

THOMSON REUTERS STREETEVENTS

# EDITED TRANSCRIPT

CALX - Calix, Inc. at Deutsche Bank Technology Conference

EVENT DATE/TIME: SEPTEMBER 11, 2012 / 4:30PM GMT



## CORPORATE PARTICIPANTS

**Michael Ashby** *Calix, Inc. - EVP & CFO*

## CONFERENCE CALL PARTICIPANTS

**Brian Modoff** *Deutsche Bank - Analyst*

## PRESENTATION

**Brian Modoff** - *Deutsche Bank - Analyst*

So, welcome to the Calix presentation. Calix is a leading provider of broadband access equipment into the second and third tier carriers. They do a lot with regard to rural broadband development.

I would also think, given their focus there, that they would also have some unique opportunities in some of the emerging markets as well. So they are going to do a quick presentation, and then we're going to move right on to the Q&A session. So here you go.

---

**Michael Ashby** - *Calix, Inc. - EVP & CFO*

Thank you Brian, and good morning. My name is Michael Ashby. I am the CFO of Calix. And over there is Dave Allen, who is the Director of Investor Relations. Some of you may know Dave.

I'm going to do a presentation here which is a high-level presentation to take you through what does Calix do, starting of course with the safe harbor statement which I won't bother reading out.

So, Calix is the leader in access innovation. When I say leader in access innovation, that's all we do is access. We only design and make and engineer access products.

We are the largest telecommute occasion system vendor focused solely on access. There are a lot of other people in this business, but they do other things. We only do access. Our main competitors, as you probably know, are large companies like Huawei, Alcatel Lucent, and closer to home Adtran and ourselves are the two leaders in the North American market here.

We are the leader in advanced broadband access. We have the largest market share in North America in fiber to the home and are the largest market share in both the tier 2 and tier 3 space in North America. Over 1000 customers, including 18 of the 20 largest US ILECs; we have shipped over 75,000 systems, 15 million ports.

And we are financially a strong company, no debt; and even though our revenues have been down in the last couple of quarters, we were able to generate cash each quarter and have no issues in the business as far as the Company is concerned. So our focus is on access, as I mentioned.

There are some things that are shaping technology here. The first is commerce is going completely global, as everybody knows. Second is the communications are becoming mobile and personal. And that has been driven of course by the iPads, iPhones, tablets, all the smaller devices which are making everything become mobile.

The third is that information is becoming digital, and as you probably know, only about 10% of the world's information today is digitized. But that is rapidly increasing and will continue to increase.

And finally, the culture is becoming virtual. So the culture is virtual in every aspect using things like FaceTime, Skype and all sorts of different meetings which are taking over video -- using video. So all of this has become what we call an all-video world.



You can't go to a website now which doesn't have video on it, which doesn't have a video clip. Everything that you do now demands broadband access and demands video. In addition to that, there are a number of things that are impacting the service providers themselves, our customers.

The first one is regulatory. That is a trailing indicator. Regulatory is -- has always been around. It continues to be around. It is changing at the present moment; it is actually affecting us at the moment. Our regional carriers are somewhat affected by changes that are taking place in what's called the USF/ICC reform, and so the industry is regulated but becoming less so as time goes on.

The second is the Internet protocol which has leveled the playing field. So now that there is -- IP has proliferated throughout the world, then it means the smaller carrier can compete just as effectively against larger carriers because everyone is on a level playing field.

And the competition, however, is intensifying. The competition is intensifying not just within the service providers, but from the cable companies, of course; from wireless and from different types of service providers that are coming up in the world. So competition is strong in this business for our customers.

Most important is the fact that the consumers are now empowered. That is a big change that's happened over the last few years. And as we look at this new business model, you're going to see that it's the consumer in fact who is now driving the business model.

So, in the past, networks were driven by voice. So a service provider, such as AT&T or Verizon, built a voice network and then they sold services. And it was a network-facing operation where they told you what services you could buy, and you bought those services and you were happy to pay for them.

That has changed considerably in the new broadband business model. And the broadband business model is a much lower margin model, it is a leaner model, and it is no longer network-facing. It is, in fact, customer-facing. It's driven by the subscriber.

