

THOMSON REUTERS STREETEVENETS

EDITED TRANSCRIPT

BPI - BRIDGEPOINT EDUCATION INC AT WILLIAM BLAIR & COMPANY, LLC GLOBAL SERVICES GROWTH STOCK CONFERENCE

EVENT DATE/TIME: DECEMBER 07, 2011 / 5:40PM GMT



CORPORATE PARTICIPANTS

Brandon Dobell *William Blair & Co. - Analyst*

Andrew Clark *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Dan Devine *Bridgepoint Education Inc. - CFO*

PRESENTATION

Brandon Dobell - *William Blair & Co. - Analyst*

Okay, all right let's go to get started. Thanks, everybody, for sitting in this morning for the presentation of Bridgepoint Education. I am Brandon Dobell, the education analyst at William Blair. To my right is CEO Andrew Clark and over there Dan Devine, CFO.

I'm going to start off with a quick two- or three-minute overview of Bridgepoint, kind of where we were -- or how you are, what you do, that kind of stuff and then we will dive into some Q&A. If there's questions from the audience, stick your hand up. Please don't be shy. We can do it that way as well.

So with that, Andrew, start with the overview.

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Great, thank you Brandon. Well, glad to be here this morning. Dan I started Bridgepoint back in 2004 as some of you in the room probably know. We IPO-ed back in March of 2009 and have been a public company now almost three years.

We own two institutions, Ashford University and University of the Rockies. Both of our institutions are regionally accredited. 99% of our students are online with about 1% of the students at our campuses in Colorado and Iowa respectively.

We really have focused the Company since the day we started on innovation, around innovating and providing a college education that was much more affordable at a high level of quality. We did that through Ashford University. We have maintained that spirit of innovation throughout our seven, almost eight years of running Bridgepoint, most recently with Constellation, which is a digital learning platform. Constellation provides our students with the ability to get their textbooks online via the Web or through an app they can download, the app from the Apple App Store, and be able to read their textbooks, highlight, annotate, search, do a variety of functions with their textbook just like they would a normal textbook. It lowers the cost for students by about 50%. They used to spend \$150 on textbooks. Now they spend just \$75 for that textbook.

We actually write the textbooks for our courses. They are written by our faculty. We hired an editorial staff from various well-known and respected publishing houses. They use the same editorial process. It takes about a year for us to develop one of these textbooks. We have about 32 titles now that have been published through Constellation. We have over 65,000 students, so we have demonstrated that it can scale quite effectively.

Most importantly, we are focused in on the student experience. Students have given us feedback with regards to Constellation. 78% of those say it improved -- they felt that it improved their learning experience. They were actually learning more as a result of it, which is really our ultimate outcome.

If you are interested in independently reviewing either our mobility products or Constellation, you can go to the Apple App Store and you'll see the reviews and you'll see that our customers, our students, view what we've provided them very, very positively, especially compared to our peer group.

So that's said, that's a little bit about us. I'm happy to commence the fireside chat.



QUESTIONS AND ANSWERS

Brandon Dobell - *William Blair & Co. - Analyst*

Exactly, if only we had a fire. Maybe we'll start with a quick review of kind of some key points on the third-quarter call which you guys have talked about for kind of forward guidance or commentary around starts as well as expenses or margins, just to kind of set people's expectations for where you are in the process of all these policy changes and operational changes making differences in the business.

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Sure. Well, you know, we started kind of anticipating what the changes might be a long, long time ago. I think that really helped us in terms of then the July 1 policy changes, implementing those especially around incentive comp. Dan and I kind of forecasted that might have a greater impact in terms of admissions counselor productivity than it did. It ended up not being quite as significant as what we thought.

As a result of doing that testing, we think we're going to kind of come through that a little faster than others, probably kind of mid-second quarter next year. Our new enrollment should be positive for the full year next year, so should our total enrollments as well as revenue.

