

FINAL TRANSCRIPT

Thomson StreetEventsSM

HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

Event Date/Time: Jun. 01. 2010 / 12:30PM GMT



Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

CORPORATE PARTICIPANTS

Jim Burns

Hewlett-Packard Company - VP of IR

Ann Livermore

Hewlett-Packard Company - EVP, Enterprise Business

Cathie Lesjak

Hewlett-Packard Company - EVP, CFO

CONFERENCE CALL PARTICIPANTS

Brian Alexander

Raymond James - Analyst

Ben Reitzes

Barclays Capital - Analyst

Katy Huberty

Morgan Stanley - Analyst

Aaron Rakers

Stifel Nicolaus - Analyst

Toni Sacconaghi

Sanford C. Bernstein - Analyst

Keith Bachman

BMO - Analyst

PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome HP Enterprise Services' conference call. My name is Michael and I'll be your conference moderator for today's call. At this time all participants are in a listen-only mode. We will be facilitating a question-and-answer session towards the end of the conference. (Operator Instructions). As a reminder, this conference is being recorded for replay purposes. I would now like to turn the presentation over to your host for today's call, Mr. Jim Burns, Vice President of Investor Relations. Please proceed.

Jim Burns - *Hewlett-Packard Company - VP of IR*

Good morning and welcome to our conference call to discuss this morning's announcement relating to our Enterprise Services business. Joining me is Ann Livermore, Executive Vice President of HP's Enterprise Business, and CFO, Cathie Lesjak. This call is being webcast and a replay of the webcast will be available shortly after the call for approximately one year.

The materials accompanying this presentation can be found on HP's investor relations website at HP.com. Some information provided during this call may include forward-looking statements that are based on certain assumptions and are subject to a number of risks and uncertainties and actual future results may vary materially. Please refer to the risks described in HP's SEC reports including our most recent Form 10-Q. With that I'll now turn the call over to Ann.



Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

Ann Livermore - Hewlett-Packard Company - EVP, Enterprise Business

Thanks, Jim. Today we're announcing a set of initiatives that will launch a whole new era for HP Enterprise Services and, at the same time, introduce a real competitive advantage for HP in the marketplace. Please turn to slide 4.

We've closed the chapter on the EDS integration. Since August of 2008 we've on-boarded more than 100,000 employees and we've integrated virtually all country operations. At the same time we've signed more than [25,000 deals] (corrected by company after the call) and included in this are over 50 mega deals which are each greater than \$100 million and also 270 new logos. We've also aligned our cost structure and improved our operating margins by approximately 450 basis points. And at the same time we've increased client loyalty by 4 percentage points.

External validation of our leadership position has also occurred. Industry analysts have issued positive ratings and leadership positions for many different service areas. To name just a few -

Our data center outsourcing; infrastructure utility services

Communication-centric managed service and outsourcing

Outsourcing for SAP and environments

We're very pleased with the progress and also with our momentum in the marketplace.

Let's move to slide 5. Now with the integration activities behind us we have an opportunity to further accelerate our competitive advantage in the market place. HP will invest \$1 billion and use HP's strong portfolios to transform Enterprise Services. We will invest in standardized, fully automated commercial data centers.

Now when we say commercial data centers, that means the data centers that are running our customer IT operations for them when we have services contracts with them. And we'll build these data centers on our Converged Infrastructure and operate them with our industry-leading management software.

Leveraging our experience from HP's own IT transformation, we will help our clients modernize and migrate their applications to these Next Generation infrastructure platforms. This will allow them to run their IT operations faster and more efficiently. The result is better service for our clients through new offerings and also improved service delivery capabilities. These next-generation services will enable our clients to benefit from the combined technology and services leadership that only HP can offer.

Let's turn now to slide 6. In this multiyear transformation and investment we plan to consolidate Enterprise Services data centers, management platform, networks, tools and applications to create a more scalable, modernized and automated IT infrastructure that will better serve our clients' needs. And in services highest automation enables the highest quality.