So, that triangle has been inverted whereas the costs used ago primarily in plant and engineering and operations administration, those have now had to be reduced considerably and more of the cost is going into customer service and marketing, because it is being driven by the subscriber. Subscriber is demanding the services. They are not only buying services, they are demanding services.

If they want to use Netflix they want to download videos, then they require the services. The service provider provides their services to them. All of this takes us to the final destination, which we know what that final destination is going to be. And it is in very simple terms, it is one network, it is all IP, it is the Ethernet, all fiber, and wireless.

So there is no question that in the end that's where all the networks are going to end up. It will be one network. There will no longer be separate networks for voice, separate networks for business, separate networks for small and medium businesses, etc. One network, all fiber, be it Ethernet and using IP.

Our job, and what we do, is we enable our customers to move towards that end game. That end game is a transformation. It does not happen overnight. It happens slowly over time. We have whole series of products that have been designed to enable our customers to move towards that.

The first is our E7-20 which is an Ethernet service access platform. That is a very powerful 2 terabit backplane system that we introduced just over a year ago. And it goes into what we call a data center, used to be called central office, now called a data center.

And then connecting to that is an E7-2 which is a smaller 1 RU version which allows you to have it as one RU or to stack up to 10 of them together to make a more powerful combination of them. You can add those as you need them. You don't have to buy them all up front.

And then we have two multi-service access platforms, the C7, which is what the Company was originally based on, then the B6 ESAN which came from our acquisition of Occam. Both of those are what we call nodal products, fit in either the data center or out in a node.



They're also transformational in that they contain -- the chassis stay out there for a long period of time and you can upgrade and change your cards as we come out with new technology. So you don't have to change the chassis, you simply buy new cards. That is an ongoing business. We expect chassis remain in the network for probably 15 to 20 years, maybe longer.

Many of you might remember a company called AFC which was also in Petaluma in Northern California acquired by Tellabs. Tellabs is still doing \$10 million to \$15 million a quarter of blade replacements for those old AFC chassis which have been out there for now 20, 30 years. That is a business that keeps going once you've got the chassis out there.

Then we have a series of ONTs. The ONT is use the product that goes on the house or the home, and we have a whole series of ONT products that are for fiber-driven networks all the way to the home. We have our E3, E5 and B6 ESANs -- Ethernet service access nodes. Those go out in various nodal places which might be out on the street, in the neighborhood, or even hanging from a pole.

And then all that is managed by our software. We have the CMS software, which is the Calix Management System. And then we have Compass software, which is a data extraction software that allows the service provider to know what's happening in the network, allows them to be able to analyze who's using how much bandwidth, whether someone is using more than they should be able to, and be able to then charge for separate areas of bandwidth use. So, our model we think is a perfect alignment towards the broadband model which is subscriber driven.

So, what is our advantage? Our advantage is primarily that we focus on access. That's all we do. We are focused strictly on access. We're not distracted by anything else.

We think that gives us quite an advantage because all of our development and all our expertise goes into that. We have a tight product fit. We are innovative. We are known for bringing out the technologies faster than anybody else, and we have the highest density VDSL2 products out on the market, for instance, today. And we are the fastest adapters of new technology as it comes out.

We are architected for CapEx efficiency; ultra-long life, as I mentioned. Our chassis stay out there for a long period of time. And it's an evolutionary architecture. So, the C7, which was originally a SONET ATM-based multi-service access platform, now, by changing the blades that go into that C7, can become a pure fiber and box at the same time. So, without even changing the chassis, you can evolve your network from the legacy protocols to the latest protocols.

And we have a business model which is aligning with our customers and directed towards improving their OpEx efficiency, and we sell directly. So, in North America we sell only directly to those companies. Q2 briefly; you are probably already aware of this. Our revenue was just under \$80 million.

Our gross margin has risen over the last few quarters, is now in the [mid-45%'s]. Our target is to get that to continue to rise to the 50% range. We are cash flow positive.

And we have a number of expansion opportunities, expansion opportunities that quite frankly we thought were going to happen this year, but they are not. They're later than we thought. They are still real, but they are happening now next year as opposed to this year.

