

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha (α) in orange, all on a dark red background.

SAP Q2 2007 Earnings Call Transcript

Question-and-Answer Session

Stefan Gruber

Thank you, Henning. We now have time for Q&A. Again, as a reminder for those who followed the event through the Internet or by phone, please do send us questions to investor@sap.com. And we hope we can have a healthy mix between questions we take here from the audience in London, and from other folks who follow the event over the web.

And as a courtesy to those who made it to the Great Eastern today, I'd like to start with a question here from the room in London, if there are any. There is one from James Clark. If you could also introduce yourself, I mentioned your name already, but the institution.

James Clark - Credit Suisse First Boston

Thank you. It's James Clark and I work for Credit Suisse. You, as part of your guidance, I think your head of Europe has stated the expected European SSR growth of 10% for this year.

And, given the first half performance, that guidance implies a fairly catastrophic collapse in the growth rate in your second half. Is that still appropriate?

Leo Apotheker

Let me maybe try to answer that question. I don't know to what you refer. We don't give guidance per region. And I know that my friend, Ernie Hernst who runs Europe, talked about a growth rate for Germany, and he said that he was expecting Germany to come in single digit, around the 5%. This is actually documented by the performance of Germany in Q2 and, as we don't give guidance per region, the only thing we can say is that we maintain the guidance. It is a pretty ambitious guidance that we already have out there and we will need all of our regions to perform to achieve that guidance.

James Clark - Credit Suisse First Boston

Thank you. Can I try a completely different question, which is can you tell us how many employees that are now part of A1S or of that group?

Henning Kagermann

It's difficult to say and it doesn't help you to, let's say forecast the accelerated investment because there was a factor from an R&D point of view. I would say that we have roughly, from the application side, 10% of our R&D employees in A1S.

And I would add another 5% to 10% from NetWeaver, where NetWeaver is supporting this. So, overall, between 15% and 20%.

Stefan Gruber

Thank you. I think now we have two numerical questions from the web. One is by Marc Rode from MainFirst, and Ross MacMillan from Jefferies.

Can you quantify the contribution of acquisitions to your constant currency software code, probably referring to the second quarter? And then secondly, to what extent is the revenue from acquisitions factored into your guidance?

And then another follow up from Marc Roder at MainFirst. Why did you not change your tax rate guidance after the second quarter tax rate of 25.8%? I think, Werner, you can probably address the latter point.

Werner Brandt

The revenue coming from acquisitions, and its impact on growth at constant currency, it is 1 percentage point of growth is driven by acquisitions.

The second question, I explained that we had a tax rate in the second quarter, which is quite comparable with the tax rate we saw in the second quarter of 2006 and both quarters were impacted by some one-time effects, and I think for the full year again we will come up with a tax rate of 32.5% to 33%, because there's no reason to assume that these extraordinary one-time items will recur.

Stefan Gruber

Okay, thank you. Let's continue here in the room. I see one question from Raimo Lenschow.

Raimo Lenschow - Merrill Lynch

Raimo Lenschow from Merrill Lynch. Leo, sorry, but I can't avoid the question about the U.S. business. Can you maybe talk about there, if I can dig down into the growth rate there, is there something more sinister going on in terms of the economy?

Is there, you obviously, had tough comps in terms of Q2 '06, what's going on there? And if I might follow up with a question for Henning. On A1S, Henning, as you do run the applications at the moment, is there not a question to try to beat something like Amazon cloud computer or something like that to bring the cost base down, and where is SAP in that sort of thinking? Thanks.

Leo Apotheker

Okay, let me try to answer the U.S. question first. There's nothing sinister happening there, actually, it's pretty bright. If you look back, and as I have already indicated, we have basically doubled the U.S. business in three years.

We have 19 consecutive quarters of double-digit growth, so the base is becoming pretty big. So, I wouldn't suggest that you focus too much on this one quarter in terms of growth rate, even though it's still double digit, the absolute number is already pretty huge.

If you see what's happening in the U.S. market. I think the U.S. market is coming off a long period of significant growth. And there is some slowdown in the overall growth happening not anything major not anything sinister.

