

# FINAL TRANSCRIPT

**Thomson StreetEvents<sup>SM</sup>**

## **PLXS - Q1 2011 Plexus Earnings Conference Call**

**Event Date/Time: Jan. 20. 2011 / 1:30PM GMT**



Jan. 20, 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

## CORPORATE PARTICIPANTS

**Dean Foate**

*Plexus - President and CEO*

**Ginger Jones**

*Plexus - VP and CFO*

**Mike Buseman**

*Plexus - Senior Vice President, Global Manufacturing Operations*

**Angelo Ninivaggi**

*Plexus - VP, General Counsel and Secretary*

## CONFERENCE CALL PARTICIPANTS

**Lou Miscioscia**

*Collins Stewart - Analyst*

**Rupu Padacharia**

*BofA Merrill Lynch - Analyst*

**Sean Hannan**

*Needham & Company - Analyst*

**Brian White**

*Ticonderoga Securities - Analyst*

**Rahul Chadaha**

*Credit Suisse - Analyst*

**Samuel Mann**

*Citigroup - Analyst*

**Sherri Scribner**

*Deutsche Bank - Analyst*

**Brian Alexander**

*Raymond James & Associates - Analyst*

**Joe Whitney**

*Longbow Research - Analyst*

## PRESENTATION

**Operator**

Good morning, ladies and gentlemen, and welcome to the Plexus Corp. conference call regarding its first fiscal quarter 2011 earnings announcement. At this time, all participants are in a listen-only mode. After a brief discussion by management, we will open the conference call for questions. The conference call is scheduled to last approximately one hour.

I would now like to turn the call over to Mr. Angelo Ninivaggi, Plexus Vice President, General Counsel and Secretary. Angelo?

---

**Angelo Ninivaggi** - Plexus - VP, General Counsel and Secretary

Thank you, Alli. Good morning everyone and thank you for joining us this morning.



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

Before we begin, I would like to establish that statements made during this conference call that are not historical in nature, such as statements in the future tense and statements including believe, expect, intend, plan, anticipate, and similar terms and concepts are forward-looking statements. Forward-looking statements are not guarantees since there are inherent difficulties in predicting future results, and actual results could differ materially from those expressed or implied in the forward-looking statements. For a list of major factors that could cause actual results to differ materially from those projected, please refer to the Company's periodic SEC filings, particularly the risk factors in our Form 10-K filings for the fiscal year ended October 2, 2010, and the Safe Harbor and fair disclosure statement in yesterday's press release.

The Company provides non-GAAP supplemental information. For example, our call today may refer to return on invested capital. Non-GAAP financial measures, including return on invested capital, are used for internal management assessment because such measures, we believe, provide additional insight into ongoing financial performance. For a full reconciliation of non-GAAP supplemental information, please refer to yesterday's press release and our periodic SEC filings.

Joining me this morning are Dean Foate, President and Chief Executive Officer; Ginger Jones, Vice President and Chief Financial Officer; and Mike, Buseman Senior Vice President of Global Manufacturing Operations. Let me now turn the call over to Dean Foate.

---

**Dean Foate** - Plexus - President and CEO

Thank you, Angelo, and good morning everyone. Last night we reported results for our fiscal first quarter of 2011. Revenues were \$566 million, up 2% sequentially, with earnings per share of \$0.61. Both revenue and earnings were in line with our guidance range when we set guidance for the quarter. We were pleased to deliver a record revenue quarter with decent return on invested capital performance of 17.3% in spite of a challenging environment.

Turning now to some additional insight into our performance by market sector during our fiscal first quarter, and current expectations for fiscal Q2. Our Wireline/Networking sector was up sequentially, a solid 5% in fiscal Q1, in line with our expectations when we established guidance for the quarter. It was a fairly uneventful quarter for our Wireline/Networking sector as customer forecasts performed largely as we expected. Looking ahead to Q2, we currently expect our Wireline/Networking sector to be flat to slightly down. Our Wireless Infrastructure sector was down approximately 10% sequentially in Q1, in line with our expectations. This decline was largely a consequence of the ramp-down of the Cisco Starent program that offset growth in the quarter with a couple of newer customers. We currently expect that our fiscal Q2 will be another difficult quarter for our Wireless sector as we complete the exit of the Cisco Starent program. While we are currently forecasting growth for all other customers in this sector, the ramp-down of the Cisco Starent program is expected to drive overall revenue performance in the sector down approximately 30%.

Our Medical sector revenues were flat sequentially in fiscal Q1, in line with our expectations when we established guidance. The quarter was perhaps unremarkable. We experienced the usual seasonal strength with GE Healthcare that offset a similar but expected end market challenge with another significant customer in the sector. We currently anticipate that our Medical sector will grow nicely in the low to mid single digit percentage range in our second fiscal quarter, driven by new program wins and improving end market conditions for several customers that more than offset the GE Healthcare business returning to a more normal run rate.

Revenue in our Industrial/Commercial sector was up approximately 2% in Q1, slightly better than anticipated when we established guidance as several customers outperformed the earlier forecast. We continue to experience program delays for the Coca-Cola Company programs while the customer continues to revise and refine the market launch program to ensure a success oriented program. Specific reasons for the delays are best answered by the Coca-Cola Company and I will defer to their public statements. With the continuing delays, we have decided to derisk our forecast by lowering expectation for these programs for the remainder of fiscal 2011. This is a significant change from our view when we provided guidance last quarter when we highlighted delays but still anticipated a substantially back end loaded year. We now have just \$55 million in our forecast for the entire fiscal year,



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

with the revenue split evenly between the first and the second half of the year. I want to make clear that our customer continues to be enthusiastic and committed to the overall program, as are we. Even with the reduction in the Coca-Cola Company programs, we still anticipate that our Industrial/Commercial sector will grow sequentially in the low to mid single digit percentage range during our second fiscal quarter.

Our Defense, Security and Aerospace sector was up sequentially about 6% in Q1. We currently expect sequential growth to continue in Q2 with revenues up in the mid-teens percentage range in the smaller sector.