Using the experience gained from our own internal IT transformation we're confident that it will provide a foundation for growth for the next decade. As a result of productivity gains from automation, in addition to streamlining the organization, HP expects to eliminate roughly 9,000 positions over a multi-year period. The combination of these activities will allow HP to reinvest for further growth. Investment areas will include private cloud infrastructures, application services and desktop as a service. You'll also see other new offerings.

We expect additional hiring of approximately 6,000 people in sales and in global delivery centers. And we expect the improved market competitiveness to enable even more customer wins. The changes in our global workforce will vary by country based on local legal requirements and consultation with work councils and employee representatives as appropriate. This investment will extend our leadership position by using technology to deliver a superior service experience.

Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

Customers want to do business with HP; we're seeing very good pipeline signings and market momentum. And as a result of these activities we expect to further strengthen our competitive position and deliver growth better than the market. Now I'd like to turn the call over to Cathie Lesjak who will provide you with further details on today's announcement.

Cathie Lesjak - *Hewlett-Packard Company - EVP, CFO*

Thanks, Ann, and good morning, everybody. I'll be covering the last two slides, so please turn to slide number 7. As Ann mentioned, the EDS integration is ahead of plan. We can see it in the number and the quality of the deals we are signing, in the strength of our client relationships and in our financial performance.

In September 2008 we stated that we plan to deliver 11% to 13% operating margin in fiscal 2010 and a long-term margin of 13% to 15%. We've already surpassed the long-term goal with margin increasing to about 16% in the first half of this fiscal year. We're increasingly pleased with the position and momentum of the business and enthusiastic about the opportunities we see ahead. Today we're announcing investments to take Enterprise Services to a completely new level of capability, competitiveness and performance.

Please turn to slide 8. Let me run through the numbers associated with this multi-year transformation. First, we are investing a total of approximately \$1 billion that we will take as a restructuring charge against GAAP only earnings over the course of this initiative. Because the actions are being taken over multiple years, we can only account for about half of the charge in Q3 2010. The balance will be taken over the remaining course of the transformation.

The charges relate largely to severance with the balance going towards delivery infrastructure modernization and consolidation. This will generate a compelling return on investments; we anticipate annual savings of approximately \$1 billion by the end of fiscal 2013. We'll reinvest a portion of this for growth, hiring resources in sales, developing new innovative offerings and improving our competitiveness in the marketplace. After these investments we expect an estimated \$500 million to \$700 million of savings that will flow through to pretax earnings by the end of fiscal 2013.

In closing let me just say, when we announced the EDS deal in 2008 we were excited about the opportunity. The further we've gotten into the integration and into the business the more excited we've become. Today we see the possibility of taking Enterprise Services to an entirely new level based on applying HP industry-leading technology to the services business. We can offer clients an unmatched experience while also enhancing shareholder value. With that we'll open it up for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Brian Alexander.

Brian Alexander - *Raymond James - Analyst*

Yes, it sounds like you're looking to become a more serious competitor in the cloud. And I'm just wondering if you think this investment, which is sizable, is sufficient enough to allow for that transformation or if you think more acquisitions are needed down the road to round out these capabilities. Thanks.



Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

Ann Livermore - Hewlett-Packard Company - EVP, Enterprise Business

As we look at our cloud services -- that's not the primary focus of our announcement today, but it's certainly a very important part of our overall portfolio for HP. When we think of IT services delivery we think that most of our corporate and public sector clients are going to want a combination of being able to run IT on their premises with their own data centers, outsourcing some applications in areas and then also having other areas delivered to them via the clouds.

So we think one of the real differentiators for HP is going to be our ability to help clients with their services all three ways. And certainly the cloud aspects of it are very important. As you know, we consider and look at M&A opportunities all the time and around the cloud services space we'll certainly do, as we always have, with services and consider which areas we build ourselves using our own R&D, where we partner and where we do M&A. And certainly we'll take that same approach as you've seen us do throughout our software and services portfolio.

