

02-Jun-2014

Avis Budget Group, Inc. (CAR)

Goldman Sachs Lodging, Gaming, Restaurant & Leisure Conference

CORPORATE PARTICIPANTS

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

OTHER PARTICIPANTS

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Karl Blunden

Analyst, Goldman Sachs & Co.

MANAGEMENT DISCUSSION SECTION

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Okay, we're going to get started in a minute. Okay. So now we have Avis Budget up next, and I would like to introduce David Wyshner, who is the CFO of Avis. Neal Goldner, who is the IR, is not up on stage, but he's right here.

So Avis, as you all know, is a leader and provider of rental car services, with operations in more than 70 countries. Obviously, as you're aware, the industry has undergone a dramatic consolidation over the last few years, such that there are now three major players that now control the vast majority of the industry. Avis themselves have also gone through two transformative acquisitions, first by buying Avis Europe in 2011 and by buying Zipcar early last year.

So I'll turn it over to David for some brief remarks, and then we'll sit and then we'll go right into the question and answer. Thank you. David?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

Thank you, Afua, and thank you to Goldman Sachs for inviting us to present today. Thank you all for joining us, both here in person and on the webcast. I'll be making some forward-looking statements today, and our future results could turn out to be different from what we currently expect. We discuss many of the risks we face in our 10-K.

I'd like to provide a quick overview of our business, a recap of the first quarter, and an update on second quarter trends. Avis Budget Group is a leading provider of vehicle rental services, operating primarily under the Avis and Budget car rental brands, as well as Zipcar, the world's leading car-sharing network. Our strategic focus continues to be on profitably accelerating growth, expanding our global footprint, putting the customer first, and driving efficiency throughout our organization.

We had strong results in the first quarter. Revenue grew 10% year over year, and our adjusted EBITDA grew 26% to \$117 million. In North America, we had 4% organic volume growth and a 2% increase in pricing, excluding Payless, that reflected growth in both leisure and commercial rates. North America EBITDA grew 23%. Internationally, revenue grew 7%, and adjusted EBITDA grew more than 50% before currency impacts.

We continued to generate incremental synergies from our prior acquisitions of Avis Europe, Payless, and Zipcar, and we completed two tuck-in acquisitions, one in Canada and one in Portugal, and repurchased \$75 million of our common stock. Last month, we also reaffirmed our projection of \$825 million to \$900 million of adjusted EBITDA this year, as well as our target of \$1 billion of EBITDA in 2015.

We continue to be enthusiastic about our business and our prospects. Favorable volume and pricing trends in North America have continued into the second quarter. In North America, I expect that the year-over-year organic growth we report in the second quarter will exceed the 4% volume growth and 2% pricing increase we reported in the first quarter.

The used car market has softened modestly, moving more in line with what we had expected at the beginning of the year. Our international operations are still offsetting some pockets of demand weakness by managing costs carefully. In truck rental, we're investing in maintenance and repair work this quarter to prepare for the summer peak, and we've now refinanced all of our 8.25% notes, having issued replacement debt in May at a rate of just over 5%.

All in all, we feel that the second quarter's shaping up to be another strong quarter, driven to a significant extent by our North America segment. We continue to be focused on our realized pricing and feel that there are significant opportunities there. The initial phase of our yield management initiative is having a positive impact. And even with the 2% price increase we reported for Avis and Budget in the first quarter, our realized pricing in the U.S. was only 3% higher than it was five years earlier in the first quarter of 2009.

Lastly, our plans for capital allocation remain the same. We continue to hunt for attractive, synergistic, tuck-in acquisitions. I expect our spending on tuck-in deals over the first half of the year will be around \$50 million in total. We've continued repurchasing stock in the second quarter and continue to expect that we will repurchase \$200 million to \$300 million of stock this year.

With that, I'd be happy to move into the fireside chat portion of today's talk.

QUESTION AND ANSWER SECTION

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

Thank you, David. I also forgot to mention we have Karl Blunden on stage with us. He is the Goldman Sachs high-yield analyst covering the rental space as well. So he will also ask some questions. So before I start, maybe anything from the audience first, then...

