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## BearingPoint Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Tien-tsin Huang - JP Morgan.

#### Tien-tsin Huang - JP Morgan

You talked about the importance of the Public Services segment. Can you talk about the key drivers that will allow you to hit your targets for that segment for the year?

#### Ed Harbach

I think the key for Public Services is just continuing to get better. Public Services is doing well. The bookings are strong. I think they're going to increase revenue year-over-year. They're increasing the margins. I went back to the Public Services MDs and said I want you to do better and so I know you're increasing bookings, but I want you to grow above the market, that's my management challenge for them, and I want you to increase your profitability, I want you to reduce your DSOs.

Sorry for the long complicated answer and so they're doing well but I want them to do even better and I think the key is if they can continue to drive bookings, they can continue to drive margins up and continue to reduce attrition, I think they're going to be in good shape and they seem to be doing well so far.

#### Tien-tsin Huang - JP Morgan

Any particular services or offerings that are critical to driving the results there.

#### Ed Harbach

If you look at Public Services, they are fairly diversified so maybe 70% of our business there, I'm just talking about Public Service North America is the United States government, 30% is non-government and entities, so we're still doing a lot of good work in defense and that's growing well for us. The civilian agencies, most of them I can't even name, but we're doing a lot of work with civilian, that's growing.

As I mentioned before on other calls, we've got a strong emerging markets practice and those are three going well. State and local government is still going strong. We're watching it carefully given the economic issues but state and local government has a proportionately high percent of our pipeline activity today.

We have a number of major deals in the pipeline and then we have our health care segment where it's a little bit more mixed, but I always call the US Federal government being the core of that business and that's really what we divide in defense and civilian there are doing well. Emerging markets are coming on strong, state and local government seems to be holding in there, and health care is contributing its piece.

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