by the customer is fixed or determinable.

In applying the provisions of EITF 00-21, we have determined that we do not have objective and reliable evidence of fair value for each element of our offering. As a result, the elements within our agreements do not qualify for treatment as separate units of accounting. Therefore, we account for all fees received under our agreements as a single unit of accounting and recognize them ratably over the term of the related agreement, commencing upon the later of the agreement start date or the date access to the software is provided to the customer.

Deferred Revenue

Deferred revenue consists of billings or payments received in advance of revenue recognition. For arrangements with terms of over one year, we generally invoice our customers in annual installments, although certain multi-year agreements have had certain fees for all years invoiced and paid upfront. Deferred revenue to be recognized in the succeeding twelve month period is included in current deferred revenue on our consolidated balance sheets, with the remaining amounts included in deferred revenue, non-current.

Foreign Currency Translation

The denomination of the majority of our sales arrangements and the functional currency of our international operations is the United States dollar. Our international operations financial statements are remeasured into United States dollars with adjustments recorded as foreign currency gains (losses) in our consolidated statements of operations. All monetary assets and liabilities are remeasured at the current exchange rate at the end of the period, non-monetary assets and liabilities are remeasured at historical exchange rates, and revenue and expenses are remeasured at average exchange rates in effect during the period. We recognized foreign currency gains (losses) of approximately $37,000 and $297,000 in the three months ended November 30, 2008 and 2007, respectively, and ($20,000) and $388,000 in the nine months ended November 30, 2008 and 2007, respectively, in other income (expense), net.

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Concentrations of Credit Risk, Significant Customers and Suppliers and Geographic Information

Our financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, accounts receivable, and a line of credit. Although we deposit our cash with multiple financial institutions, our deposits, at times, may exceed federally insured limits. Collateral is not required for accounts receivable.

As of November 30, 2008 and February 29, 2008, long-lived assets located outside the United States were not significant. As of November 30, 2008, two customers accounted for 33% and 14%, respectively, of our accounts receivable balance. As of February 29, 2008, three customers accounted for 23%, 18% and 10%, respectively, of our accounts receivable balance.

In the three and nine months ended November 30, 2008, one customer accounted for 17% and 14% of total revenue, respectively. In the three months ended November 30, 2007, two customers accounted for 14% and 10%, respectively, of total revenue, and in the nine months ended November 30, 2007, one customer accounted for 12% of total revenue. Revenue by geographic region, based on the billing address of the customer, was as follows (in thousands):

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2008	2007	2008	2007
United States	$ 16,528	$ 14,011	$ 48,028	$ 38,595
International	2,461	1,934	7,647	5,271
Total revenue	$ 18,989	$ 15,945	$ 55,675	$ 43,866

The equipment hosting our software is in two third-party data center facilities located in California. We do not control the operation of these facilities and our operations are vulnerable to damage or interruption in the event either of these third-party data center facilities fails.

Deferred Commissions

We capitalize certain commission costs directly related to the acquisition of a customer agreement in accordance with Financial Accounting Standards Board, or FASB, Technical Bulletin 90-1, *Accounting for Separately Priced Extended Warranty and Product Maintenance Contracts*. Our commission payments are paid shortly after our receipt of the related customer payment. The commissions are deferred and amortized to sales and marketing expense over the revenue recognition term of the related non-cancelable customer agreement. The deferred commission amounts are recoverable through their accompanying future revenue streams under non-cancellable customer agreements. We believe this is the appropriate method of accounting as the commission charges are so closely related to the revenue from the customer contracts that they should be recorded as an asset and charged to expense over the same period that the related revenue is recognized. Commission costs amortized to sales and marketing expense were approximately $829,000 and $2.4 million in the three and nine months ended November 30, 2008, respectively, and were $710,000 and $2.0 million in the three and nine months ended November 30, 2007, respectively. At November 30, 2008 and February 29, 2008, total deferred commission costs were $1.8 million and $2.6 million, respectively.

Goodwill and Intangible Assets

We record as goodwill the excess of the acquisition purchase price over the fair value of the tangible and identifiable intangible assets acquired. In accordance with Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets*, or SFAS No. 142, we do not amortize goodwill, but perform an annual impairment review of our goodwill during our third quarter, or more frequently if indicators of potential impairment arise. We evaluated our goodwill in November 2008 and observed no indication of any impairment. Following the criteria of SFAS No. 131 and SFAS No. 142, we have a single operating segment and consequently evaluate goodwill for impairment based on an evaluation of the fair value of our company as a whole. We record acquired intangible assets at their respective estimated fair values at the date of acquisition. Acquired intangible assets are being amortized using the straight-line method over their remaining estimated useful lives, which currently range from approximately eleven months to eight years. We evaluate the remaining useful lives of intangible assets on a periodic basis to determine whether events or circumstances warrant a revision to the remaining estimated amortization period. We observed no impairment indicators in the three months ended November 30, 2008.

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Impairment of Long-Lived Assets

We evaluate the recoverability of our long-lived assets, including acquired intangible assets and property and equipment, in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. We review long-lived assets for possible impairment whenever events or circumstances indicate that the carrying amount of these assets may not be recoverable. We measure recoverability of assets by comparison of their carrying amount to the future undiscounted cash flows we expect the assets to generate. If we consider assets to be impaired, we measure the amount of any impairment as the difference between the carrying amount and the fair value of the impaired assets. We observed no impairment indicators through November 30, 2008.