So I'd continue to expect the U.S. to contribute to the performance of the company. If you look back over the last four quarters on a rolling basis. The U.S. has actually been exactly on the average of the company, and I actually don't expect that to be that significantly different going forward.

Give or take a few percentage points, we have a great team, we outperformed the competition significantly, we win the deals that are to be won. We see a little bit of softness in the larger deal space.

But that could be only a question of a quarter so I don't want to speculate on the future, and the good news is we have a very balanced regional performance and capability out there. So, it doesn't really matter that much one way or another.

Henning Kagermann

And coming to cloud computing I think this is something, which is not only Amazon doing, it's I think we have a more capable platform provider, look. What we are doing is it's an option for coming to very low operational cost.

Therefore obviously, we are testing and trying if this is a platform we could run on, and the answer is I think. We could do this with not big investments so therefore it's an option for us to go for lower

operational cost. On the other side what we see so far from clients, seems to be more a tendency, depends a little bit also from the regions.

But in Europe at least, in America we will see but in Europe there is a tendency that clients still look to having their own data; and then a mega tendency model like we develop it is superior. Because it really separates data gives higher security allows to have the system onsite in an appliance mode etcetera.

So, what you will see is, us lets say testing all options. And hopefully come up later on with the best possible mix between demand of the market, and I would say cost structure underneath, but it's a good point and it's on our head yes.

Stefan Gruber

Thank you, in the meantime we've got another two questions from the web. The first one by Kirk Materne, who is from Banc of America; referring to the accelerated investments \$300 million to \$400 million, will the remaining accelerated investments be linear.

Or do you still expect them to be backend loaded. Will there be a peak upon the start of volume business beginning of 2008, that's a first question, then another one by Charlie Di Bona from Sanford Bernstein.

Can you give us an indication how you will spend the accelerated investments in terms of cost line items. I think we addressed some of that in the presentation already. And a follow-up on the U.S. performance, did GEA have a significant impact on U.S. performance this quarter?

Werner Brandt

Yeah. I will start with the accelerated investments, it will not flow in lineally, it will be backend loaded. As we explained at the beginning of the year, we will see also in 2008 a backend loading of these investments.

With regard to the spending whether it's cost line item or how much is CapEx. The \$300 million to \$400 million is all cost line items; it's not capital expenditure, we turned it into the impact on our P&L.

Leo Apotheker

Yes to the last question concerning GEA. The impact on U.S. performance I wouldn't want to qualify it like this. Because you will see us do anywhere between three to five GEAs on a yearly basis, and we are now in the situation where we can easily compensate for that from a total business flow point of view.

So, the U.S. performance is what it is, again. I don't qualify it as to be anything to be significantly concerned about, and the two GEAs that we signed. One of them was in the U.S. and the other one was in Japan.

Stefan Gruber

Thank you, now let's continue here in the room, I think one question here in the back from Marc Geall?

Marc Geall - Citigroup

Thank you, Marc Geall Citigroup, a couple of questions. If I may, firstly can you just remind us with A1. What you're actually selling at the moment. And where we are in terms of new product delivery. And what we should expect for the second half? And then a follow-up. Volume growth was obviously very good at plus 17%.

Software licenses were up plus 22%, yet there's an increased proportion of mid-market contribution which should be a lower ASP, that would tend to imply that the average deal size in your Enterprise customers is increasing; what's driving that trend, and is it a trend. Or is it a one-off?

Henning Kagermann

Marc I will talk about A1. And then maybe Leo will comment on the deal size, A1 is on track because what we did is we moved A1 in the new version to the new year P&L; it was before our 3 plus business warehouses, and some best practices now.

A1 is if you want ERP 6.0. The newest one Enterprise Service-enabled with best practice. Will it be extended, yes; we will bundle a CRM. A lean CRM capability in the third quarter, that was. I think what we wanted to do and then we have not the entire suite.

But you would say a leaner to consume suite services-enabled based on NetWeaver. With best practice for all industries available in all countries, so a mid-market product, which could cope with all possible complexity that could come up in the mid-market. That's very important because it protects A1S.

We have not to go to every industry, we have not to go to every long time, we have not to go to every small country, because we have an alternative. And we have not to invest too much in A1 because it's more or less a packaging of the three, it's very important and this is how we will continue to drive A1.