Jim Burns - Hewlett-Packard Company - VP of IR

Great, thanks, Brian. Take the next question please.

Operator

Ben Reitzes.

Ben Reitzes - Barclays Capital - Analyst

Yes, good morning, thanks. Could you talk a little bit about -- you might have said this, I'm sorry, but the cash impact of the charges as we go throughout the year and what that does in terms of cash use? And then doesn't this -- the second question is with regard to long-term margin targets. Shouldn't this kind of savings take you to the very high-end of your guidance at least over the long term in terms of the services margin?

Cathie Lesjak - Hewlett-Packard Company - EVP, CFO

So Ben, in terms of cash flow the charge that we're going to take in total is \$1 billion, the piece that we're going to take in Q3 of 2010 is roughly half of that and that's really driven by accounting. The actual cash impact of this charge is really over the multi-year initiative that we're undertaking here. It's probably heaviest in fiscal 2011.

In terms of long-term margins, I think the way to think about it is the initiatives that we're undertaking are basically mostly cost of service so a tail wind to gross margin over time as well as then we'll reinvest some of that into growth so you'll see a little bit more on the OpEx based. But you should definitely see an uptick or upward pressure on would say on margins over time with -- when we exit 2013 we'll have savings of \$500 million to \$700 million on a full run rate basis. You will see us ramp that so there will be savings starting in 2011.

Ben Reitzes - Barclays Capital - Analyst

Okay. And you want to go into how much? Should we assume that it's ratable in 2011 and 2012 on our way to the 2013 total savings number?



Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

Cathie Lesjak - *Hewlett-Packard Company - EVP, CFO*

Ben, we're not providing specific savings guidance at this point for FY 2011 and 2012. But it's typical, as you know, of us to provide kind of next year's guidance at our security analyst meeting. And you'll see us do that again.

Ben Reitzes - *Barclays Capital - Analyst*

Okay, thank you very much.

Jim Burns - *Hewlett-Packard Company - VP of IR*

Thanks, Ben. Let's take the next question, please.

Operator

Katy Huberty.

Katy Huberty - *Morgan Stanley - Analyst*

Yes, thanks, good morning. I think it would be helpful to just walk through the reasons behind this restructuring. Is it more, Cathie, a function of getting through the original \$3 billion of savings from EDS and realizing there is more cost opportunity or is it more a function, Ann, of the types of signings and deals you're seeing in the business and really wanting to transform the delivery model or a combination of both?

Cathie Lesjak - *Hewlett-Packard Company - EVP, CFO*

So, Katy, let me start with that. This is really as we have gotten through the first phase or wave of the integration in which we were integrating basically legal entities and reducing where we had redundancies whether that was in what we call our global functions or in our service and delivery organization.

And now as we've learned more about this business and gotten into it deeper we just realized that there's a whole another wave of opportunity to really modernize, simplify -- I would call it, I guess I'd say simplify, standardize and automate -- on modernizing our data centers, consolidating our data centers, consolidating our networks and our tools in such a way that we can take additional cost out.

Ann Livermore - *Hewlett-Packard Company - EVP, Enterprise Business*

Yes and just to add one point to that. As we look back over the last five to 10 years, most of the activity in the services organizations as a brought industry statement was focused on the location of jobs, geographic locations of jobs and a lot on labor arbitrage. We think the next five to 10 years is all going to be about who can best use technology to automate the delivery of services and that no company is in a better position than HP given our technology leadership to use technology to automate the delivery of services.

And that helps both from a cost perspective as well as automation drives the highest quality levels. So we think that's a very important area of differentiation for HP. And you'll see us driving on that in a very aggressive way. And this all comes down to being able to position us for more growth. And to do even more differentiated things for our clients so our focus here is on using this to help HP be able to grow faster than the market.

Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

Katy Huberty - Morgan Stanley - Analyst

Helpful, thank you.

