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## TASER International Inc. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). The first question comes from the line of Steve Dyer from Craig Hallum. Please proceed.

#### Steve Dyer - Craig-Hallum

Morning guys. Thanks for taking my call. I'm curious as to whether you are seeing any weakness or pushback from a municipal budget issues, are you hearing sort of reductions in what you had sort of planned as for sales into some of these municipalities?

#### Dan Behrendt

Yes, morning Steve. We have definitely seen at least some anecdotal evidence of some municipal budgets being a little bit tighter this year than they were in prior years. We are still -- obviously, we think we have a strong value proposition, and even as these municipalities cut back, we are certainly not cutting back our sales efforts. We do think that we have got a unique product that positions us well, but we do have some -- the U.S. economy is certainly a challenge for us. Municipal budgets are a little tighter than what they have been prior years, but our plan is that the new products and new markets that we are focused on will help to offset any weakness in our U.S. law enforcement business. We still feel very good about the international business and the military, the private security, the corrections business, and some of the new products like the C2, and something like the consumer business we are hoping will offset some of that weakness in the U.S. L.E. business.

#### Steve Dyer - Craig-Hallum

Okay. And then I guess while we are on the topic, can you give us an update about the international business. It seems like we have had four or five different countries towards the latter stages of testing here for quite some time. Is there any break in the logjam there?

#### Rick Smith

Obviously we had a little bit of a break in the logjam having a new client come on with 3,000 units here in the first quarter. We continue to get very positive feedback from the more public customers like the UK and France that we have been working for years. We expect to continue to see extensions of those deployments in new countries coming online. But there is nothing today we can give you of a specific break with a large number of units that has not been already announced, but we do continue to see momentum overall.

**Steve Dyer - Craig-Hallum**

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