Leo Apotheker

Yes Marc. And referring back to your last question, you have to be careful when you try to extrapolate the exchange of conclusions from one quarter's data; Werner already gave you a metric, which I'd like to point back to, which is the following. In Q2, of this year we signed deals larger than 5 million.

There were 22% of these compared to Q2 of last year where it was only 17%, so it's enough that you have two, three of these larger ones going above 5 million. And suddenly the metrics start to change again. So you have to be very careful. What we are seeing is and I guess that's what you're trying to refer to the pricing pressure is what it is.

It hasn't gotten any better over the last quarter, it hasn't gotten any worse, it is the same pricing pressure. You see actually a trend of some larger transactions happening in Europe. But that's in my opinion a catch up phenomena compared to the overspending in the past. So one should not extrapolate too much for that in the future as well.

While in the U.S., we saw a little bit of a criterion phenomena. A little bit less larger deals, as compared to previous periods. But that will probably balance out as well, so let's be careful in coming and jumping to conclusions about the average deal size.

One or two large transactions in a given quarter changes the picture. But purely mathematically.

Stefan Gruber

Thank you, another two questions from the web before we take the question at the back of the room; the first one here from Sarah Friar from Goldman Sachs. Referring to Henning's comment about NetWeaver.

Does NetWeaver usually replaced best-of-breed vendors. Or is this more of a Greenfield deployment on the new applications, do customers move to NetWeaver as they implement ERP 6.0 or from before that? And then another question from Brendan Barnicle, Pacific Crest.

Is price pressure less intense in the mid market, can you move into the mid market growing some relief as you move further down to smaller customers; and the follow-up what are the next stages of the Oracle lawsuit?

Henning Kagermann

NetWeaver is never a Greenfield deployment because at least not for our large enterprises because they have to some extent some integration capabilities already there. There are different ways how customers adopt it. One is definitely driven since many years now by the inbuilt capabilities, like VI, or the portal or whatever, but the people are not looking for an entire platform but for a component. That's one thing.

What I see is that in particular now, where it's more and more used also from our applications as a platform that it's more viewed from clients really, as an integration platform, and less as, okay there is also a business warehouse in it, or there's also enterprise portal capability and etcetera.

So, I personally have seen in some accounts that we replace other technologies and sometimes these accounts have a zoo of technology and are happy that they get all of this free integrated into one platform.

The second point is, the stronger the platform gets and the better it supports our own applications. Customers ask themselves why they need a second one in order to integrate one SAP, and that's taking off now.

Werner Brandt

Yes, and to give you some color on the pricing pressure in the mid market, and to stay in line with the zoological vocabulary, it's a bit of a jungle out there. And the mid market is a competitive marketplace, as well, except that the pricing pressure is articulated in different manners.

You are competing in the mid market with local vendors, with some global vendors, so the pricing constellation the pricing structure in that market is completely different from the Enterprise segment. But there is price pressure there, as well.

Obviously, when you compete, for example, in China for a mid-market deal against the mid-market, Chinese mid-market vendor, the pricing expectations are different, so you need to put these things into proportions.

Stefan Gruber

And I think there was just one open question, the Oracle lawsuit, the next stage?

Henning Kagermann

Yes, the next stage is the, in September 4 we have our first case management hearing, or where lawyers and such will meet, and that is the next official event, which is scheduled.

Stefan Gruber

Okay, thank you. Another question at the last row, please.

Stefan Novak - Hermes

Stefan Novak from Hermes. I have questions, follow-on the Oracle case and then on balance sheet and in terms of the Tomorrow Now downloads, do you have any indication on the impact of one-offs you might see in terms of a settlement or legal costs you have?

Then do you see already any indication that it's affecting the way you take market share in the U.S., because customers might be not wanting to do business with SAP?

And what direct impact or plans do you have for Tomorrow Now for that legal entity, to carry on with the brand or to move business in some other direction? And then on the balance, just be interested what actually drives the level of cash returns you are providing to shareholders, and what drives the mix between dividend and buyback?

Henning Kagermann

Well, let me start with Tomorrow Now. So the first point, it has no impact on SAP's business. These are globally new in the U.S., in particular. It has a slight impact on Tomorrow Now's business, because also we are not marketing it today too aggressively.

