



## Teradata Corporation Q3 2008 Earnings Call Transcript

### Earnings Call Excerpt

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Teradata Corporation (TDC)

Q3 2008 Earnings Call

November 4, 2008 10:00 a.m. ET

#### **Executives**

Gregg Swearingen – Vice President of Investor Relations

Michael Koehler – Chief Executive Officer and President

Stephen Scheppmann – Chief Financial Officer and Executive Vice President

#### **Analysts**

Matt Summerville - KeyBanc

Greg Holter – Great Lakes Review

Nabil Elsheshai – Pacific Crest Securities

James Lin – Greenlight Capital

#### **Presentation**

#### **Operator**

Welcome to the Teradata Q3 2008 earnings release conference call. (Operator instructions) Now, I will turn the meeting over to Gregg Swearingen of Investor Relations. Sir, you may begin.

#### **Gregg Swearingen**

Thank you and good morning and thank you for joining us for our third quarter earnings conference call. Mike Koehler, Teradata's CEO will lead our discussion highlighting Teradata's third quarter results. After Mike's remarks, Steve Scheppmann, Teradata's Chief Financial Officer, will provide more details relating to our Q3 performance.

Our discussion today includes forecasts and other information that are considered forward-looking statements. While these statements reflect our current outlook, they are subject to a number of risks

and uncertainties that could cause actual results to vary materially. These risk factors are described in Teradata's 10-K and other filings with the SEC.

On today's call, we will also be discussing certain non-GAAP financial information, such as free cash flow and results excluding the impact of certain non-recurring items. A reconciliation of our \$0.33 of GAAP EPS to our non-GAAP EPS of \$0.36 which reflects an impairment charge related a history equity investment, as well as increased tax expense related to assumptions used in our 2007 tax filings, as well as forecasted non-GAAP results and other information concerning these measures, are included in our earnings release and on the investor page of Teradata's website at [www.teradata.com](http://www.teradata.com).

A replay of this conference call will also be available later today on [teradata.com](http://teradata.com). For those listening to the replay of the call, please keep in mind that the information discussed is as of November 4, 2008 and Teradata assumes no obligation to update or revise the information included in this conference call whether as a result of new information or future results.

I'll now turn the call over to Mike.

**Michael Koehler**

Thanks, Greg and good morning, everyone. Teradata delivered a good third quarter in terms of earnings and operating margins with non-GAAP earnings per share of \$0.36, up 24% over prior year and operating margins improving to 19.6%, up over 100 basis points from Q3 of 2007. Excluding \$6 million of incremental new company costs, operating margins would have been up 250 basis points.

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