Turning now to new business wins. During the fiscal first quarter we won 24 new manufacturing programs that we anticipate will generate approximately \$130 million in annualized revenue when programs are fully ramped in our Manufacturing Solutions group. Our funnel of manufacturing opportunities remains healthy at \$1.6 billion with 40 opportunities in the \$10 million to \$50 million range. A program range we have demonstrated we can be very competitive. Additionally, about 40% of the funnel is in Medical, while another 25% is in Industrial/Commercial, two sectors where we have strong momentum.

Our Engineering Solutions group enjoyed another strong quarter of new program wins totaling \$17 million. The vast majority of the revenue is with medical programs. Addressing capacity, utilization and global growth, our added tool capacity utilization in Q1 was approximately 82% overall for the Company, a level that will limit our growth opportunities without further investment, as Ginger will outline during her comments.

Turning now to guidance. We are establishing fiscal second quarter 2011 revenue guidance of \$540 million to \$570 million, with EPS of \$0.53 to \$0.58, excluding any restructuring charges and including approximately \$0.08 per share of stock-based compensation expense. The midpoint of the guidance suggests a modest sequential decline in revenues as we largely complete the Starent program and continue to ramp down Avocent. You might recall, as we had previously communicated, both of these customers were acquired during 2010 and the acquirers chose to relocate these programs to their preferred EMS partners. Additionally, the fiscal second quarter will be unfavorably impacted by the increase in seasonal structural operating costs including salary adjustments which need to be absorbed in the financial model going forward.

Given my comments in the press release about the fiscal third quarter and the full year, I think it prudent to provide you some additional insight in what is emerging as a challenging environment. While we did not guide full year fiscal 2011 revenue on our conference call back in October, it is an important part of our normal process to update and refine our full year forecast just prior to each quarter's Earnings Release. At that time, back in October, our forecast confirmed that we had a positive revenue cushion to deliver revenue growth in excess of our 15% enduring growth goal. This forecast anticipated the impact of both the Starent and the Avocent programs exiting Plexus. Our current forecast indicated that our success in winning new programs during fiscal 2009 and fiscal 2010, in combination with proved end market demand, would more than offset the lost business and would deliver a very strong growth year in fiscal 2011. As you already know, we delivered our fiscal 2011 in line with expectations, our fiscal Q1 in line with expectations, and aside from the meaningful delay in the two Coca-Cola programs, fiscal Q2 appears to be holding up, as well.

But, as we refined our full year forecast in January in preparation for this call, it became apparent that softening of forecast in the latter half of fiscal 2011 was troubling and very significant. Comparing our October full year forecast to our January full year forecast, we have seen in excess of \$100 million of forecast erosion in fiscal Q3 alone. About half is broad-based across all sectors, exclusive of the amount attributable to the delay of the Coca-Cola Company programs. The confluence of these issues sets our expectations for a challenging fiscal Q3 as we currently anticipate revenues to be down sequentially in the mid single digit percentage range from the midpoint of our fiscal Q2 guidance. The large swing in revenue will pressure gross margins and operating margins during Q3, although we execute plans to mitigate the impact.

We currently anticipate that Q4 will grow sequentially from Q3, with margins trending back to our financial model. It is important to consider that the forecast for fiscal Q4 also experiences substantial overall revenue reduction relative to the October forecast, although the reductions were not as broad-based as the reductions in Q3. In spite of these challenges, we still currently anticipate that we will deliver fiscal 2011 revenue growth in the range of 10% to 13%. If achieved, this will be a strong organic revenue



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

growth, although below our enduring goal of 15% revenue growth and below our expectations just a quarter ago. The exceptional growth we experienced in fiscal 2010, in combination with the underlying success and growth in fiscal 2011, gives us confidence in our strategy and the value of the Plexus planned brand in the EMS marketplace. This confidence compels us to continue with investments with the appropriate time line investments to support longer term growth.

Ginger will discuss these investments and other details about the quarter in her comments. Ginger?

**Ginger Jones** - Plexus - VP and CFO

Thank you, Dean. As Dean mentioned earlier, revenue was largely as we expected and at the midpoint of our guidance range. Gross profit was 9.7% for the first fiscal quarter. This was in line with our expectations and below the fiscal fourth quarter. This reflected the mix change in our revenue during the quarter, as some mature programs were replaced by newer programs which are inherently less profitable while they ramp to volume.

Selling and administrative costs were \$27.1 million, in line with our expectations and lower than our spending in the fiscal fourth quarter. The reduction in spending was a result of lower incentive compensation expense, and restraint in hiring and managing our discretionary spending. SG&A costs as a percentage of revenue decreased again this quarter to 4.8%, an expected result as we managed spending carefully and obtained better leverage from increased revenue during the quarter. Operating profit was in line with our expectations at 4.9%, very close to our model of 5% operating earnings. Diluted earnings per share were positively impacted by our lower estimated tax rate. Our estimated tax rate for fiscal 2011 as we entered the fiscal year was 5%. This is now estimated to be 3% based on the forecasted regional mix of earnings for the full year. Consequently, diluted EPS for the fiscal first quarter was \$0.01 higher than we would have anticipated. As a reminder, variations in mix of forecasted earnings between jurisdictions can have a significant impact quarter to quarter on our estimated tax rate. Earnings in our Asian locations benefit from negotiated tax holidays in both Malaysia and China, while US earnings are taxed at a full 38% federal and state tax rate.

Return on invested capital was 17.3% for the fiscal first quarter, above our weighted average cost of capital of 13.5%. Our target is to deliver ROIC of 500 basis points, above our weighted average cost of capital or 18.5%. We were not able to do that in the fiscal first quarter based largely on increased investment in working capital during the quarter. Working capital ended the fiscal first quarter higher than we expected with increases in both the dollar amounts and in the days of cash cycle. Cash cycle increased by eight days from the prior fiscal quarter to 78 days. We had discussed a range of 78 to 80 days for the fiscal first quarter before cash deposits, which we are now reflecting in our disclosures for better optics. Adjusting for the deposits, the numbers for fiscal first quarter would have been 73 to 75 days.