But we continue to support our clients and we get new ones. We have so far enforced these policies, which have been in place. It's not that they were the wrong policies in place. It was that people didn't act upon them.

As I said to the press, there have been a few terminations of employees a few warnings. We suspended one manager. Mark White is really focusing 100% on it. So, therefore, I think we have things under control.

I would say, what the next steps are depends on the overall next steps that happen, let's say in this case. It's too early for me to speculate. It's not under our full control what happens, but believe us that we will take always the right and appropriate actions to manage it.

Werner Brandt

Yes, I cover the question with regard to the cash return to shareholders and if you look to dividend, we have a payout ratio of or net income of 30% for the dividend. And I think that's the ratio we achieved for the first time in 2006 for the dividend. And we want to continue to have a dividend with a payout ratio on this level.

With regard to the share buyback, if you look to this year we have what I indicated, a share buyback volume of roughly \$1.2 billion, if you add the 600 million roughly for dividends then you come up with \$1.8 billion.

So 30% is related to dividend. And if you look just looked into what we paid back to shareholders over the last three years three and a half years, it's above roughly \$2.2 billion in share buyback and \$1.6 billion for dividend payments.

Stefan Gruber

Thank you, Werner. I think part of the question we also had the question on costs for the accruals, we said about in the second quarter.

Werner Brandt

Yes.

Stefan Gruber

Maybe you can quickly comment on this, as you mentioned this morning in the press event as well.

Werner Brandt

Yes. We covered of course the risk we see today, financially. And we have set up accruals for all the and what we normally do for all the litigations we have. And I do not want to give you a concrete number now, but only an indication. We do not have set up an accrual for one specific item, which exceeds \$10 million.

Stefan Gruber

Okay, thank you. Question right here, Adam Shepherd.

Adam Shepherd - Dresdner Kleinwort Wasserstein

Hello. It's Adam Shepherd from Dresdner. It was just a point of clarification on the Subscription revenue line and is that entirely made up of global enterprise agreements or is there anything else going in there? Do you have small agreements, for example, with some companies for just enterprise agreements or is this purely GEAs that are in there?

Henning Kagermann

It's mainly GEAs but also rental foot to run into this one and mandatory hosting if you have such kind of deals. But assume it's mainly related to global enterprise agreements.

Adam Shepherd - Dresdner Kleinwort Wasserstein

And then just one follow up, as well on All-in-One S. In terms of the go-to-market strategy, when we spoke to you last about it you were talking about a combination of direct and indirect sales.

I wondered if there is going to be any further refinement, any further thoughts on how you go to market with All-In-One S? In particular in the re-seller channel, will you seek to use your existing channel build out a new one?

And then just on that as well, in terms of verticalization when we spoke last, it was clear you were going to do some broad verticalization by vertical, but clearly stepping away from the micro-verticalization you have done with All-in-One S, or continue to do with All-in-One S. I wondered, if there's been any further thoughts on that as well?

Leo Apotheker

Yes. Well, let me try to answer the questions regarding A1S first. What we indicated last time and we've maintained that strategy, is we want to go with A1S to the market using multiple routes to market and direct, indirect obviously, come to mind directly.

But also, we want to leverage Internet significantly, telesales capabilities and we're going to measure the performance of these various channels. So, using the appropriate matrix. So, when we talk about the indirect channel, it's more a question of feet on the street much more than just numbers of partners. So, sometimes you're better off with partners of volume than a volume of partners.

We are structuring these channels as we speak. In the beginning we actually expect to see more coming out of our direct efforts to promote A1S switches, to be expected. If the burden of the investment should be ours in the beginning to promote a product and we will do so.

When it comes to verticalization, as we have indicated earlier on as well, we hope that A1S will be a broad suite, very comprehensive that people can adhere to very rapidly. It, therefore, won't have deep vertical capabilities.

Henning already talked about that in an earlier question. If we would do that route, A1S would become extremely sophisticated and could then not be adopted as quickly. So we'd like to keep it rather horizontal with some capabilities, but certainly not as deep as A1L as A1. Our All-in-One product will take care of the deep verticalization.