Cathie Lesjak - Hewlett-Packard Company - EVP, CFO

Katy, the other thing, just to make sure that everybody is clear on this. If we look at the savings that we laid out for you in September of 2008, as we've said, we're ahead of plan on the integration and we have realized essentially all of the labor savings that we had expected to realize at that announcement.

What we announced later I think it was Q2 of 2009, was additional savings with respect to real estate, another \$500 million. And that's really what's left to happen in the original set of charges. So we're still expecting another \$500 million in savings basically in 2010, 2011 and a full rate run rate by the end of 2012 from the real estate actions that we're taking.

Jim Burns - Hewlett-Packard Company - VP of IR

Great, thanks. Let's take our next question, please.

Operator

Aaron Rakers.

Aaron Rakers - Stifel Nicolaus - Analyst

Yes, thank you. The first question on the operating margin trend. Cathie, correct me if I'm wrong, but I think at the analyst day last year you guys had given a fiscal 2010 target of 15% to 17%, and today you're reiterating a long-term target of 13% to 15%. So I'm trying to understand should we be thinking about relative to the trends we've seen over the last two quarters as contracting as you regress into fiscal 2011? Just trying to understand what that actual long-term target is relative to what you said at the analyst day?

Cathie Lesjak - Hewlett-Packard Company - EVP, CFO

So, Aaron, let me clear up the confusion. You're absolutely right, we did at our last analyst day give a target for 2010 of 15% to 17%; we're currently running in the first half at about 16%. The 13% to 15% was just trying to show you in that slide that we already surpassed our long-term goal. And so we have not -- we are not providing today specific guidance long-term guidance around the services margin. What we're laying out for you is a series of savings that are going to be coming on board over the next few years that would allow us to expand margins further.

Aaron Rakers - Stifel Nicolaus - Analyst

Okay then a follow-up as well to a prior question. You guys have been very successful with Opsware, with Mercury, etc., in the software space. Can you help me understand in terms of your software strategy as it relates to what you're doing what maybe pieces you feel like maybe still need to be built up in your strategy be it data management as we migrate toward the cloud, etc.?

Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

Ann Livermore - Hewlett-Packard Company - EVP, Enterprise Business

As you look at our software business, particularly focused around the management and automation space, we feel very good about the strength of our portfolio. You'll always see us considering little tuck-in opportunities. One of the areas that you didn't mention but that is also very strongly related to our services business; it leverages our software business as the testing activity and so that's another piece that's leveraged.

You'll see, in the cloud, us use a lot of the strength we've got from a management perspective because managing the quality of the service delivered from the cloud is one of the biggest things that customers are worried about, and then being able to have governance across physical data centers, outsourced data centers in the cloud is another big area of opportunity. So you'll see us continue to push very hard to have a leadership position with management in the cloud as well as on premise and with our outsourced services.

Aaron Rakers - Stifel Nicolaus - Analyst

Okay, thank you.

Cathie Lesjak - Hewlett-Packard Company - EVP, CFO

And actually, again, I think I want to be really clear on those operating margins. That the upward pressure on the operating margin is not off of the 13% to 15%, but off of the 15% to 17% that we laid out for you for 2010.

Operator

Toni Sacconaghi.

Toni Sacconaghi - Sanford C. Bernstein - Analyst

Yes, thank you. So, just revisiting that last statement, Cathie. So you're at about 16% operating margin today. You're talking about incremental savings from real estate prior to this announcement of about \$500 million which is about 1.5 in operating margin. If you get the upper end of the savings announced today that's almost 2 points in operating margin.

So should we be thinking about these as collectively incremental and accordingly looking at something that's closer to 20% operating margin at a minimum for 2013 assuming there's no scale, productivity or other kinds of gains. Is that effectively what you're trying to tell us?