And those are breaking into the Verizon properties that Frontier acquired. That's already started. Going after some of the Quest properties at CenturyLink, going after some of the Tier 1 accounts, and going after our international business. And those are areas where we think we have the opportunity to grow and that we will see that happen over the next year or two.

We announced recently a partnership with Ericsson. And we can talk a little bit more about this later on, but this is a partnership which is designed -- where we acquired an OLT, a full GPON OLT from Ericsson as they shut down their fiber business. We're acquiring their GPON OLT, which we will sell back to Ericsson, and they will sell it through the reseller network.



It's already installed in multiple customers internationally, multiple tier 1 customers. And as part of this agreement we have a global reseller agreement whereby Ericsson will resell Calix access products through their 10 worldwide regions. They will be reselling both the 1500 GPON OLT as well as the E series products from Calix.

That arrangement was announced a couple of weeks ago. It will close sometime in October. And as soon as it closes, then we will start selling back through Ericsson through their sales regions worldwide, which we think has the potential to be very interesting for us going down the road.

I would just like to make a point that we have not done this agreement -- a lot of people think we did this agreement because we want to break into AT&T through Ericsson. This is not about AT&T, nor is this about buying revenue. This is actually about a global reseller agreement where, internationally, this allows us now to get into tier 1 customers in potentially 180 different countries.

Near-term headwinds, we have just recently had some problems with our regional base, our regional tier 3 accounts of which we have most of our customers; almost 1000 customers are regional tier 3 accounts in North America. There's been a steady business from those accounts. They represent approximately 55% to 60% at our business every quarter.

Last quarter they started to slow down, and they slowed down because of the doubts about USF reform and their attempts to get the FCC to change its rules. They have had some limited success in changing those rules, but they have also had a number of failures. They've taken the FCC to court three times and lost all three times. But they have, in the process, cut back on projects or withheld projects while they're waiting to see what changes can happen, and that has certainly hurt us in the short-term.

I won't go into the details of the Connect America Fund, but that's what they're arguing about. They're arguing about how to change the rules of the FCC. And in simple terms, what the FCC has done is they have moved a voice subsidy, what used to be a voice subsidy that's been in existence for 50 years, to become a broadband subsidy.

A lot of the service providers are worse off because of that. A lot of them relied upon that voice subsidy, and so they are now trying to see if they can get improvements made in the algorithms the FCC has used to try and maintain some of the subsidies that they had. But over time those will be phased out. We don't believe that's going to change, but we do think it has interrupted the regional business for the next few quarters.

So in summary, we have a proliferation of IP devices and the cloud is expanding, as you all know. And the access network is between the cloud and the subscriber, so everything has to go between the cloud and the subscriber. And that means it has to pass over the access network, so that obviously includes wireless traffic.

Now we have a broadened strategic customer footprint. We have over 1000 customers in North America; starting to grow internationally. We are today only approaching about 15% of the market, so there's 85% of the market which we are not yet going after that we are planning to go after, that we are slated to go after, the Ericsson agreement obviously being a significant part of that.

And we have been positioned to benefit from broadband initiatives, not just in North America, but broadband initiatives taking place in different parts of the world that we are able to benefit from, because every country is trying to improve their broadband coverage. And that obviously is good for the industry, and good for ourselves.

We are sitting at the nexus of a number of secular growth trends and are happy with where we think we are. We're looking forward to growing over the next two or three years and getting back to where we thought we would be, and about a year later than we actually are at the present moment. So with that, let me finish the presentation and move to any questions .



## QUESTIONS AND ANSWERS

### Unidentified Participant

(inaudible) The rural carriers, what are they as a percent of your revenue?

---

**Michael Ashby** - Calix, Inc. - EVP & CFO

I'm sorry, what are the --

---

### Unidentified Participant

The rural carriers, the ones that are subject to these regulatory mandates.

---

**Michael Ashby** - Calix, Inc. - EVP & CFO

There are about 1400 rural carriers in North America, which are called the regionals or tier 3 carriers. And about 1000 of those are customers of Calix. They range in size from a few hundred lines up to -- I think the definition is 50,000 lines. They are all different sizes.