We haven't given out any guidance with regards to the top line or the bottom line or earnings, but we have said that we do anticipate our marketing expenses will be higher. We think the whole sector is going to go up probably 3 to 5 points, and we think we will do that as well, primarily around admissions counselor productivity declines and the results of that impact, and then the investment around branding initiatives that we have been strategically and purposefully working on over the past year that will really kind of kick into gear throughout next year.

Brandon Dobell - *William Blair & Co. - Analyst*

Okay. Has the combination of policy changes and just the overall market dynamics of traditional schools trying to figure out how they are going to operate, has that changed the type of student that is showing up at the doorstep for you guys, or has it changed how you go out and try and position, especially with the online advertising, how you're positioned or going after certain types of students?

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Well, you know, I mean I think we've always done a very good -- we've had a very good strategy for approaching prospective students. We have always operated in kind of the upper quartile in terms of our Internet marketing strategy. What we always try and do in all areas of our business is continuously improve them. So I think, with respect to prospective students and the quality of those students, we continue to work on ways in which we can, you know, effectively be better at that.

Data analytics is one way in which we can do that. We have invested a tremendous amount of financial and human resources in creating a whole department around that, and doing some predictive modeling around the types of students, prospective students, that we are trying to attract, and what are the characteristics of students that are more likely to persist and graduate and be successful. We are also using that information throughout the entire lifecycle of the student.

So, I don't think -- I know there's been some impact from the traditionals. I think that's happening at the graduate level primarily, although we haven't seen that.

I think the other component is price point. If you have high-priced institutions then you know you're kind of running into a little bit more difficulty. The consumer is very focused on value vis-a-vis quality, how they perceive quality and the affordability. If they don't see that quality at other institutions is 30%, 40%, 50% higher, then they're not going to pay 30%, 40%, 50% more. So I think our student dynamics have been pretty consistent for us over the past three years, and we certainly haven't seen any change in demand.

Brandon Dobell - *William Blair & Co. - Analyst*

How should we think about the pricing strategy going forward, given your comments about affordability and relative price point? Should we expect more program-specific pricing, just given some degrees have better ROIs at a certain price point or do you think kind of the consistent price point across the programs continues to make sense?

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Yes, you know, we've never done, as you know, Brandon, would never done the programmatic pricing. We've tried to stay with a very simplified model so to speak where it is just one price point for undergraduate students across the board. Really looking at our kind of 17% to 53% spread between us and our competitors is something that we want to, for the most part, kind of try and maintain.

The differentiation is important. The consumer has been tremendously focused throughout the kind of economic malaise we've been in the past three years. I don't see that changing.

So, I think, in terms of how Dan and I think of price point, we say "Well, what do we have going over here in the public sector independent schools and then what is going on in the private sector? We try -- it's a little art, a little science, you know, try and balance between the two of those and come out with a price increase that would make sense that still allows us to maintain a leadership position in terms of affordability.

Brandon Dobell - *William Blair & Co. - Analyst*

Okay, some of the schools in the group and I think to a certain extent you guys included, given the rapid growth in 2008, 2009 and 2010, have the opposite effect of having happening in 2011, 2012, 2013, 2014 -- a lot of students going out of the institution as they graduate. How do we think about the impact on the population of the higher graduations? Then excluding that, how has persistence trended? Have you seen any changes there in recent quarters?

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Well, I mean, we'll start with persistence. We have seen great results over the last -- we've had better year-over-year persistence five of our last six quarters. We did a lot back in 2010 and throughout 2011 around quality initiatives for our students and student preparedness. That has impacted our persistence in a very positive way.

We think some of the other things that we are doing in terms of data analytics, in terms of Constellation, are going to actually provide for improved persistence in 2012. That is saying a lot because we're coming off difficult comps in that regard. So I think, you know, that's one real bright shining spot and it's the ultimate metric in our industry. If I was an investor, the thing I'd want to know most about with any public education company is what does persistence look like? Can I measure it? Could it give me all that information and can I look at that trend over a year-over-year-over-year-over-year basis?

We even gave out cohort persistence, as you know, on our fourth-quarter earnings call. We give that historically over four years to really try and provide that transparency.

