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## Spherion Corp. Q1 2008 Earnings Call Transcript

### Earnings Call Excerpt

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Spherion Corp. (SFN)

Q1 2008 Earnings Call

April 29, 2008, 9:00 am ET

#### **Executives**

Roy Krause - President and Chief Executive Officer

Mark Smith - Executive Vice President and Chief Financial Officer

#### **Analysts**

Mark Marcon - Baird

Andrew Steiner - Bear Stearns

Jeff Silber - BMO Capital Markets

Mike Carney - Coker & Palmer

#### **Presentation**

#### **Operator**

Good morning and welcome to Spherion's First Quarter Earnings Conference Call. (Operator Instructions). This conference is being recorded. If you have any objections, you may disconnect at this time.

Now I will turn the meeting over to Mr. Roy G. Krause, President and Chief Executive Officer. Sir, you may begin.

#### **Roy Krause - President and Chief Executive Officer**

Thank you, Sherry. Good morning. Welcome to Spherion's first quarter conference call. Before we begin our prepared remarks, Mark Smith, our CFO, will read the Safe Harbor Statement. Mark?

#### **Mark Smith - Executive Vice President and Chief Financial Officer**

This call may contain statements that are forward-looking in nature and accordingly are subject to risks and uncertainties. Factors that could cause future results to differ from current expectations include risks associated with the company's ability to implement its business strategy, acquisitions, competition, changing market and economic conditions, currency fluctuations and additional factors discussed in this call and in our filings with the SEC. The company's actual results may differ materially from any projections discussed on this call.

Additionally, we may make statements referencing certain non-GAAP financial measures. Management believes the non-GAAP measures are useful in evaluating our operations, but should not be considered an isolation or as an alternative to financial measures or performance as determined by GAAP. A reconciliation of non-GAAP measures to our GAAP financial results has been provided in our press release, which you can find in the Investors section of our website.

We will make references throughout our presentation today to organic revenue changes and have included calculations of organic revenue changes on our non-GAAP reconciliation schedule. These organic revenue calculations compare actual current year revenues to prior year revenues adjusted to include the results of the acquired companies prior to acquisition on a pro forma basis.

**Roy Krause - President and Chief Executive Officer**

Thanks Mark. As we reported to you, our first quarter started solidly and many of our key operating metrics were favorable throughout the quarter. Segment operating profit margin expanded 20 basis points compared with last year due to a higher mix of professional businesses and revenues grew 25% all within our higher margin business reflecting our recent strategic investments. Total year-over-year organic revenue comparisons were also up slightly. As the quarter progressed, however, we did see slowing in our revenue trends particularly in commercial temporary staffing and permanent placement.

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