I will now get into the details by balance sheet line items. Days in receivables increased by one day to 52 days. This was impacted by the timing of shipments during the quarter and is within a normal range based on our agreed-upon payment terms. Days in inventory were 93 days, up three days from our results in the prior fiscal quarter. The dollar value of inventory increased by approximately \$29 million, or about 6%. We are ramping new programs to offset lost revenue which challenges our cash cycle metric as we are procuring inventory in advance of the revenue. One day of this inventory increase was to support inventory for new customers that are ramping in the fiscal second quarter. The remaining increase in inventory dollars was largely based on our customers' demand variability and some inventory that did not ship at the end of the quarter. We are actively involved in managing these inventory levels down with the assistance of our customers to ensure that we are managing our balance sheet prudently.

Accounts payable days decreased by four days to 62 days. Largely the result of the timing of inventory receipts during the quarter which were concentrated in the early portion of the fiscal first quarter. Days of cash deposits were flat at five days or \$28.2 million. These are the deposits received from customers to offset the risk of inventory that we hold on their behalf. Free cash flow for the quarter was negative in the amount of \$34 million. We utilized \$21 million of cash in our operations during



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

the quarter, largely to fund the increased working capital described above. During the quarter we spent \$13 million in capital expenditures, primarily for equipment to support new programs and increased customer demand.

I'll now turn to some comments on the second quarter of fiscal 2011. Gross margin is expected to be in line with the results in the fiscal first quarter in the range of 9.5% to 9.7%. This is lower than our targeted model of 10% and reflects changes in revenue mix. As we have discussed, several significant programs that are mature, and therefore inherently more profitable, are beginning to be replaced by new programs that are inherently less profitable as they ramp up. We are working to offset this projected near term gross margin pressure with aggressive management of costs including SG&A, in an effort to protect operating profit and to adjust for an even more challenging Q3 that Dean mentioned.

SG&A for the fiscal second quarter of 2011 is expected to be in the range of \$27.5 million to \$28 million. This is slightly higher than spending in the first quarter of fiscal 2011. As we have discussed, during the fiscal second quarter we incurred expenses related to merit increases for our employees. We expect to absorb approximately \$0.5 million of expense on the SG&A line in the fiscal second quarter. This increase is expected to be partially offset by a decrease in incentive compensation expense, as the lower revenue and ROIC expectations for fiscal 2011 have reduced our expected accruals for incentive compensation.

Depreciation expense is expected to be approximately \$11.6 million to \$11.9 million in Q2. Up from \$11.3 million in the fiscal first quarter. We are estimating the effective tax rate for fiscal 2011 will be 3%. This is an increase from fiscal 2001 based on our slightly improved outlook for the US footprint. As demonstrated in recent quarters, the tax rate can vary during the year based on the mix of forecasted earnings between taxing jurisdictions.

Our expectations for the balance sheet are for inventory and accounts receivable to decrease based on our work to better manage the balance sheet. Accounts payable are expected to decrease in dollar terms as well, based on the expected timing of inventory received. Based on the forecasted level of revenue, we expect these decreases will result in lower cash cycle days. We currently expect cash cycle days, net of cash deposits, of 76 to 78 days for the fiscal second quarter. Our capital spending forecast for fiscal 2011 is expected to be approximately \$100 million. Our global added tool capacity remains high at 82%, which is not sustainable to support new programs and retain white space to show to potential new customers.

As a result we are making plans to expand our footprint in close proximity to our existing locations including the following investments. The fourth manufacturing site in Penang, Malaysia that was announced in July 2010. We spent approximately \$9 million in capital for this site in the fourth fiscal quarter for the acquisition of land. Spending on this facility was minor during the fiscal first quarter of 2011 as we are focused on site preparation. The balance of the capital for the building and initial equipment will be spent in the last three quarters of fiscal 2011. This project is on schedule to be operational in early fiscal 2012.

In December we announced the construction of a second facility in Xiamen China. This new facility will operate under the existing management team and will add approximately 180,000 square feet of manufacturing capacity. Construction is expected to begin in March of this year, with production to commence in the second half of calendar 2012. Also in December we announced our decision to lease approximately 15,000 square feet in Darmstadt, Germany. The space will house an Engineering Solutions Design Center and is expected to be operational in March 2011.

Finally, we have not made final decisions on the timing of our potential new facility in Oradea, Romania. Our plan is for a manufacturing facility of between 160,000 to 215,000 square feet. Construction of the facility could begin late in fiscal 2011. The start date for construction of this facility will depend on our overall outlook for the fiscal year.

Our financial model and targeted ROIC is designed to generate enough cash to support 15% to 18% revenue growth. With our expected improvements in working capital in fiscal 2011, we expect that we can fund these capital expenditures and generate free cash flow. As a reminder, we generated \$113 million of free cash in F '09 and utilized \$73 million in F '10. We believe these ebbs and flows of cash are a normal part of the EMS business. We expect to fund investments in F '11 with our existing cash. As a reminder, if needed, we have a committed \$100 million line of credit with our existing bank group that could be utilized if we have short-term cash needs.



Jan. 20, 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

Despite the challenges in the fiscal year we are committed to our long-term, 5-10-5 financial model which is an ROIC target of 500 basis points over our WACC. For fiscal 2011 this would be 18.5%. We believe this 500 basis point spread is enough to absorb any volatility in our weighted average cost of capital. And when coupled with our enduring revenue growth goal of 15% drive significant growth in shareholder value, making a compelling investment case for our shareholders. A 10% gross margin target. And finally, a 5% operating margin target. As demonstrated in our first quarter fiscal '11 results, we will try to protect the operating margin whenever possible by managing near term gross profit pressure through spending discipline.