Okay. So we'll go in. So, David, one of the things that we're always asked about in the industries we cover is brand differentiation. I think the rental industry -- it's a little difficult to fathom how that works, or how much of an advantage it is, given you all have the same cars, you're all at the same lot. So how do you think about brand differentiation in that industry? Is that something that is -- what does the customer look for? How is Avis different from Budget, different from Payless?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Sure. Brands matter in our business, and when we think about brand differentiation, we focus on all of our customer touch points, which include not only the airport counter and the range of vehicles available, but also our online presence, our reservation process, the check-in process, the ancillary products and services that we make available, our counter-bypass programs and loyalty programs, and how we deal with issues when they arise, whether it's a customer who's made a reservation for the wrong date, or someone who's left something behind on a trip, possibly in the rental car. And in this range of customer touch points present a number of opportunities for us to differentiate ourselves and to differentiate our brands. And we really focus both on the quality of those interactions that we have, as well as the consistency with which each of our brands deliver quality and value.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

Thanks. And then I think you touched a little bit -- maybe remind us -- on the pricing you're seeing thus far in 2Q. I think you said up more than 2% in organic, and the volumes of these up strong. Can you tell us maybe what does Avis and industry need to do? Do we need to see sustained price increases, not just over quarters but over multiple years?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Sure. I think companies seeking a better return on invested capital, to better match the cost of that capital, is really key to sustained pricing growth. For us, even a modest, sustained increase in pricing can be enough to significantly improve our economics. And we think we can achieve that in a way that doesn't materially impact our customers or their behavior.

With respect to our pricing, we're really looking to drive that from a variety of perspectives. We think our mix initiatives and our yield management initiatives are certainly helpful to the pricing that we're achieving, and we've expect that'll continue to have a positive impact going forward.

Karl Blunden

Analyst, Goldman Sachs & Co.

Q

David, you mentioned in your prepared remarks that you've done good work on the balance sheet, extending maturities, lowering interest costs. As you think about your capital structure right now, where do you see the opportunities? Are there more opportunities to lower your interest costs going forward?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Sure. Clearly, the piece of debt that jumps out is the 9.75% notes that we still have about \$223 million worth on the balance sheet. Those become callable in October of next year, and certainly the refinancing of those at anywhere close to the interest rates that we're currently issuing at would be a significant savings. So I see that as probably the biggest remaining opportunity. Other than that, we're comfortable with the maturities that we have out there, and I wouldn't really expect a lot of changes other than that.

Karl Blunden

Analyst, Goldman Sachs & Co.

Q

Right. As you think about funding in Europe versus the U.S., what are your considerations there as you look to financing growth going forward?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Sure. I think we're really happy to have been able to issue some corporate debt that's euro denominated over the last couple of years. It was something we had looked to do when we acquired our European operations in late 2011, and the market was really charging a premium for euro-denominated debt at that point in time. And so we passed on it then, but had been able to go back and make that happen. And the reason that's attractive is that it really creates a better asset-liability matching for us so that we have euro-denominated interest expense to match some of the EBIT that we generate in Europe, and that creates a better matching for us. We're comfortable with the level that we have right now, and so I don't see significant changes or increases, but we're really excited to have that asset liability matching, that embedded hedging, if you will, in our capital structure.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

Do we have – okay, we have one there. Can you hit the button for the – ? Yep.

Q

How's that? Okay. Can you just talk about some of the drivers for pricing that was seen thus far and how it could continue in terms of industry consolidation, economic tailwinds – I forgot the third thing but – oh -

Q

Supply and demand.

Q

– sorry, supply and demand between demand for cars and I guess demand in general?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Sure. I think it's always hard to bifurcate what issues are driving pricing trends. I think our own push for pricing are the price increases we've implemented. Fairly consistently, over the last year, year and a half, in terms of retail pricing, are having an impact that's favorable for us. I think we've supplemented that with being really thoughtful about the mix of customers we go after and how we go after them, and that has a positive impact.