And they are traditionally voice carriers who have been moving towards broadband, and in fact, in a lot of cases they've moved towards broadband quite quickly and they are the early adopters of technology. But some of them still, as I mentioned, rely upon the voice subsidies they were getting paid. Those voice subsidies are what everybody pays on their telephone bill, which is called ICC and USF on the telephone -- on the bottom of your telephone bill.

And that is a subsidy that's been paid to the rural carriers to encourage, originally, voice throughout the rural United States. That subsidy is now moving to broadband, and will only be paid on broadband usage. So it's a big change taking place in that marketplace.

---

### Unidentified Participant

And so are they, what, about 40% of your revenue, 50?

---

**Michael Ashby** - Calix, Inc. - EVP & CFO

No. They're 55% to 60% of our revenue.

---

### Unidentified Participant

55% to 60% of your revenue. So what gets that group moving again in terms of -- obviously they have to spend money to get the subsidy, but if there is an issue with the revenues shrinking now, what gets them going again?

---

**Michael Ashby** - Calix, Inc. - EVP & CFO

Well, what they are doing right now is they've put on hold projects while they're waiting to see whether or not they can get changes made to the FCC to back down. Most recently, 665 of them joined together, for instance, in a lawsuit against the FCC trying to get a stay on the FCC's change orders. They lost that lawsuit about three weeks ago.



So it's our belief that this will not change overnight; but what will happen is that they will begin to realize -- slowly, one at a time -- that they are not making any progress. The FCC have actually been quite clear that they are not going to make any further changes. And they will, as they begin to realize that, just say okay, we need to get on with our business and keep doing their projects.

But it isn't going to happen all at once. It isn't going to happen to all of them at the same time. Some of them are going to continue to fight.

There are a couple of things coming up which will help that happen. One is that by the end of this year the FCC have to issue final rules and regulations. Once those come out, I think it's going to be fairly clear that changes can't be made.

And in the final thing is those who are going to broadband subsidies have to submit five-year plans by June of next year. So by then, it is clear what's going to happen. So, today -- and there is some uncertainty. It is going to continue for a few more quarters.

We believe there's going to be consolidation in the industry because a number of the smaller service providers or those who rely on voice, they're going to say it's not worth my continuing, and perhaps try and consolidate. We're actually already seeing some of that happening, starting to happen.

And that goes all the way up to large companies like AT&T, who have not yet decided what they're going to do with their rural properties. They turned down the Connect America Fund a couple of months ago. And it is still not known whether they're going to invest in broadband or if they are in fact going to go into the FCC reverse option and sell off those lines. So it is possible that they would sell off those lines, which would be advantageous to us if they do.

---

#### Unidentified Participant

What's your view in terms of when you really start to see that spending for your business come back from that group of customers?

---

#### Michael Ashby - Calix, Inc. - EVP & CFO

Well, we think it won't go any lower. That's the good news. And we think it will slowly start to come back quarter-on-quarter for the next few quarters.

---

#### Unidentified Participant

So, Ericsson, the GPON acquisition -- kind of -- why did you execute it? And what does it bring to you? And what new market opportunities does it bring as a Company?

---

#### Michael Ashby - Calix, Inc. - EVP & CFO

We've been looking for a partner for some time, and in order for us to grow internationally, in order for us to grow particularly into Tier 1 accounts. We recognize that we needed a strong partner to do that with, or multiple partners. And we've been talking to several companies over the last year or two.

We did look at the NSN deal and decided that wasn't the right partnership for us, the right way for us to go. We decided a long time ago that Ericsson was the best partner we could find. And at that same time Ericsson we're deciding that they in fact wanted to get out of the access business because it required too much investment and wasn't core and strategic to them.

So, we started talking a long time ago, and we were able to negotiate a deal with them where we bought the GPON OLT, which is a product that is selling well internationally. It's a fiber-based GPON OLT product. It is in a number of tier 1 accounts internationally, only one in the US but the rest international.

And then we did not buy their copper legacy products because those were older products that were not as good as the products that we already have. We were able to negotiate not to buy those. We did not want to take over any international employees specifically, so we are only taking over about 60 employees in North America.