In terms of graduates, it's great, it's a great thing. We are supposed to be producing graduates. We are producing a lot of them. I think, in this year alone, in 2007, we had more graduates than we did in the last two years combined. You know, however, there's -- in our view, we will continue to see more graduates on a year-over-year basis but there is by no means some kind of gigantic graduation bubble sitting there in 2012 that is going to kind of burst. Then if there was, my comments about positive total new enrollments for the year --.



Brandon Dobell - *William Blair & Co. - Analyst*

It would be tougher.

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

That would be an aggressive comment to make.

Brandon Dobell - *William Blair & Co. - Analyst*

That makes sense. Okay. Shifting gears a bit, military has been a decent growth driver for you up until I guess recently (inaudible) institution. So two questions there.

One, what do you think about the idea of military funding being included in 90-10? Assuming that Senator Harkin is successful in getting that [back], how do you think you'll manage through that or would you have to manage through that?

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Well no, I think, if military funding -- first of all, it is an earned benefit. So there is no reason it should be on the 90s side of the equation. It's like corporate tuition reimbursement, only the corporation in this case is the federal government. So it's on the right side; it belongs on that side. I doubt highly that kind of legislature would be successful. If it was successful on the Senate side, I just don't see how the House would ever sign on to something in that regard.

I think that our sector in general though if -- say the day eventually did come where you had both Houses of Congress in agreement and that actually did get through, it would be challenging. It would definitely be challenging for our sector. We would have to think about, you know, new and different ways in which we could manage that. As a company, we have been very effective, as you know, at managing 90-10 and I certainly feel comfortable with how that looks this year and in the near future.

Brandon Dobell - *William Blair & Co. - Analyst*

From the accreditation perspective, given what you guys have going on between HLC and WASC, maybe an update on where that stands and probably more importantly what the next couple of data points and timing on those? The next time the market may have some information on how that process is going?

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Yes, I mean, it's a very straightforward process. We submit our self-study in December. The visit is in March. We expect a decision kind of midyear next year. You know, it's not -- you're not isolated in the process. It's not like you submit the self-study and walk away. There is a lot of dialogue back and forth, back when we put our application in, throughout the entire process, and so that's very positive. We have a deep, deep bench academically. Dr. McAuliffe, who is our Chief Academic Officer, has been tremendously successful at changes of ownership, reaccreditation, receiving the full ten years allowed. Doctor Tice is the President of Ashford. I mean we have a lot of confidence in the academic team there.

WASC has been delightful to work with. They're very focused on assessment, which is great from our standpoint. Some investors in this room might not know this, but we own a software company at Bridgepoint that's called Waypoint Outcomes. Waypoint Outcomes allows for about 40 other institutions, including Ashford and the Rockies, to aggregate learning outcome data by electronically via Web interface and be able to provide direct feedback to students on written assignments but then aggregate that data and demonstrate those outcomes.

So some just fascinating stats on that. We -- Ashford for example processes about 20,000 documents in a week through Waypoint I think when WASC comes in and sees, they don't have that experience going to most universities. They don't come in and they don't have an institution and say, hey, here's the outcomes and the objectives and then here actually is a data that supports that the students are achieving those objectives. Most traditional institutions just simply don't have that because the professor corrects the paper and hands it back to the students and the student walks off with it and they're not able to provide anything. So I'm, as you can probably tell, I feel very good about where we are at.

Brandon Dobell - *William Blair & Co. - Analyst*

Right okay. Shifting gears a little bit, Dan, how should we think about the margin structure in the business looking out the next several years compared to the past several years? There's been a lot that has changed in enrollment counselor structure, recruitment costs, those kind of things. Is there any really big change coming from margins or do you think it's more of the same kind of deal?

Dan Devine - *Bridgepoint Education Inc. - CFO*

I think Andrew already said that we expected some margin change will be in the selling and marketing line where that should increase for the entire sector and probably increase for us also.

I don't think you are going to see any -- in the next 12 months, I don't think you're going to recover any of that leverage -- loss of leverage in structural costs or G&A. The whole group is going to go through kind of a reset and then start growing off of kind of a new base after 2012.