Cathie Lesjak - Hewlett-Packard Company - EVP, CFO

Tony, in terms of the real estate savings that are coming basically through 2012, that \$500 million, we will be reinvesting that in growth initiatives just as we got reinvestment that is built into the savings targets that we've laid out for you today. So we will -- you will not -- you can't add them all up, there's still reinvestment that's going to take place. And similar to what we announced in 2009 when we announced the real estate additional savings.

Toni Sacconaghi - Sanford C. Bernstein - Analyst

But even if we assumed half of those were captured we'd still be looking at three plus points of outlined opportunity for -- for net savings according to what you said today in taking 50% of that?

Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

Cathie Lesjak - Hewlett-Packard Company - EVP, CFO

There's a range out there, but there's certainly plenty of opportunity to expand margin beyond the 15% to the 17%.

Toni Sacconaghi - Sanford C. Bernstein - Analyst

And then, Cathie, just on the charge. You know, this is a multi-year transformation, something clearly looking to improve your business. It looks like you will be excluding the restructuring charge from your non-GAAP earnings. Could you just review how you determine whether something is a charge or a one-time charge that you choose to exclude from non-GAAP earnings and what is a normal course of transformation in terms of charge and what you would include in as a charge and non-GAAP earnings?

Cathie Lesjak - Hewlett-Packard Company - EVP, CFO

Sure. We look at a number of different factors when we're determining whether or not the charge should be a GAAP-only restructuring charge. We look at things like whether or not it's one-time in nature as opposed to a recurring --. It's generally a global in scope kind of initiative involving a number of different countries.

It also has to involve something structural, long-term strategic realignment of a business segment or across a business segment. While business charges in non-GAAP are typically more routine, routine rebalancing of activities and adjustments to changing business conditions. So this is really a structural change.

We are transforming the Enterprise Services business with the investment that we are making and we are making these one-time investments to modernize our delivery organization and expand our global footprint and fundamentally simplify our operating model and it is really those pieces that have us take this out as a GAAP only charge. We don't really want it to basically taint the ongoing earnings with something that is nonrecurring in nature.

Ann Livermore - Hewlett-Packard Company - EVP, Enterprise Business

Tony, this is Ann. One example of that would be a when Cathie mentioned simplifying the operating model, one action we're doing is to take some layers out of the structure. If you look at -- we always count layers in between our clients and our CEO as one of the things that we think is important from an operating model perspective. So part of this action, for example, and why we think the charge is appropriate this way is because we're taking some layers out of the structure.

Toni Sacconaghi - Sanford C. Bernstein - Analyst

Okay, final question. Can you just comment perhaps, Ann, on how many data centers approximately you're moving from and to? I know when you did this internally at HP it was an enormous consolidation from hundreds of data centers to six. Can you share kind of the scope of the transformation that's involved at a data center level this time around?

Ann Livermore - Hewlett-Packard Company - EVP, Enterprise Business

Yes. Tony, as we look at this we have certainly more than 100 data centers that are related with our customers and we're going to be reducing them about in half. You won't ever see the same order of magnitude as we're able to do inside HP because in some instances with our clients we have data centers that are dedicated to them that they want dedicated to them. We have certain clients who have geographic requirements for us for where they want data centers.

Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

And so you'll not see in a services business like we have with HP Enterprise Services the same opportunity to reduce to the same number we did internally for HP. Since we're just one client or one company ourselves. But still this is a substantial opportunity for us and something that we think is a good opportunity for our clients as well as HP.

Jim Burns - Hewlett-Packard Company - VP of IR

Thanks, Tony. Why don't we take one more question please?

Operator

Keith Bachman.

Keith Bachman - BMO - Analyst

Hi, this is for Ann, if I could. Ann, I just wanted to get your perspective on what's the impact on the top-line as a result of these actions. And taken a different way is how our customers going to view these actions and how will it benefit those customers? Is it on the ease of doing business or are there enhancements to the services? And then finally, how do you deal as part of this with the fact that you will be laying off a number of people, 9,000 people, how do you keep the quality of service aspect up to par? Thank you.