And then as a part of it, we were able to negotiate a reseller agreement. Ericsson's salesforce did not want Ericsson just exit the access business and have no replacement products. They were looking for access products that they could resell. And they got interested in our products and said they were interested in a reseller agreement.

So we have a global reseller agreement which is not exclusive. It is a preferred partnership whereby Ericsson will take us into their customers. And so it opens up for us a major part of the international market that would take us on our own probably three, five, seven years to break into.

---

#### Unidentified Participant

Questions from the audience?

---

#### Unidentified Audience Member

Can you talk about your international business, what percentage it is now and your kind of growth strategy, what it might look like five years from now, in particular in emerging markets?

---

#### Michael Ashby - Calix, Inc. - EVP & CFO

Sure. Today our international business is 7% of revenue. It has been 6% for the last few quarters, has just grown slightly. And that 6% is primarily based on the Caribbean and Canada, where we have sold the last few years quite successfully.

We started just over a year ago in building up an infrastructure to go after tier 2 and tier 3 accounts internationally in a number of different countries. We now have people in various different parts of the world, and we have signed up resellers, VARs, value-added resellers, to sell to go after tier 2 and tier 3 accounts.

Generally speaking, in the less -- I won't say less developed countries, but for instance we are not trying to break into China or India at the present moment. We're going after some of the other countries, some of the smaller European countries, Eastern European countries, Asia, Australasia, South America.

And over the last year, we have started to build a pipeline in these areas. We are beginning to turn some of that pipeline into revenues. Last quarter we had 10 new customers; a small revenue, but nevertheless a good base. We expect to grow that number each quarter over the next few quarters. So we're going after tier 2 and tier 3 accounts to that infrastructure.

What the Ericsson agreement brings is entry into the Tier 1 accounts. And they're, as I say, into multiple dozens of international Tier 1 customers. And so our own infrastructure going after the tier 2 and tier 3, and the partnership with Ericsson for Tier 1, will allow us to attack that market in a much faster fashion.

As to where it goes eventually, how quickly it grows, it's difficult to say. But we would expect that eventually international would be 50% of the business. But it's not -- certainly isn't going to happen overnight. It's going to happen slowly over time.



**Unidentified Audience Member**

You said that Ericsson felt like the access business required too much investment, and you're obviously a smaller Company. How is it that it's not for you?

---

**Michael Ashby - Calix, Inc. - EVP & CFO**

It is a lot of investment for us. But it's the only thing we do. We put a lot of money into it. Our R&D budget is large. It is about 20% of revenue at the present moment, and has been higher than that.

But we had the advantage that that's all we do. So we are not putting money into anything else. It isn't spread out.

And for Ericsson, they decided that it required -- they were going to have to put an additional amount of money in, because their copper products in particular are old products that they had not upgraded for some time, so they had to be replaced. And that required them to put a lot of money into replacing products, and time. And then they had to make a decision -- was it core to their business or not.

And I think Ericsson has been successful in obviously in the wireless business, and I think they decided access was not something they needed to put too much emphasis on, provided they could find an access partner. So we put a lot of money into access. We invest very heavily in that. We adapt technologies very quickly, but as I say, it's all we do.

And that 20% of revenue that we are spending right now, by the way, will slowly go down. And that's some of the leverage we have as we grow the business, that R&D as a percent will eventually go down, and that will allow us then to become obviously more profitable.

---

**Unidentified Audience Member**

Speaking of profitability, maybe you can expand a little bit more on that. Since - when Advanced Fiber was your size, they were a very profitable company. What's different about the industry dynamic today? And what size do you need to be to put up some sort of reasonable operating margin?

---

**Michael Ashby - Calix, Inc. - EVP & CFO**

You have two choices. Today, our revenue is at about \$80 million a quarter, which is what AFC was 10 years ago. We think that that is a base revenue for us, and our objective is to be able to run the business profitably at \$80 million a quarter.

It is not our objective to maximize profitability at the \$80 million in the quarter because we think we can grow the business above that. So our strategy is to be able to run the business profitably, hopefully generate a small amount of cash at a base revenue. We don't believe the revenue should drop below \$80 million a quarter. But we do believe that we can grow it above \$80 million a quarter, and as we do, then we start again quite a lot of leverage.