Our own pricing has been helped a little bit by our car class mix as we look to shift that up and believe there's some incremental profit opportunities that are probably greater than the incremental revenue opportunities as we do that. And most recently, our yield management initiative, where we've implemented some sophisticated robotics that allow us to automate pricing changes much more rapidly and efficiently and effectively and optimally than we did before. And when you have that many things going on, as I said, it's difficult to bifurcate one from the other, but I think they're all helpful.

And the backdrop for that, obviously, is that supply and demand in the industry have been reasonably well balanced. We haven't seen ourselves or competitors in the industry with fleet levels that are out of line with demand that's there, and that's always a clearly helpful fact, a helpful backdrop for pricing. Since in a situation where a competitor were to be over-fleeted, it would be difficult to achieve the sort of pricing we've been achieving.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

We have another one there.

Q

Yeah. I just had a question. So it seems like for one of the first times in the industry that all the players are kind of on the same side in terms of wanting to advocate price increases. And I was curious about some of the other drivers in terms of – do you think that we'll ever see a day where there will be penalties in the industry for canceling reservations or holding reservations, just because it's such a big driver of utilization and return and kind of helps everything, and kind of what your thoughts are around that?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Sure. A couple of things, starting where you started. I think our industry really does remain quite competitive in terms of how we're going after winning customers every day. Our pricing robotics are helpful to how we compete and win in that space. But we're seeing continued aggressive competition, both for retail customers as well as in the commercial space.

With respect to no-show penalties, I think in certain situations, really high-demand pockets, they'll exist and they'll make sense. But what we've seen over time is they're not as customer friendly, not as customer accepted as other ways of getting to a fairly similar outcome. And in particular I do see prepays growing and continuing to grow in the future as a way of managing the no-show issue a bit and incentivizing customers to book when they really need a car and to cancel if and when they no longer need a reservation. And I see that as a much more customer friendly way of doing that, because it's perceived as providing a discount. It does provide a discount for folks who book and commit to taking a car.

And the corollary to that is that, relative to prepaids, other folks who are seeking to maintain the flexibility to be able to cancel without any additional cost are paying a slight premium. And I think that's a way that we feel is working better for us in terms of how we manage our relationships with our customers while also being sensitive to the no-show issue.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

[ph] Do we have... (15:12) Okay. Maybe, David, this wouldn't be a rental car presentation if I didn't ask about residual value. You've been surprised by the strength year to date in that market. First of all, a, what do you think the drivers are for that strength? And do you think it's sustainable? And maybe you can help us frame how that relates to what is in your EBITDA guidance or how that relates if the strength continues. I would imagine it should be a tailwind, or maybe you can address more clearly.

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Sure. Residual values matter to us. About two-thirds of our fleet, as you know, is comprised of cars that we buy on a risk basis where we bear the residual value exposure. I think we were a little bit surprised by the strength of the used car market in the first quarter. We entered the year expecting the used car market to be average by historical standards and modestly weaker than it was in 2013, and we still expect that to be the case. What we saw in the first quarter is that residual values were a little bit stronger than that. And as I mentioned in my remarks, they've softened a bit over the last month and a half to be more in line with our original expectations. And I think what's going on is that like most markets, the used car market is subject to near-term volatility that sometimes disconnects from longer-term trends. And my view is that it's at a point or two of the strength year to date is just some positive noise around the trend line, but not something more than that.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

Okay. Okay, and then at least sticking to the fleet again, I think, maybe can you give us some thoughts on the impact of the recent GM recall? I think – I know speaking to our auto analysts, I think this – the most recent one that was announced had some current model year cars in them, so I would imagine those are still cars that are on your fleet. And how does that impact you? I think I recall there was an issue in 4Q were there was a similar recall and you had some cars on fleet you couldn't use.

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

That's right. I think we've been fortunate in that the majority of the recalls that have been announced so far this year – and there have been quite a few – have been for older cars, which aren't in our fleet, but a portion of them have impacted vehicles in our fleet, and we're managing through it.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

Okay.