Ann Livermore - Hewlett-Packard Company - EVP, Enterprise Business

Okay. First of all, we believe that these sets of actions will enable HP to grow better than the market very and that's really at the core of this. Anytime we do efficiency and quality improvements we believe that enables us to drive greater growth. So, that's the first point. And the reasons why is that we believe that customers really want and appreciate the application of technology to the delivery of services.

When we first did the acquisition of EDS the thing that clients said most often is now I can work with a company that has both great technology and great services delivery. And HP is in a very unique position to have a leadership position in both of those areas and bring the value to our customers. The value comes in the automation. As Cathie was saying, as we simplify, standardize and automate the real value to the clients comes through the automation and that's something they're all very, very excited about.

In terms of the people, we mentioned that this would result as -- because of the productivity and automation activities -- a reduction of about 9,000 jobs. At the same time I mentioned that we would be hiring back 6,000 just in the Enterprise Services business in sales and in some of our delivery centers. And so when you net that out it's a relatively small number.

Now the other thing to take into effect is this is multi-year. And if you look at an average attrition rate for services businesses it's usually, from an industry perspective, in the high single digits. And so when you look at the natural rate of attrition that's going to happen over a multi-year period and the fact that we're going to be hiring back those are important things.

And then you put it in the context of the broader HP and at any point in time the broader HP is hiring tens of thousands of people. And so that's the context overall. To the employee morale, at the heart of it employees love to win and employees know what are the right things to do with the business.

These are a set of things that are the right things to do, we're using technology to improve service and our employees know it's the right thing to do. And they're going to all be after winning in the marketplace and that's the real thing in the end that drives the excitement and engagement of the employees.

Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

Cathie Lesjak - Hewlett-Packard Company - EVP, CFO

And just to hit on the growth point just a bit. If you look at the momentum that we have kept going in terms of our final and the signings, we expect we'll be able to outgrow the market in 2011. We've started to see some of that revenue growth show up from the strong signings momentum that we had kind of through 2009 and into 2010. You saw that ITO services in Q2 basically grew 6% year on year; that's really kind of an indication of the benefit of the signings we'd have gotten and we've continued to build that momentum. And so we feel confident that we can outgrow the market in 2011 as well.

Keith Bachman - BMO - Analyst

Okay, thank you very much.

Jim Burns - Hewlett-Packard Company - VP of IR

Great, thanks, Keith. I'm just going to turn it over to Ann for closing remarks for the call and then we'll wrap it up.

Ann Livermore - Hewlett-Packard Company - EVP, Enterprise Business

Okay. Well, as Cathie said, when we announced the EDS deal back in 2008 we were very excited about the opportunity. And the further we have gotten the more excited we have become. The integration is ahead of plan, as Cathie also mentioned. And at the same time we found additional opportunities to take our Enterprise Services business to the next level and to be able to transform our clients' IT just as we did our own inside HP.

With the additional actions that we are taking to improve our organizational agility, to reduce the layers, to expand our sales reps and to improve our global delivery capabilities we think this is going to be a really great outcome for our clients, a good outcome for our employees and a good outcome for our shareholders. We're going to take this \$1 billion charge over the coming years to create annual savings of \$1 billion, as we said.

We'll reinvest some of that savings into further growth and competitiveness and at the same time expand our pretax earnings \$500 million to \$700 million by the end of FY '13. The Enterprise Services business is experiencing a very big pipeline, strong signings and strong market momentum. And as Jim and Cathie and I have all said, we expect to grow our business at or above the market in FY '11. These investments are going to make the HP services business even more competitive. Thank you for joining us today.

Operator

Ladies and gentlemen, this concludes our call for today. Thank you very much and have a great day. You may now disconnect.



Jun. 01. 2010 / 12:30PM, HPQ - Hewlett-Packard to discuss Enterprise Services Transformation

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2010, Thomson Reuters. All Rights Reserved.