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Nu Horizons F2Q10 (Qtr End 8/31/09) Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) We'll take our first question from Chuck Bennett with IBC.

Chuck Bennett - IBC

I have two questions, really -- first question, I don't know if you can answer this, I'm looking at valuation with your company. It seems to me you're trading, you have about a \$75 million market cap. You are doing a touch over \$600 million in revenue and most of the people in your space are trading about 1.2 to 1.5 times book. Is your book value really \$8 and change? Is that right?

Kurt Freudenberg

It's actually a little bit lower -- it's about 7, \$7.40 or so.

Chuck Bennett - IBC

Okay, so for the same question, is there any reason why you are trading at such a discount compared to your peers? Do you know of anything offhand?

Kurt Freudenberg

No, there's nothing that we can identify for you.

Chuck Bennett - IBC

Second question, I noticed you had a CEO come and go within -- I don't know, two months? That guy looked like a pretty good acquisition to get, and then it kind of shocked me that he left. Now, what was the reason for him coming and going so fast and does it really matter?

Richard S. Schuster

Well, I think we announced that the reasons were mutual and we are still in the process of finding a new CEO candidate. That's ongoing at this point. You know, like in any relationship, sometimes things don't work out to either party's satisfaction but nothing dramatic. [Just one of those things] that didn't work out.

Chuck Bennett - IBC

He seemed like a stud of a guy -- I mean, are you guys a little sad that he left?

Richard S. Schuster

Like I said, it was a mutual agreement and we are moving on and we feel there are some other excellent opportunities out there for a new CEO.

Chuck Bennett - IBC

Now I guess when I am looking at the share price compared to your book value and the valuation here, one thing that comes to mind, and I don't mean to put Art or Richard on the spot but it looks like nobody has really bought any stock in some years and maybe that has something to do with it. Do you have any comment on that?

Richard S. Schuster

Nobody meaning the principals?

Chuck Bennett - IBC

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