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## CIBER, Inc. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### **Operator**

Thank you. Ladies and gentlemen, at this time, we will conduct the Q&A question-and-answer session. (Operator Instructions).

Our first question comes from the line of Anurag Rana with Key Banc. Please go ahead.

#### **Anurag Rana - KeyBanc**

Good morning, everybody. Can you hear me, please?

#### **Mac Slingerlend**

Yes. We can, Anurag.

#### **Anurag Rana - KeyBanc**

Thank you. Congratulations. Good organic growth in the quarter. Mac, please help us understand one thing. Your guidance for the first quarter was revenues in the range of \$275 million to \$280 million. You came \$14 million above the high end of your guidance. Yet we didn't see any upside in terms of EPS compared to your guidance of \$0.11 to \$0.12. Could you please explain why aren't we seeing the excess revenues fall to the bottom line?

#### **Mac Slingerlend**

Thanks, Anurag. We did hit the high end of the EPS guidance. You're correct. We didn't top out \$0.01 above that level. One thing I looked at specifically is at the operating income level we were about \$0.135 and we reported \$0.12. There is an extra \$0.01 in other income and charges below the operating line level that, I would probably have to say I didn't anticipate that level of cost at that line item at the beginning of the quarter. And tax rate was also kind of a 0.5% more than I was building in, compared to last our last year or sequential quarter type change. So it's almost as though we lost a \$0.015 between operating income and getting it down to net-net income. But I still think operationally it is a very solid quarter. Tend to give back a \$0.01 in between the operating income line and the pretax lines. Otherwise we would have been I think \$0.01 above the number that we reported.

#### **Anurag Rana - KeyBanc**

Fair enough. And just on that going forward, how should we look at the interest expense and tax rate at least for this year?

**Mac Slingerland**

Well, I'll let Peter Cheesbrough correct me in a minute. I think you've probably seen the high point on that other income line. I expect some stability in the mid-2s, as above, it was \$3 million in the quarter, 3.1, I expect mid to maybe mid to high two. Certainly \$0.5 million better. You've got to give us a little slack as we throw a number at you. Tax rate, I think right now we expect to be similar for the rest of the year, unless and until Congress renews the research and experimentation tax credit. That is, again, once again, lapsed and twice before they have renewed it at the 11th hour. So the credit comes at the end of the year. Right now we are assuming that the tax rates are going to be higher than year, not only for us but for all our competitors unless that gets renewed say in a lame duck period or somewhere around the first of -- end of 2008, early '09. Do you agree with those?

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