For our structural costs, I think we continue to invest there. I think that has been a bigger investment this year than in prior years. I think that may continue slightly, but not dramatically. So in general, I think our structure or P&L mix will remain pretty much the same with the exception of any decrease in March and will be likely weighted in the marketing and promotional lines.

Brandon Dobell - *William Blair & Co. - Analyst*

With all the innovation you guys do around the classroom and student experience, is there an opportunity or even I guess a desire for larger class sizes, class-size increases, better leverage on faculty, those kinds of things that would be a gross margin if you want to use that kind of impact, or do you think that's the wrong way to think about the investments?

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Well I think, yes, it's the wrong way to think about it. Our investments around technology and innovation are around the student experience, so we would not look for those things to leverage up, you know, class sizes, and start doubling and tripling our class sizes. That doesn't make sense to us. It's all around differentiation of the student experience.

Just look around this room. How many tablet devices, mobile devices, do you see on a table? Our student's average age is 33. 70% are female. These are working adults; over 75% are employed. Mobility is part of their world just like it's part of our world. They want access to their education in a convenient way, where they can get it, when they can get it, and in a way that is meaningful and actually improves their learning. I think our investments in technology around those things is going to be tremendously positive in terms of differentiation. When students -- and we are already starting to see a little bit of that from prospective students that are hearing about things like Constellation of what we are doing there. I think that differentiation is going to be critical to us as a company, I think to the sector. If you look five years out, those who do not innovate are going to find themselves I think in a challenging position in the next five years.



Dan Devine - *Bridgepoint Education Inc. - CFO*

Okay, our class-size has actually dropped in the last two years. I think definitely this year it has become smaller. As the group of students mature, they get into later classes. Those class sizes are very small, so the average class size has dropped.

Brandon Dobell - *William Blair & Co. - Analyst*

So it's more of an issue of the average -- where the average student is in their lifecycle or their degree as opposed to what you're trying to -- are you trying to force a change in the class-size structure.

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

We're not trying to force it smaller, but we certainly are not focused on leveraging it larger and in the larger classes. It's fine where it is. It's actually gotten a little smaller, so --.

Brandon Dobell - *William Blair & Co. - Analyst*

Interesting. Some of the companies in the group have gone towards a full-time faculty model for a variety of reasons, one of which being your student satisfaction or engagement. How do you guys think about the right use of faculty? Let's focus just I guess just on instruction for a while as opposed to what they're doing with Constellation and content.

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

So we have -- in terms of instruction, we continue to focus on full-time faculty and adding full-time faculty. I think you can go out to right now to Ashford's job board and probably see quite a few postings for full-time faculty.

I think you want to strike the right balance. I think engagement with your adjunct faculty is very important. That's why we are really unique. We're actually I think the only institution I'm aware of that has a group of instructional specialists whose sole job it is to monitor the engagement of adjunct faculty in the classroom. That is all they do.

We are able to do that obviously in an online environment much easier than you would a classroom, a traditional classroom environment where you're obviously standing in the back of the room. In an online environment, it's not as obvious when we're doing that monitoring.

The other thing we do with adjunct faculty is we actually hold regional meetings so our provosts, our deans, will fly into a particular area in the country, Chicago for example, and we will hold a conference just for adjunct faculty in that area just to make sure they we are well-connected to the institution. So I think it's all about striking the right balance.

From a Constellation perspective, faculty are very engaged in terms of the opportunity to write a textbook for one of our courses. They are very enthusiastic about that. They like the idea that they're getting to contribute in a way that has the ability to impact literally thousands and thousands of students that's specific to our curriculum and what it is that we are teaching. So, we actually have faculty that kind of line up for that opportunity to do something good like that.

That textbook material is very interactive, so it's not just reading text. There's all this multimedia ability that's engaged in the textbook, so it's a very interactive experience for the student. It's not just kind of your dry words on print kind of situation.