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

The increase in volume of recalls does create some pressures on utilization. But so far, we've been able to offset the impacts of that with savings elsewhere in our business. Clearly, it's creating a lot of additional work and logistical

challenges for our operations team, but they've been working through it in a great way and really helping us minimize the impact on utilization and allowing us to be in a position where we can offset those impacts successfully in other areas of the business.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

Maybe to help us all here understand, the way it impacts utilization, is it because you have to buy excess – an additional fleet to subsidize the ones that you're not using so then you just end up having a little bit more cars?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Yeah. Essentially, what we end up doing is holding on to some cars that we otherwise would have sold or turned back for a week or two or three as we work through the recall. We get – either do the work that we need to do or get the parts in to allow the work to be done so that the recall vehicles are repaired and can be put back out on rent again. So it causes us to have some cars a little bit longer than we had planned on. As a result, it causes the fleet to be slightly larger than if we didn't have the recall, and that's where the utilization impact comes in.

Karl Blunden

Analyst, Goldman Sachs & Co.

Q

David, if I could just dig into the fleet side of things as well, on the credit side, where we get a lot of equity investor calls and questions is how should we think about interest rates impacting the cost of fleet financing, specifically through the ABS markets? And you'll see expectations for 10-year Treasury rates to be increasing relatively materially over the course of the next year to two. And how do you think about the sensitivity of your funding costs on the ABS side relative to those 10-year rates, for example?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Sure. I think we've been very aggressive and thoughtful about achieving as much term maturity, as much tenure and tenor in our ABS profile as market will allow. And what that's translated into is pretty consistently over the last few years, issuing five-year ABS to fund the majority of our fleet, particularly in North America. And, as a result, with a four- to five-year average maturity, we have 20% to 25% of our U.S. ABS term debt turning over each year. And that really helps mitigate the near-term exposure to movements in intermediate-term rates.

We do have seasonality in our business, where our fleet is a couple billion dollars larger in the summer than it is at the winter trough. And that creates a short-term annual exposure to where short-term rates are – LIBOR, CP rates – and that's a normal part of our business, and the impact of that is relatively manageable in the scheme of things. But what we've done over the course of time is really look to issue five-year debt wherever we can, so that our exposure over the next year or two is relatively limited.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

Do we have any questions from the audience? Okay. Maybe, David, moving on to another topic, you talked actually in your prepared remarks about acquiring the Payless brand, and I think Hertz has also started a lower-value brand, which is their Firefly. Maybe talk about the impetus into going into that segment of that market. Isn't it a lower-margin business, or – and how do you offset that, and is that a new growth driver?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Yeah. I think the impetus for the acquisition of Payless is really strategic and financial. On a standalone basis, it may be and was a lower-margin business than where we are. But as part of us, it has the potential to provide a fairly attractive margin. We expect the \$50 million acquisition to contribute \$20 million or more to EBITDA this year, meaning that we'll have a creation multiple or around 2.5 times, which is certainly financially attractive. But from a strategic perspective, we see the opportunity for the Payless brand owned by us to protect the midtier positioning of the Budget brand and to allow us to cascade fleet in a way that really helps us reduce our overall fleet costs. And I think the deep-value segment, while small, is – and likely to remain fairly small – is one that we want to have a presence in, particularly since our Budget brand is typically positioned and perceived above the Dollar and Thrifty brands.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

So is that market – what do you think about the customer who rents from the deep value? Is it a corporate customer who, on their own time, may move away from the Avis or higher-end brand and move to the – what is the sort of customer who rents, and how is – I guess what I'm wondering is, on a standalone, what you said: it's a lower margin, but part of you it's better. So I wonder what are some of the things you bring to it, aside from the cascading of cars and some [indiscernible] (23:46).