So our long-term model, which I think we've been open about, is gross margins with a five in front -- at 50%, the low 50%'s. We've been slowly working our margins up. And our operating expenses will slowly decline to the low 30%'s, which allow us to have operating income in the high teens to 20% range. That's our target. We think within three to five years we will be able to achieve that.

We are not attempting to achieve that at \$80 million a quarter. So we are -- we expect the revenue to grow. We think \$80 million, as I say, is a base revenue. And as long as we can run the business profitably with that, we think we are pretty secure.



And then we see every reason to believe that over the next year or two the growth opportunities that we've talked about are all real. We should be able to take advantage of them.

There is no question that we are going to become the second vendor in the Quest properties of CenturyLink. There's no question that we are becoming the second vendor in the Verizon properties at Frontier. Our international business is beginning to grow in the tier 2 and tier 3s. And the Ericsson contract, we think, is going to give us the potential to grow that business at a much faster rate. So, those things will all happen.

We believe the market expansion opportunities are real, and so that's going to allow us to grow the revenue, which will then allow us to improve profitability.

---

#### Unidentified Participant

So, what about wireless? One of the things -- you look at LTE as having bandwidth that carriers can use to expand broadband into rural and lesser developed areas. In addition, Wi-Fi -- after a Wi-Fi gear that's pretty cheap. Do you see that competitively as a threat to your business?

---

#### Michael Ashby - Calix, Inc. - EVP & CFO

No, we see it as a complement to our business. The end of the access equipment is wireless. Our belief is that in the end all devices will be wireless. They will be wireless over a short space, because in order to have the bandwidth available that you require for these devices, the wireless distance has to be very short. And that traffic is then carried back over the access network.

But one of the reasons why we are interested in the relationship with Ericsson is they are the leader in wireless. And we think we have the potential to be able to work with them on having the access equipment connect to the wireless equipment.

Don't forget a large part of the business is mobile backhaul. All of that business that's going to cell towers is also carried back into the access network. So that's a large part of our business. Wireless is an integral part of our business, and an important part of our business going forward.

---

#### Unidentified Participant

Other questions from the audience? Okay, one more question from me.

So you talk about wireless as a complementary. Is this an area where you need to work with the base station vendors to supply the access gear? Do you see yourselves actually in, say, Wi-Fi extending into that market and having that gear as an option to provide last mile connectivity?

And then finally, backhaul away from the rural markets, and we look at kind of cell densification as one of the key areas of growth in networks. Do you see a play for yourselves in that area?

---

#### Michael Ashby - Calix, Inc. - EVP & CFO

Well, we see a play in all those areas. Mobile backhaul is a really important area. The cell towers are only going to get closer and closer to the end user. And again, that traffic has to be carried back over an access network.

And we -- we will see wireless being incorporated into access devices, particularly at the ONT which is close to the home or in the neighborhood. So we already have ONTs that are RF and that incorporate RF, and we believe that in the end, those end devices will be -- will incorporate various different wireless technologies and then connect back into the access network.



So our view is that in the end, when you talk about the one network, that there will be on the premise a device which is today called an ONT, but which might be called something different in the future which will be wireless capable, which will allow wireless to be in a small area. So for instance, the antenna is in every room as opposed in one place, and that traffic will then go back to this ONT or whatever it's called at that point in time, and from there down to the fiber network. So we think it is all part of the evolution that we see the access network going through.

---

**Unidentified Participant**

Do you see that as -- from an acquisition standpoint, is there anything interesting in that area for you?

---

**Michael Ashby** - Calix, Inc. - EVP & CFO

They're potentially interesting, but again that's one of the reasons why we are excited about this partnership Ericsson, is that they are the leader in what they call the head/neck technology, which is something that we have an interest in and trying to be a part of.

---

**Unidentified Participant**

All right. Thank you.

---

**Michael Ashby** - Calix, Inc. - EVP & CFO

Thank you very much.

---

**DISCLAIMER**

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL 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 CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2012, Thomson Reuters. All Rights Reserved.