Brandon Dobell - *William Blair & Co. - Analyst*

You guys have a technology fee that is separate from tuition. In the past, we have talked I think a little bit about the interplay between the technology fee and textbooks and Constellation and things like that. How do you think about the utility of the technology fee in the context of affordability, and then how also Constellation kind of works into your mindset around affordability, use of technology and how you charge for that?

Dan Devine - *Bridgepoint Education Inc. - CFO*

Yes, so our fee will remain as it is. It's not going to increase; we have no plans for it to increase. We hadn't increased it previously in I think at least over three years. I would say it's a hell of a deal given the investments we're making in technology.

We were the first public education company that had a mobile app for our students. That was through the University of the Rockies. Then we came out with Ashford's app. Again, you can go out to the app store. If you look at our app reviews, they are phenomenal. It's a five-star rating. Our students are giving us 4.5 out of 5 stars. Then you can look at our competitors, and it's not nearly as good as what our students are saying. So we're really doing the right thing there and students really are seeing a lot of value in the technology that we are providing. So we feel comfortable with where that's at.

We're not -- we don't have any plans to raise the fee for Constellation either. We think all of that stays true to our theme around affordability. We certainly are making a lot of investment in that area though, but students are seeing the benefit of that.

Brandon Dobell - *William Blair & Co. - Analyst*

Pell grants have come up a lot in the last two or three weeks from the Super Committee and all that noise. Maybe where Pell stands as a percentage of revenues on a trailing basis, I think we see that changing going forward. Maybe some perspective on what you think -- how you think it plays out?

Dan Devine - *Bridgepoint Education Inc. - CFO*

Well, I mean, our institution is (inaudible) Title IV funding, so we don't have -- we don't use Pell funding for GAAP funding or anything of that nature. If Pell funds were to come down, I can't even quantify if we would be impacted. Most of those funds come through our institution and go back to the student, unless they select to lower their Title IV funding, which we try to encourage. But they don't all take advantage of it.

Unidentified Company Representative

Shocking.

Dan Devine - *Bridgepoint Education Inc. - CFO*

So what the impact would be, probably not if it dropped back to 4500 or the income profile changed, I can't tell you how money of our students would be kind of blocked out from that. But certainly where there is a -- we don't really even look at Pell as a component of our kind of cash flows in or as supporting our revenue.

Brandon Dobell - *William Blair & Co. - Analyst*

Okay, because most of it goes right to the student.



Dan Devine - *Bridgepoint Education Inc. - CFO*

It all goes basically through our institution out to the student, so it would actually probably benefit us to some extent because there's less unearned dollars that could potentially become a receivable, and it'll go bad on you.

Brandon Dobell - *William Blair & Co. - Analyst*

Okay historically you guys have had a pretty good percentage of the incoming students that had at least 50 or 60 transfer credits from prior institutions. Is that trend still -- or that data point still pretty much the same or has all the changes in the marketplace moved that up or moved that down recently?

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

You know what? It's been pretty much the same. We will release an update to that on our fourth-quarter earnings call next year just like we do every year. But we have seen a lot of consistency in terms of our students and the overall kind of look and feel of them.

Brandon Dobell - *William Blair & Co. - Analyst*

Okay let me pause there and see if there's any questions from the audience before I keep going.

Unidentified Audience Member

(inaudible question - microphone inaccessible)

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

So the orientation is going well. It's a phased approach. We started it back in September. It's going according to plan. We have -- eventually all students who have 24 college credits or less will be part of the orientation program. So it is doing exactly what we intended it to do.

Our view there is that our students within the first course that have less than 24 credits used to -- the chances that they would fail out during that first course were pretty high for some of them. And so the orientation really moves those students out of the first course obviously after a couple weeks. Now, because, as a company, we report new enrollments at the end of a student completing their first course, kind of the net effect of all of that movement wouldn't be really visible to you guys. You know, maybe slightly visible but you really won't see it. Now where you will see it and -- again a reason why big our persistence is going to be greater in 2012 -- is because of orientation, because of the predictive analytics, and because of Constellation. All of those things are going to I think come together to create some pretty positive momentum.