With that I will open the call for questions. We ask that you please limit yourself to one question and one follow-up. Operator, please leave the line open for follow-up questions.

## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions). Our first question comes from Joe Whitney of Longbow Research. Please go ahead.

**Joe Whitney** - Longbow Research - Analyst

Hi. Joe calling in for Sean Harrison. Can you hear me?

**Dean Foate** - Plexus - President and CEO

Yes, I can.

**Joe Whitney** - Longbow Research - Analyst

First thing, I appreciate the candor on the third quarter forecast revisions. Maybe, Dean, you could just go into a little more detail to the extent you can. You said they were broad-based. Are these delays? Are they cancellations? Any markets that you can call out that are maybe a little bit more overweight than others that have changed their outlook? And is it specific to these customers, as far as you know, or is it a negative macro outlook from your perspective too?

**Dean Foate** - Plexus - President and CEO

I'll do the best I can there. Obviously, part of the Q3 reduction overall is related to the delay in the Coca-Cola program. But besides that, if you look at our forecast across sectors, we saw a substantial amount of reductions in forecasted demand in Q3 and a take-down even in Q4 for really a broad-based group of customers. And it really wasn't sector specific. We really saw quite a bit of trimming across the entire customer set. And in our view, we started to see a little bit of this in the mid-quarter role that we do in December, although it was hard to get a real good view of it at that time of the year, just given the difficulties of getting a good read from customers and things because that role happens right in the middle of the holidays. But clearly when we came in the January role it was clear that expectations for the entire year had come down.

So we saw a pretty strong, I would say, Q1. We actually saw some folks trying to push up the forecast in Q1. Some of which we were able to service but some of it we were not able to service because we were not able to get all of the materials we needed. So that drove a little bit of the higher inventory that Ginger talked about. Some of that demand flopped over into Q2. Customers pulled some demand from Q3 up to Q2 and created that little deeper hole in Q3, generally speaking.





Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

So it's an interesting phenomenon because it just doesn't feel like the environment is quite as bad as the adjustments that we saw to the forecast, particularly in Q3. And it feels a little bit like what we saw in the second quarter of our fiscal 2007 where we saw a hole that developed in Q2 and then the rest of the year normalized and everything was fine. So I don't know how to characterize it at this point any better than that other than to say it was across the sectors and it was across a lot of customers generally. And I think they were just looking at their demand profile here in Q1 and Q2 and were pretty confident with that and they were not as confident in Q3 and they wanted to avoid driving too much inventory into their channels and wanted to just avoid getting ahead of themselves given that overall the economic growth is at a relatively slow pace.

---

**Joe Whitney** - Longbow Research - Analyst

Could it have been any of your customers trying to reserve pipeline capacity as the supply chain was very tight, 90, 180 days ago?

---

**Dean Foate** - Plexus - President and CEO

It could have been that we're seeing some customers drive a little harder than they perhaps should have. I don't know that there was a tremendous amount of that in our environment but certainly I think that accounted for a little of it. But I just think it's a question of confidence in the second half and customers resetting to a different level of expectations.

---

**Joe Whitney** - Longbow Research - Analyst

Okay. Just as a real quick follow-up, if I run the numbers to get to 11% to 13% on the year, assuming a mid single digit type decline in the third quarter, the fourth quarter would have to see a pretty decent sequential pop. So why the conviction you're going to see that? And what's the risk that in 90 days customers ratchet down numbers, again your best odds how you came up with that fourth quarter broad guidance?

---

**Dean Foate** - Plexus - President and CEO

I think there's a couple parts. One is we did see the fourth quarter come down when the Q3 came down. It didn't come down as much and it was not as broad-based and we really worked hard to get a read from the customers on whether or not they felt there was further risk. It felt to us like things appeared to be, at this point, fairly stable in Q4. We also have a substantial number of new program wins that we'll be ramping up as the year unfolds. We've got a fair amount of confidence in ramp-up of those new program wins and so at this point we think that we will see reasonably decent sequential growth in Q4. Obviously, given what just happened, there is probably incrementally some risk on top of that but it just doesn't seem like a broader environment is suggesting that things are really going to fall off a cliff like they did when we came into the recession. It just doesn't have the same feel to it. Customers are more confident than that, I would say. It just feels a little bit like they've reset now to what they believe is a more achievable level of growth looking forward.

---

**Joe Whitney** - Longbow Research - Analyst

Very good. Thanks, Dean.

---

**Operator**

Our next question comes from Brian Alexander of Raymond James. Please go ahead.





Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

**Brian Alexander** - *Raymond James & Associates - Analyst*

Thanks. Just Dean, trying to clear up some confusion. So if I look at your new outlook for FY '11 revenue, it's down about 5% from where you were before. I think you were comfortable with 15% to 18% growth and now it's 10% to 13%, which is about \$100 million lower relative to last quarter. And you said you expect Coke to contribute roughly \$55 million in FY '11, if I heard you right, versus previously \$150 million to \$175 million. So based on that information alone, it appears the entire delta in your FY '11 outlook is driven by Coke. Yet obviously you're commenting on more broad-based weakness in customer forecasts. So I'm just confused and was hoping you can reconcile how much of the annual revenue reduction is Coke-driven versus driven by other customer forecasts. And then I have a follow-up.

**Dean Foate** - *Plexus - President and CEO*

Maybe Ginger can fill in, too, a little bit here. I guess what we're saying is we took Coke down to that \$55 million. If you consider that we completed about a fourth of that revenue in Q1 and you look and you consider that, it's just marginally a little larger in Q4 than it is in Q3 right now. So that's the shape of the Coke \$55 million. And as I said, we had a substantial cushion in our overall year that would have driven revenues substantially above the 15%, had the year unfolded. But we're conservative people so we were pretty comfortable with that 15% revenue growth number. We could have had, had we achieved everything that was in our forecast back in October, the number would have been starting to approach better than 18%. So that came down and that's why I was suggesting that we took \$100 million, October forecast compared to January forecast, out of the Q3 forecast. When you look at the Q4 forecast, I believe we took about \$80 million out of the Q4 forecast and the majority of that was Coca-Cola. So I don't know if I got to where you're headed or not with that further information.