Stock-Based Compensation

We account for employee and director stock-based compensation pursuant to the provisions of SFAS No. 123 (Revised 2004), *Share-Based Payment*, or SFAS No. 123R, which requires that all share-based payments be recognized as an expense in the statement of operations based on their fair values over the vesting period. Grants of stock options generally vest over four years. Annual stock option grants to members of our board of directors vest over one year. Performance-based awards, or PSUs, vest over an individual s service period pursuant to certain performance and time-based vesting criteria set by our Compensation Committee, which has generally been between one and two years. We evaluate the probability of meeting the performance criteria at the end of each reporting period to determine how much compensation expense to record. Because the number of shares to be issued is not known until the end of the performance period, the compensation expense related to these awards could differ significantly from our estimates. Restricted stock units, or RSUs, vest over and individual s service period solely pursuant to time-based vesting criteria set by our Compensation Committee. We measure the value of the RSUs at fair value on the measurement date, based on the number of units granted and the market value of our common stock on that date.

Options and warrants granted to consultants and other non-employees are accounted for in accordance with EITF Issue No. 96-18, *Accounting for Equity Investments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services*, or EITF No. 96-18, and are valued using the Black-Scholes model prescribed by SFAS No. 123R. These options are subject to periodic revaluation over their vesting terms and are charged to expense over the vesting term using the graded method.

Net Loss per Common Share

We compute net loss per share in accordance with SFAS No. 128, *Earnings per Share*, or SFAS No. 128. Under the provisions of SFAS No. 128, basic net loss per share is computed using the weighted average number of common shares outstanding during the period except that it does not include unvested common shares subject to repurchase. Diluted net loss per share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options or warrants or upon the settlement of PSUs or RSUs, shares subject to issuance under our 2007 Employee Stock Purchase Program (ESPP), unvested common shares subject to repurchase or cancellation and convertible preferred stock. The dilutive effect of outstanding stock options, PSUs and RSUs, shares subject to issuance under the ESPP, and warrants is reflected in diluted loss per share by application of the treasury stock method. When dilutive, warrants and convertible preferred stock are reflected on an if-converted basis from the date of issuance.

Because the company has been in a loss position in all periods shown, basic and diluted net loss per common share were the same for the three and nine months ended November 30, 2008 and 2007, as the impact of all potentially dilutive securities outstanding would be anti-dilutive.

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The following table presents the calculation of historical basic and diluted net loss per common share (in thousands, except per share data):

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2008	2007	2008	2007
Net loss	$ (808)	$ (967)	$ (3,410)	$ (3,320)
Weighted average number of common shares outstanding	27,694	26,274	27,211	14,844
Less: Weighted average number of common shares subject to repurchase	(13)	(107)	(19)	(139)
Shares used in computing net loss per common share, basic and diluted	27,681	26,167	27,192	14,705
Net loss per common share, basic and diluted	$ (0.03)	$ (0.04)	$ (0.13)	$ (0.23)

The following weighted average outstanding shares subject to options to purchase common stock, PSUs and RSUs, shares subject to issuance under the ESPP, common stock subject to repurchase, convertible preferred stock and shares subject to warrants to purchase common stock were excluded from the computation of diluted net loss per common share for the periods presented because including them would have had an anti-dilutive effect (in thousands):

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2008	2007	2008	2007
Shares subject to options to purchase common stock, PSUs and RSUs, and shares subject to issuance under the ESPP	4,073	6,027	4,467	5,101
Shares subject to warrants to purchase common stock		105		172
Common stock subject to repurchase	13	107	19	139
Convertible preferred stock (if-converted basis until initial public offering)				7,881
Total	4,086	6,239	4,486	13,293

Recent Accounting Pronouncements

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities*, or SFAS No. 161. SFAS No. 161 requires companies with derivative instruments to disclose information that should enable financial statement users to understand how and why a company uses derivative instruments and related hedging activities and how they affect a company s financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. Early application is encouraged and accordingly, we adopted SFAS No. 161 in August 2008.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations*, or SFAS No. 141R, which establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree in a business combination. SFAS No. 141R also establishes principles around how goodwill acquired in a business combination or a gain from a bargain purchase should be recognized and measured, as well as provides guidelines on the disclosure requirements on the nature and financial impact of the business combination. SFAS No. 141R is effective for fiscal years beginning after December 15, 2008, and we will adopt it beginning in the first quarter of fiscal 2010.

In April 2008, the FASB issued FASB Staff Position (FSP) FAS 142-3, *Determination of the Useful Life of Intangible Assets*, or FSP FAS 142-3. FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, *Goodwill and Other Intangible Assets*. FSP FAS 142-3 is effective for fiscal years beginning after December 15, 2008 and early adoption is prohibited. We are currently evaluating the impact of the pending adoption of FSP FAS 142-3 on our consolidated financial statements.

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2. Balance Sheet Accounts

Marketable Securities

Marketable securities, at amortized cost, consisted of the following as of the dates indicated (in thousands):

	As of November 30, 2008	As of February 29, 2008
Commercial paper	$ 7,273	$ 6,946
Corporate bonds	12,358	4,721
U.S. agency bonds	25,628	20,766
U.S. treasury securities	11,958	
Asset-backed securities		199
	$ 57,217	$ 32,632

All investments are held to maturity, and thus, there were no recognized gains or losses during the periods presented. We have the ability and intent to hold these investments to maturity and do not believe any of the marketable securities are impaired based on our evaluation of available evidence as of November 30, 2008. At November 30, 2008, we held no auction rate or asset-backed securities and all of our marketable securities had maturities of less than two years.

Other Assets, Net

Other assets, net consisted of the following as of the dates indicated (in thousands):

	As of November 30, 2008	As of February 29, 2008
Purchased intangible assets, net of accumulated amortization of $2,498 and $1,289, respectively	$ 4,002	$ 3,761
Goodwill	5,290	5,290
Other	789	1,129
Total other assets, net	$ 10,081	$ 10,180

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following as of the dates indicated (in thousands):

	As of November 30, 2008	As of February 29, 2008