Brandon Dobell - *William Blair & Co. - Analyst*

Just for some perspective, I think some companies in the group have an orientation program that is a noncredit non-cost. Some have kind of gone halfway where it's noncredit but there's a cost that may be reimbursed. How do you guys structure that (multiple speakers)?

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Ours is noncredit and non-cost. We are not charging the student for this. We have some expense obviously for the faculty to cover it, but manageable certainly and so -- and there's no credit associated with it.



Brandon Dobell - *William Blair & Co. - Analyst*

Okay. Some schools have talked about obviously with huge numbers of associate students or students with low credit transfers. The orientation program has had a huge impact on starts or what we see as persistence. Based on your previous answer, I'm guessing that the number of students that have 24 credits or less is relatively small. But to (inaudible) point, are we talking a big number of people that come in with that kind of credit profile, or transfer credit profile?

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Well, I mean, we've always said 70% of our students -- that's been consistent -- have some college credits, so there's probably 30% rate that have no credit based on that. So that would fall definitely into that bucket.

Brandon Dobell - *William Blair & Co. - Analyst*

Okay. Maybe a kind of cash flow balance sheet question for you Dan. Most of the businesses generate a fantastic amount of cash flow. There's not a whole lot of places to put it. So a couple of things. How should we think about structural free cash flow conversion going forward? Obviously, with the huge cash balance sheet -- cash on the balance sheet, you can do a lot of things with it. But there's not a whole lot of stock to buy back.

Right, so the combination of how is free cash flow going forward and then how to think about the uses of that?

Dan Devine - *Bridgepoint Education Inc. - CFO*

Going forward, we expect to continue to generate good amounts of cash. I think we're currently at converting at or better than kind of net income, so I think we'll continue to do that going forward. We don't see any change in the structure that would say that would change.

You know, we do look at all aspects of returning those dollars to shareholders. We've made \$135 million in stock repurchase in the last 14 months. We have exhausted the current authorization. We are discussing, you know, what is the value of continuing that? There's other options for us. You know, there's dividend options.

I think we continue to look at it. The market is obviously -- the market's return on that money is pitiful. So there's actually risk leaving it in a bank. So there is some opportunities for return. We do have a situation where our float is constrained. You know, our goal is to attract long-term shareholders who, you know, would buy a sizable position. You have to have a certain amount of float in order to attract that group. So --

But the flipside of it is we do generate, we'll continue to generate cash, and we need to put it to work for the shareholders.

Brandon Dobell - *William Blair & Co. - Analyst*

Final question before we before wind down here. Maybe a quick review of programmatic exposure or focus for you guys, so what kinds of degrees are most prominent and if you have plans in the next couple of years to -- or do you see that shift at all from more of this or less of that? Is it on purpose or just kind of where the market is going?

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Yes, so if you look first at degree type, I mean we are primarily bachelors degree, about 74%. Our graduate population did grow this year from last year, I think from about 9% of our population to 11%. I would hope that we continue to see kind of our graduate and doctoral population you know uptick in next year and beyond.



Programmatically, we're pretty well balanced out. I mean business programs continue to remain strong for us. We have done very well in healthcare and education, as one would anticipate, and I would anticipate just because of how significant those two things are to our economy and how large they are that we will continue to have strong demand there.

Then in social sciences we have done well. I think if there is opportunity for us, it would be more in the technology, IT related programs. We really are not nearly as deep there as we are in other programs. One program that we don't have at all that would take some time to develop that I think we would almost like to have at some point is nursing because there's a tremendous demand for that. But that would be kind of well off into our future. It's not something that we could just kind of turnaround and do next year. It takes a while to get there. So --

Brandon Dobell - *William Blair & Co. - Analyst*

Okay, one last call for any questions in the audience before we wrap it up. Andrew, Dan, appreciate the time.

Andrew Clark - *Bridgepoint Education Inc. - Co-Founder, CEO, President*

Thank you Brandon.

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.

©2011, Thomson Reuters. All Rights Reserved.