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

What we bring to it, in addition to operational expertise, is the cascading of cars and the infrastructure that we can leverage. And those are very powerful in this case. I think the customer profile skews heavily toward leisure customers and those for whom a savings of a few dollars a day is paramount to the point of often being willing to deal with a near-airport location as opposed to an on-airport location and also accepting a slightly older vehicle than what we would typically see in the Avis and Budget brands. The sorts of things that allow us to take costs out and allow a savings in terms of rate of a few dollars a day that can be worthwhile for that group of customers.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

Anything? Okay, maybe moving on to Europe, how is that market going? I know the economies, at least from what we hear, seem to be improving. So are you seeing that reflected in your trends? And I think one of the other things that I was curious about was in your Avis euro business, when you strip out the licensee revenue and profit, how is the Avis corporate doing? Because I remember that was a big part of the acquisition, that the Avis Europe corporate margins were just so much below what they could theoretically be. So what is the improvement you've seen there so far?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Sure. A couple of questions in there. I think in terms of the volume that we're seeing, Europe is modestly better this year. But I'd definitely put it more in the – off the bottom but improving very slowly category, rather than a more meaningful improvement there.

In terms of our margins in Europe, the margins, excluding licensee revenue, have historically been lower than what we've seen in other parts of the world. And I think that's been a key part of our focus over the last year or two in terms of the integration work that we've been doing.

Clearly we've been doing that integration work in the context of a challenging economic backdrop. And so what I think we're doing is really positioning that business well for the future, both as we grow the Budget brand in Europe and as we see economic conditions start to rebound there over time. I think the combination of those two things will help us improve margins in Europe, improve our core operating margins in Europe fairly considerably over time. And really the improvement that we're seeing there currently is being driven by our core operations and the integration activities that we've been doing.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

And is the slow improvement you're seeing in Europe, is it across all countries? Are there any pockets that are different, worse, better, how...

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

It's been a little bit spotty. So far this year, Central Europe, particularly Germany and, to an extent, France, have been – the center of our European operations – have been a little bit weaker than other parts of Europe, which have been much closer to our expectations. We'll see how things shape up for the summer. But certainly over the first four or five months of the year, the French and German demand has been a little bit softer than we had expected going into the year.

Afua A. Ahwoi

Analyst, Goldman Sachs & Co.

Q

Okay. Think we have time for one more question. If not – anything from the audience? If not, I [indiscernible] (27:42) – and maybe we'll end with just your thoughts – the commercial price, and I think that that has started to be a nice – you've seen some improvement there. Can you talk about what the drivers are? Is it a function of maybe contracts that were struck at unfavorable rates rolling off, and so you're starting to get that natural roll-off benefit? Or are you actually seeing corporate customers more receptive to price increases?

David B. Wyshner

Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

Sure. There's a lot going on within the commercial space, within that commercial pricing number that we talk about. It starts on the small-business side where we achieve better pricing than with large customers, because we don't provide the same volume discounts. And we continue to push hard to grow that business and to achieve price increases in the small-business side and really just to grow the volume of that business. So that's helping. In the mid-market space, we're having a bit more success in achieving the price stability and, in many cases, price increases, and that's helping. On the large commercial side, the accounts with more than \$1 million of annual volume, I think things continue to be quite competitive, and that's a challenge there. We're pushing for pricing where we can and getting it on a fair number of occasions, but I think there's probably more to be done on the large commercial side than anywhere else.

And then, lastly, some of the uncontracted commercial business has been quite strong in the early part of the year, and I think that really points to industry-wide fleet levels being in line and leisure rates being up, which have helped reduced the extent to which corporate customers who are allowed to flip into leisure rates. And all of those factors are helping our achieved commercial pricing so far this year, and I think there's good reason to hope that they'll continue to over the next several quarters.

Afua A. Ahwoi
Analyst, Goldman Sachs & Co.

Q

And so those four buckets of commercial customers you mentioned, which is the largest? Like if you were to – is one 30%? Are they 25%, 25%, 25% of the business or – ?

David B. Wyshner
Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

A

They're each in the range of 20% to 25%. We also have government and a few other categories in there as well, but each of those I think falls roughly in the 20% to 25% category.

Afua A. Ahwoi
Analyst, Goldman Sachs & Co.

Great. Okay. So thank you very much, David. And I think we'll end with – we now have our hotels panel coming up. So those who are interested, stick for that.

David B. Wyshner
Chief Financial Officer & Senior Executive VP, Avis Budget Group, Inc.

Thank you very much.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2014 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.