Stefan Gruber

Thank you. In the meantime, if we can take another question from the web? Tom Rodderick, Thomas Weisel, a follow up on the Colgate GEA. He asked for quantification of the Colgate deal and some detail of timing of the revenue recognition. I'm not sure whether we discuss this in particular for Colgate, but maybe a general comment on the GEA revenue recognition and the timing?

Leo Apotheker

We can't provide any specifics on the Colgate family of GEA. Like we didn't provide any specifics on the other GEAs either. Assume classically, that a GEA deal is usually, the subscription period is a five-year period. So, it's a monthly revenue recognition.

Stefan Gruber

Okay. Thank you. Continue in the room, I see one question from Michael Briest and then we have Elizabeth Buckley. Normally, you should say ladies first. I apologize, Elizabeth.

Michael Briest - UBS

Sorry, Michael Briest at UBS. Two questions if I may. At this stage of the year, you've got Software and Subscription revenue growth of 17%. So, there's a chance that you'll beat your expectations for the year of 12% to 14%.

If you did do that, would you be tempted to take some of the upside on the revenue and accelerate the investments in A1S? Or would that come through in a better margin do you think?

And then secondly, on Duet, can you give us an update on the number of users you have there? And I think, there's some more functionality being added in Q3, whether you think that's going to be a big catalyst for demand? Thanks.

Henning Kagermann

The first is an interesting question. I think you always have the opportunities or chances, let's say to do more than you guide, I think that's the name of the game. You have also a threat that you do less, so therefore, I think that's the environment we are in.

But, from an investment point of view, this is decoupled from our A1S investment. I want to be very clear here. We will bring A1S as fast to the market as we can do it. The limit is not the money the limit is our own brains and our own capabilities.

So, therefore this is an opportunity and I will not as I have said several times, compromise on this trust to save a few millions. That's not good. Then we lose a lot of opportunities later, so the limiting factor on A1S is at the end of the day our own internal capabilities.

Leo Apotheker

Regarding Duet, we have approximately 800,000 users currently licensed for Duet. You're right; we are going to have some new Duet functionalities coming out. There's actually a whole roadmap that takes us to 2010 and we hope that we will continue to see good traction with Duet; we also hope that we will be able to push that together with our friends at Microsoft.

Stefan Gruber

Thank you. Elizabeth?

Elizabeth Buckley - Arete Research

Yes, good afternoon. Every quarter you provide some historical matrix on mid-market traction, the traction of that strategy. I'm wondering if you could perhaps share with us maybe some forward-looking metrics or spot metrics on how that business is trending, for example, on mid-market orders in Q2, as a percentage of total order entry? Or even how you see the pipeline going forward, some kind of indication of the split there? Thanks.

Leo Apotheker

Maybe, I start off and my colleagues will certainly join me in the answer. We have tried to give you a good metric with just a percentage of revenues we do with our mid-market capabilities.

Today, that's 32% of order entry. It is rolling four quarters. I don't think it makes a huge amount of sense to really look at one specific quarter, because the seasonality in that business is rather substantiated, rather large and therefore, to give you just a number for Q2, which actually is a higher number, I believe would give you the wrong impression. All in four quarters is a much better indicator of trend.

You know how many customers we now have in the mid-market, approximately 28,000. You have the metric on our partners; I gave you that earlier on, on the A1 and B1. And it's a growing part of our business.

Having indicated in this presentation that we are on track to achieve, by 2010, 40% to 45% of our revenues of our order entry from the mid market and I can just subscribe to that.

Henning Kagermann

Maybe I can add, if you look to four quarter rolling forward and see an increase here of 2 percentage points from 30% to 32%, that's then driven out of the second quarter.

Stefan Gruber

Okay. We take one question from the web and then we continue here in the room. Relatively easy one. Joachim Klosman, BHS Bank. Does the guidance of 3,500 addition FTEs to be added in 2007 include acquisitions?

Werner Brandt

The answer is, no. And I mentioned during the presentation that the number of 3,500 could be also plus.

Stefan Gruber

Okay. Thank you. Will we continue here, Stefan?

Stefan Florinski - Societe Generale

Hello, it's Stefan Florinski from Societe Generale. Two quick questions, first, on Duet, is it possible to maybe break out in the quarter what percent revenue contribution come from Duet, or is it meaningful for that matter?