**Brian Alexander** - *Raymond James & Associates - Analyst*

So it sounds like for the full year you took out a little bit over \$100 million out of your forecast, ex-Coke, if I understand. That \$100 million for Q3, that's a quarterly number; right?

**Dean Foate** - *Plexus - President and CEO*

Yes, that was the one quarter number. And keep in mind that would have put us well above where this private street had us at.

**Brian Alexander** - *Raymond James & Associates - Analyst*

So based on your experience, how reliable are these customer indicators for the June and September periods at this stage of the game? I think back to last year at the Analyst Day, and I know you called out proactively some customer forecast adjustments at that time, and the quarter ended up actually being okay. So I'm just wondering based on your experience, how reliable are these indicators and is it likely or possible a quarter from now that you'll be ratcheting those back up? And is any of this market share driven where you're perhaps losing programs or customers or is that not part of the equation?

**Dean Foate** - *Plexus - President and CEO*

Lets me address that first. Aside from the Avocent and the Starent program, we don't have anything significant that we need to talk about in terms of share shifts or program losses. We've had a remarkable track record of retaining our customer base and growing share with our customers, which is, I think, evident in the growth rates that we've had organically. So that's not the issue. The issue is really about what's happening in our customers' end markets and whether or not they're confident for growth in the end markets. And I would say right now Q3, the kind of broad-based reductions that we're seeing gives me in the aggregate -- in the aggregate I'm confident that Q3 is coming down, no question about it.



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

I do think that there are certain customers within the forecast right now that given the broader market trends, particularly when you look at the communications space and wireline, that I suspect are probably under-forecasting what is likely to happen. But at this point we've got to go with what they're telling us and we want to be conservative in that quarter because we did see so many other customers come down that even if we see some of these wireline customers come back up some, it may not be enough to offset other reductions. So I'm believing these numbers at this point. I think there is, given the bigger environment, I think we're probably playing the conservative side of this but I think that's the better place to be at the moment.

---

**Brian Alexander** - *Raymond James & Associates - Analyst*

No, I agree. It's great to be prudent. Just a final follow-up from me on Avocent and Starent, just to make sure we're all thinking about this correctly. I recall you talking about these customers as roughly \$50 million to \$60 million each. And I noticed in your 10-K you talked about two customers that were \$89 million and \$72 million of annual revenue that were coming out of the business. So I'm assuming those are Avocent and Starent and I'm just wondering if you can reconcile those two data points. That's it. Thanks.

---

**Dean Foate** - *Plexus - President and CEO*

Those would have been looking back at the F '10 numbers. Starent was the bigger of the two, looking backward at F '10. We were saying coming out in F '11 was the numbers that we had looking forward into the forecast at the time that we came to the conclusion they were coming out.

---

**Brian Alexander** - *Raymond James & Associates - Analyst*

Got you. Okay.

---

**Dean Foate** - *Plexus - President and CEO*

Do you want the to clarify further, Ginger?

---

**Ginger Jones** - *Plexus - VP and CFO*

No, Brian, I just wanted to add that Starent had a stronger finish to F '10 than we expected as they started managing their transition, so they ended up a little bit higher in F '10 than we had talked about or they had historically been.

---

**Dean Foate** - *Plexus - President and CEO*

Just to give a little further clarity on this, Starent -- there's a little bit of revenue for Starent yet in Q2 but it's becoming almost de minimis. It's going to be pretty well gone. The Avocent program, there's a fair amount of revenue yet in Q2. It steps down into Q3 and then is completely out by Q4.

---

**Brian Alexander** - *Raymond James & Associates - Analyst*

Thank you very much.

---



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

**Operator**

Our next question comes from Sherri Scribner of Deutsche Bank. Please go ahead.

**Sherri Scribner** - *Deutsche Bank - Analyst*

Hi. Thank you. I just wanted to clarify the comment you just made in terms of Starent and Avocent. It sounds like those programs are still progressing down in the way that you had originally anticipated. There hasn't been any change to the forecast for those customers?

**Dean Foate** - *Plexus - President and CEO*

Not materially. There's been a little bit of adjustment here and there as their other suppliers have struggled in some cases to bring those programs up and we've provided some nice support to the customers. But other than that, it's unfolded pretty much the way we thought.

**Sherri Scribner** - *Deutsche Bank - Analyst*

Okay. And then in terms of the comments about Oradea, Romania, I was curious that you're not making more firm plans in Europe. It seems like a segment that you've been talking about for a long time where you want to expand. Is there something that you're seeing there in terms of slower customer forecasts that are specifically out of Europe? Or why are you not as -- it seems not as committed to Europe right now as you were in the past?

**Dean Foate** - *Plexus - President and CEO*

I'm sorry if we left you that impression because there's several parts to the Europe story. Part of it is that, of course, we took one of our long-term executives, Steven Frisch, to take the leadership role in Europe overall as the regional President there. He's run our Engineering Solutions business for many years and he's a talented guy. He's over there now. He's been relocated with his family. And, of course, there's a couple work items that were right in front of him, one of which was to get the Darmstadt, Germany design center up. So we talked a little about that, Sherri, where we do have an address there. We expect that to be ready or so this quarter, late this quarter, and we've hired a leader for that design center. So that's, I think, a sign of a significant commitment to bring up the Engineering Solutions part of the business.

As for the manufacturing center, we do have two leased facilities in Oradea. And we've had, I think, the appropriate level of success bringing in customers into those facilities. And so we feel quite confident that we're in the right place. I'm looking at Mike Buseman over here. He leads Global Manufacturing. He can maybe just give you a little bit of update on the cycle that we're looking at for land acquisition and construction. Go ahead, Mike.

