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## Diebold Incorporated Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). We will take our first question from Matt Summerville with KeyBanc.

#### Matt Summerville - KeyBanc Capital Markets

Morning a couple of questions. Tom, in your prepared remarks, I believe you gave a figure for new branch applications or some sort of construction figure. Do you have what that full-year number was in '07-'08 and what it's projected to be in '09?

#### Tom Swidarski

Yes. There's a couple different things we look in that regard, Matt, all from various government sources. Probably the biggest indicator from an annual basis would be, we went back over the last seven to eight years and on a typical year, you would see applications for new bank branch and credit union branches in the neighborhood of obviously 3,500 and 4,000. What we've seen this year in terms of the applications that are out there, that number is closer to 1,500 to 2,000.

So, no matter how you sliced it, it was about 50% off from an application, and then we had some indications as the actual number of facilities opened in the first quarter compared to the past. And that was well off like 35% to 40% as well. Somewhere in that neighborhood I think is kind of the indicators we're looking at.

#### Matt Summerville - KeyBanc Capital Markets

Okay. Then you, I'm just curious, in the \$1.70 to \$2 guidance, last quarter you had mentioned the old range, \$2.10 to \$2.40 contemplated regional's being down as much as 30%. What is the underlying assumption for the small bank market in the US now versus your prior assumptions? And then if you can walk through a some similar numbers for Eastern Europe and Russia as far as what your assumptions are?

#### Tom Swidarski

Okay. Let me start with the US first. In essence, when we came into the year and were providing guidance, we were looking at the low end of the range as you've indicated. We said somewhere north of the 25%, I don't know if it's quite 30% or not. But right now what we're indicating in the bottom end of that range is approximately 40%. Pretty close to 40%. Based on what we've seen so far. As far as, and again, that's the regional bank space, which includes the credit unions and everything else. Obviously we have a different experience with the US -- with the major banks.

As far as Russia, for instance, what we've done with Russia in there is really taken Russia off the table for the remainder of the year. Basically, looking at that to say that based on we just had a conference call with our leaders from Russia over this past weekend, they were there for a week looking at the environment and talked to a number of banks. And in essence we've backed everything out that we had for Russia for the remainder of the year. So in essence, we've taken Russia, Eastern Europe risk off the table in the \$1.70, the way I'd look at it.

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