And secondly, based on what you're seeing so far this year and some of the comments you've made about the demand being more robust in Europe and maybe less robust in the U.S. Do you see anything looking out to 2008, A1S aside, that would lead you to believe that growth would be any less than it is this year, for example?

Henning Kagermann

Let me start answering the second one and Duet may come later.

Look, it's really a little bit early to predict this because the year is not over. But on the other side, there are no indications that something fundamentally in the business is changing.

So even A1S, even on-demand, which is popping up, is not fundamentally changing our business.

So from that point of view, today, we cannot see that we will come up next year with something fundamentally different than what you see this year.

Stefan Florinski - Societe Generale

Any comment on...

Werner Brandt

Yeah, Duet, I think we should be careful. We don't want to report on any product. But it's not that large that we want to start reporting on Duet. So NetWeaver is a different category, therefore, we report this.

Stefan Florinski - Societe Generale

So there is more upside potential for Duet going forward?

Werner Brandt

Beyond and it has to be a certain size and I think we are not there where we start reporting.

Stefan Gruber

Okay. Now, given the fact, we have been discussing for more than 90 minutes. I think there is time for one final question. Look here, right here on the left-hand side. Jonathan?

Jonathan Crozier - WestLB Equity Markets

Thanks. It's Jonathan Crozier from WestLB. On the GEAs for last year, three to five this year, why not eight or 16 or 20?

Leo Apotheker

I'll be happy to try to clarify that actually. And maybe I owe you a better explanation what a GEA is really meant to do in and for whom it is meant to provide a service.

You know we serve today about 41,000 customers. Certainly, a number of them, fair number of them are a very large enterprises. A sub-category of these very large enterprises actually have a strategic relationship with SAP.

What does that mean? If a company is for one a SAP-centric, if not an SAP-only IT environment, they have based their business on SAP software, Colgate-Palmolive is an excellent example, and it should derive significant business benefit from that.

For more details I would refer you again to the Colgate-Palmolive's Annual Report and statement of the CEO of Palmolive. Therefore, it makes a lot of sense for companies like Colgate and others to enter into a long-term relationship with SAP, usually five years, that includes the following key elements.

They get all of our technology, present and future, from that agreement. They get custom-designed services be it the custom-designed maintenance, custom-designed support, custom-designed consultancy and, in certain case, custom-design CDP as well.

And, therefore, we are able to create a special tailor-made relation for each one of those that is really geared towards their very specific and unique relationship with SAP. Therefore, by definition almost,

you will not see a large number of them because there aren't that many cases where you really need to come up with a uniquely designed, purpose-designed relationship for these customers. When we launched the GEA program, we said that we expect something in the ballpark area of 30 GEAs over time. I don't think there will be more than that, at least not in that, not in a significant different order of magnitude.

And, therefore, if we do three, four, five a year, that is a reasonable number that we can actually support. Because there's no point signing these agreements if you can't really deliver all of the services that come with them. It's a huge responsibility and that we undertake to actually service these customers in such a special way.

Stefan Gruber

Thank you. And before we close, there is one final question we got from Johannes Ries, Cominvest in Frankfurt. Is it fair to expect an operating margin improvement in 2008? And is the longer-term goal of 30% still valid?

Henning Kagermann

Absolutely.

Stefan Gruber

Very brief answer but with a clear direction. Thank you very much for your attention. And our next event is the Q3 Earnings Announcement on Thursday, October 18. Thank you.

Copyright policy: All transcripts on this site are copyright Seeking Alpha. However, we view them as an important resource for bloggers and journalists, and are excited to contribute to the democratization of financial information on the Internet. (Until now investors have had to pay thousands of dollars in subscription fees for transcripts.) So our reproduction policy is as follows: **You may quote up to 400 words of any transcript on the condition that you attribute the transcript to Seeking Alpha and either link to the original transcript or to [www.SeekingAlpha.com](http://www SeekingAlpha.com).** All other use is prohibited.

THE INFORMATION CONTAINED HERE IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL, CONFERENCE PRESENTATION OR OTHER AUDIO PRESENTATION, 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 AUDIO PRESENTATIONS. IN NO WAY DOES SEEKING ALPHA ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S AUDIO PRESENTATION ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.