**Mike Buseman** - *Plexus - Senior Vice President, Global Manufacturing Operations*

Thanks, Dean. So, Sherri, just to give a little more flavor, we're moving forward, preparing to execute what we would call the greenfield or new construction, new site in Oradea. As Dean mentioned, we have various phase gate check points. We've gone around again, validated that we're very comfortable with where we're at, where we've chosen. We have chosen our design build partner and we're actively designing the building, as we speak. We're on a path now where we have closed our land deal. So all the pieces are coming together. We want to be prepared to start to execute this spring and then we just, as usual around here, one of our last phase gate check points is, is it still the right time to proceed or do we moderate timing a little bit based on a combination of the end market as well as the total capital spend that we see. Does that help?



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

**Sherri Scribner** - Deutsche Bank - Analyst

Yes, that helps. So it sounds like it wouldn't be fair to assume that there were changes in forecasts specifically in Europe and you are progressing, but right now you have plenty of capacity because of the other two facilities. Is that the way to think of it?

**Mike Buseman** - Plexus - Senior Vice President, Global Manufacturing Operations

I think that's a fair to think of it, yes.

**Ginger Jones** - Plexus - VP and CFO

Yes, and I would also add, Sherri, that we're trying to manage our capital spend for the year. And we've committed to two new facilities that are near existing facilities that are very good investments for us because they come up to profitability much more quickly, and we're just trying to be prudent about a year, our capital spend, in light of our revenue forecast.

**Sherri Scribner** - Deutsche Bank - Analyst

Okay, great. That's very helpful. Thank you.

**Operator**

Our next question comes from Jim Suva of Citi. Please go ahead.

**Samuel Mann** - Citigroup - Analyst

Good morning. This is actually Samuel Mann in place of Jim Suva. How are you? In regards to the Coca-Cola project, should we expect any excess fixed costs from underutilized building or equipment dedicated to the Coke project?

**Ginger Jones** - Plexus - VP and CFO

I'd say we're working through that to better understand how we're going to manage our cost structure during the delay. So we will do what we can to mitigate that. We'll have some conversations with our customer about how we mitigate some of that and still be ready for their ramp when it comes. That's an issue that's ongoing. I'd say that those costs are anticipated in what we guided for Q2 and also how we're thinking about the end of the second half of the year.

**Samuel Mann** - Citigroup - Analyst

Also, when I think about capacity utilization at 85%, are there any plans to move other projects into the facility dedicated to this Coke project?

**Ginger Jones** - Plexus - VP and CFO

We've had some of those discussions. That building was never intended to be just for the Coca-Cola program. It was intended to be for larger, form factor manufacturing, other mechatronics work. So, there is absolutely the opportunity to do some of that and we're considering that as we think about all of our North America and Americas footprint decision.



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

**Samuel Mann** - Citigroup - Analyst

Thank you, Ginger.

**Operator**

Our next question comes from William Stein of Credit Suisse. Please go ahead.

**Rahul Chadaha** - Credit Suisse - Analyst

Hi. Good morning. This is on Rahul Chadha on behalf of William Stein. Just wanted to understand how do you look at margins for Q3 and Q4? How should we be thinking about that?

**Ginger Jones** - Plexus - VP and CFO

I'd say that clearly they're going to be -- let me take them in two pieces. We've guided the second quarter, so you see that we are thinking about 9.5% to 9.7% for the March quarter. It will be less than that in the June quarter. I think we're not quite ready to guide what that's going to be, particularly because we are working on some mitigation plans. So less than the second quarter, and then the fourth quarter trending back up towards our model based on what we expect are going to be some cost containment programs and also recovery in the revenue level.

**Rahul Chadaha** - Credit Suisse - Analyst

Okay. That's helpful. And then just to dig a little deeper into the Coke project, not to beat a dead horse. Could you help us understand what was the reason behind the push-out. And if it is a push-out, then at what point do we see revenues coming back? And once fully ramped up, how big is this project going to be, let's say in the next fiscal year?

**Dean Foate** - Plexus - President and CEO

First off, we don't want to characterize it as a dead horse because we don't see it that way at all. We think it's an exciting program and we're happy to be a part of it. What we're not happy about is that, of course, it's been delayed several times. And so our view is that, rather than keep stringing this out with shareholders, and us trying to manage the business as if it's happening in the near term, it would be more prudent for us to operate with very conservative assumptions about the Coca-Cola program, at least for the remainder of the fiscal year. And then if things start to ramp up, then we're do our best to service the business on the way up.

But the way we view it at this point now is it's been delayed enough, in enough times, that, as I said, we decided to just derisk the business. And quite frankly, to be successful with the program and ramp up to the kind of volumes that the customer ultimately expects for this program, it would be very difficult for us to respond quickly now before the end of the fiscal year to service revenue of a much higher level, because the program is going to require some additional investment in tooling, in the supply chain. And it's going to require some additional investment in automation in our facilities. And it's going to require, of course, a ramp-up of human resources that are fully trained and able to build at the rates they're talking about.

So while right now our customer expects more in our fiscal fourth quarter than what we currently are reflecting in our full year guidance that we're talking about today, we think the likelihood of being able to actually pull off a much higher revenue level in the fourth quarter is becoming more difficult with each passing day just because of the factors that I talked about. So we're just looking at this now as more likely it's a fiscal '12 event, and it's starting to shape up in fiscal '12 much like what we originally



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

thought at the beginning of fiscal '11. The whole thing, in our mind, at least at this point, unless something changes dramatically here in the next few weeks, is going to look like a whole year delay, from our perspective. And then I would go back and take a look at the numbers that were already talked about and say nothing is really changed, at least from a communications from the customer to us, about what the ultimate production levels would be.

---

**Rahul Chadaha** - Credit Suisse - Analyst

Okay. That's very helpful. One last big picture question. We recently saw that Jabil is splitting into three segments, and one of the segments specifically targets Plexus' core high mix, low volume strength. Do you see increasing competition in that business which is the core strength as you view it?

---

**Dean Foate** - Plexus - President and CEO

From our viewpoint there's always been competition in this business. Flextronics has got a focused business unit that makes claims of coming straight after us in our space. Of course Jabil, we competed with Jabil consistently from as long as I've been in this business, head to head. I view them as a formidable competitor. I think the additional focus on the space from them, we'll see if that increases competition. In their view, in their strategy, I'm assuming that they expect it to be more successful. But at the same time, I don't view it as a zero sum game in that the marketplace, these market sock sectors that we're competing in are substantial market sectors. And the market sectors themselves have very low levels of penetration and there is certainly plenty of business to go around for a long time to come. And it could very well be that some additional focus in this market will help open up some opportunities and accelerate outsourcing from the OEM base that has so much of this business internal. So I don't know that increased competition, in a sense, is bad. I think increased competition may have a positive effect in that it may accelerate the market growth overall.

---

**Rahul Chadaha** - Credit Suisse - Analyst

Thank you very much.

---

**Operator**

Our next question comes from Brian White of Ticonderoga. Please go ahead.

---

**Brian White** - Ticonderoga Securities - Analyst

Yeah, Dean, just looking at the second half of the year, while it sounds like there's some broad-based cuts, what markets do you think will outperform in the second half of the year for Plexus?

---

**Dean Foate** - Plexus - President and CEO

Well, I certainly can't point to Q3 and say much has outperformed. But I think just generally speaking, Brian, this is a really good question because we're sitting here hanging our heads because we're looking at maybe still a pretty strong overall growth here. But when we really look at the business, we're looking at almost all of our market sectors performing pretty well overall for the year, with the exception of wireless, which is coming down dramatically from the Starent business coming out, and the newer customer ramps in that sector not able to overcome that for the full year. The Medical sector for the full year we expect to be quite strong. Right now we've got overall growth in there north of 20% for the full year. The Industrial/Commercial sector for the full year we see up north of 35% for the full year, even with the Coca-Cola program coming out. Defense Security and Aerospace it up a little north of 20% at this point. And the Wireline, of course, the biggest sector, is up single digit at this point,



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

but there's a whole bunch of, I believe to be end market momentum there that with our position with our customer base I suspect, at this point, maybe a conservative kind of view.

It could be that we're not going to get as much in F '11 but certainly the momentum as the year comes to an end as we start moving into '12 could be quite dramatic for us because we've had some great wins in that marketplace. And as I said, the end market trends there are really supportive of our customers and the new business wins that we've had over the course of the last year, and even into the first quarter this year. One of the big wins embedded in our new wins was another significant opportunity with Juniper, which we're just ecstatic about. You step back and you look at it and it's really not a bad looking year. It's just disappointing the hole we're falling into here in the third quarter. And, of course, the Coca-Cola program delays which we're being very conservative about at this point is, of course, a disappointment, as well.

---

**Brian White** - *Ticonderoga Securities - Analyst*

And when we think about the networking cloud computing area, should we expect Plexus to participate in programs in that area where you haven't historically?

---

**Dean Foate** - *Plexus - President and CEO*

I think the demands on the network associated with the whole cloud computing environment is going to drive opportunities with our customer set. Certainly Juniper is going to benefit from that, Ericsson Redback is going to benefit from that. As are a number of others -- customers that we generally don't talk about, but there's some really good, I think, opportunities in our portfolio, especially with those customers. Sycamore is another one with demand on the infrastructure.

---

**Brian White** - *Ticonderoga Securities - Analyst*

Thank you.

---

**Operator**

Our next question comes from Sean Hannan of Needham & Company. Please go ahead.

---

**Sean Hannan** - *Needham & Company - Analyst*

Yes, good morning. So when you talk about your funnel at about \$1.6 billion, that's down from about \$1.8 billion last quarter. And actually a bit lower than we've seen for a few years. What has changed there or is this really Coca-Cola being removed?

---

**Dean Foate** - *Plexus - President and CEO*

Keep in mind, the funnel is new business opportunities that we're working to win. So it's not forecast. It's what the go-to-market teams are pursuing. Some of the funnel has come down, quite, frankly because we've done a good job harvesting opportunities out of it and so we need to go out and identify further opportunities. I'm not troubled by the \$1.6 billion because, as I said, the path to get there has been part harvesting and part just better diligence on what goes in. We continue to refine the go-to-market strategies and we continue to do a better job of just not letting a lot of noise come in there, opportunities that really don't fit the model of the Company. And so I think it continues to be a cleaner funnel. I'd like to see it closer to about the \$1.8 billion. I think it's a better number for us going forward. But I wouldn't view \$1.6 billion as a difficult funnel for us to harvest good revenue out of at all.





Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

**Sean Hannan** - Needham & Company - Analyst

Okay. So if I hear correctly, we've had harvesting in some manner, perhaps some criteria has gotten more specific?

**Dean Foate** - Plexus - President and CEO

Agreed.

**Sean Hannan** - Needham & Company - Analyst

Okay. All right. So next, when you think about your lowered forecast, are you seeing or at least more conservative forecast when we look to the back half of the year, are we seeing increased conservatism at least -- I'm trying to differentiate between existing programs and new ramping programs. Is there any difference of conservatism with the ramp of new programs or are new program ramps in line with some of the tempered views that you're seeing with existing lines that you have with customers in the market?

**Dean Foate** - Plexus - President and CEO

Yes, I wouldn't say that the conservatism that we saw roll into -- it started a little bit in Q2, and in particular in Q3 was across both existing customer product lines as well as the newer customers and the ramp-up rates of programs. So it was hard to single anybody out that really didn't feel consistent with the group.

**Sean Hannan** - Needham & Company - Analyst

Okay. And then lastly, is there anything that you're seeing within forecast changes around Defense and Security tied to current budget anxiety? What have you been seeing in your forecasts there?

**Dean Foate** - Plexus - President and CEO

We are seeing some of that. Actually, I think that impact, we started seeing it even back in Q10 -- in fiscal '10, when we saw things back off. I think that what we have done is certainly elevated our focus on the aerospace components of DSA, and that's really what's driven most of the growth for us, is around a lot of the new air platforms that are being brought into the marketplace. And so that's where we're putting the focus of our energy right now, versus the difficult market I think with Defense in particular. Although I would say that some of the aerospace technologies do fall into the Defense category. And I think the longer term, the Defense category, you can still grow there even with the budget situation because so much of this business is internal to the OEMs. But I think with the budgets coming down, that it's going to be harder essentially to extract some of that business in the near term. It's going to come out slower because those OEMs will protect their internal capacity for the time being, is our view.

**Sean Hannan** - Needham & Company - Analyst

Okay. Thanks, Dean.

**Operator**

Our next question comes from Wamsi Mohan of Bank of America.



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

**Rupu Padacharia** - BofA Merrill Lynch - Analyst

Good morning. This is actually [Rupu Padacharia] filling in for Wamsi. I just had two quick questions. Looking at the new manufacturing wins this quarter, you had 24 new wins with an annualized revenue of \$130 million. And if I look at the year-ago quarter I think you 17 with \$208 million of annualized revenues. Then the year before it was about 15 wins with \$234 million. So, if you can just given us some color on what you're seeing in the marketplace with respect to the size of programs. Or is this just a function of mix or are the programs smaller in size? It just seems that your annualized revenue, even though you're winning more programs, the total revenue size on an annualized basis is decreasing.

**Dean Foate** - Plexus - President and CEO

Yes, I think it's important to keep in mind that we had just an exceptional period of new program wins that happened in actually our fiscal '09. And that was in the midst of the recession where we actually benefited from a number of our customers consolidating their supply chain. And in some cases backing out of internal manufacturing capacity. And so we just had this exceptional rate. We feel that the \$130 million is a good number when we look at the roll-off of existing programs as they come end of life, average costs down, those sort of things. So that's not a difficult number for us. We would like to see that closer to \$140 million to \$150 million because I think that will help us drive longer term growth. And of course as the base of the business continues to get larger, if we're going to continue at a 15% enduring goal, we've got to continue to see that number ratchet up.

But I don't think there's anything meaningful. We're going to see some ebb and flow on that number. And I think the shorter term average, if you look at our business through F '10, I think our F '10 numbers if Q1 were \$108 million, Q2 \$137 million, Q3 \$141 million, Q4 \$115 million. Then back up to \$130 million. This is not out of line with what unfolded through all of fiscal '10.

**Rupu Padacharia** - BofA Merrill Lynch - Analyst

All right. Yes, that's helpful. Thanks, Dean. Just one more question. With respect to the Coca-Cola program, are both the freestyle program as well as the behind-the-counter program, are both of them being pushed out equally or do you see some difference? Could one come back sooner than the other?

**Dean Foate** - Plexus - President and CEO

No, they're being pushed out equally. I would say I'm glad you brought this up, though, because the behind-the-counter, what they call the crew serve, that has gone -- back in the fall we were talking about the first units of that getting out the door for consumer tests and things. And so far the feedback on that technology has been that it's meeting the commercial needs of the customers involved in the test market. So there's some encouragement there related to the crew serve which is, of course, a critical part of this for some of the restaurant chains to move to the technologies they needed. They felt they needed both a crew serve and self serve unit, the freestyle, at the same time.

**Rupu Padacharia** - BofA Merrill Lynch - Analyst

The last one from me is the \$55 million number, is that your estimate for the total revenue from both of the programs?

**Dean Foate** - Plexus - President and CEO

That's the total from both of the programs for the full year and we fulfilled part of that already in Q1, about a fourth of it.



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

**Rupu Padacharia** - BofA Merrill Lynch - Analyst

All right. Okay. Thank you.

**Operator**

Our next question comes from Lou Miscioscia of Collins Stewart. Please go ahead.

**Lou Miscioscia** - Collins Stewart - Analyst

Great. Could you just go back into the revenue decline, obviously going into the June quarter, and give us a little bit more color? You might have mentioned this before, as to which industries actually you're seeing it hit harder.

**Dean Foate** - Plexus - President and CEO

Lou, I don't know that I talked about it hitting any of them harder than any others. We saw it come down pretty dramatically in most of the sectors, I would say. The only one that really was somewhat immune to it was our Medical sector. And the Medical sector did experience a number of declines among the customer set but we've got some newer program wins that are overcoming what we saw as end market softness. The end market adjustments from the customers to their forecast was pretty consistently applied across all the sectors.

**Lou Miscioscia** - Collins Stewart - Analyst

Okay. And then flipping back to the new program wins that you announced, any breakdown by industry there?

**Dean Foate** - Plexus - President and CEO

I can give you the revenue breakdown by industry, if you find that helpful. About 40% of that revenue number was in Wireline, 41% of it in Medical, 19% of it was in Industrial/Commercial.

**Lou Miscioscia** - Collins Stewart - Analyst

Okay. Great. Thanks.

**Operator**

I'm showing no further questions and would like to turn the call back over to management for any closing remarks.

**Dean Foate** - Plexus - President and CEO

All right. I just want to thank everybody for the good questions today. Obviously, this is not the kind of performance we were looking for for the full year, but we view it at this point -- or for the full year as we looked just a quarter ago. But at the same time we view it at this point as being a troubling kind of Q3 but then back to more normal kind of business conditions in Q4. And we haven't seen anything at this point that would suggest anything other than that, that customers have just brought their forecast down to what they believe to be a more normalized kind of growth rate for the remainder of the year. And we'll see if that unfolds. But we're not seeing anything in the supply chain, in the customers generally, to suggest it's anything other



Jan. 20. 2011 / 1:30PM, PLXS - Q1 2011 Plexus Earnings Conference Call

than that. And I guess we'll watch with interest what the rest of our peers say in the industry as they come through their announcements. Thanks very much for the questions and enjoy the rest of your day. Bye.

---

**Operator**

Ladies and gentlemen, that does conclude today's conference. You may all disconnect and have a wonderful day.

---

**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.