

**NIRI Silicon Valley - Analyst Day Do's and Don'ts
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Presenters

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- Paul Kreider Analyst
- Craig Ellis Citigroup Global Markets; Sell-side Analyst
- Randi Paikoff Feigin Juniper Networks; VP Investor Relations
- Michael Beckwith Navis Capital; Buy-side Analyst
- Cathy La Rocca Yahoo!; Manager, Investor Relations

PRESENTATION

Peter Schuman: Good afternoon, everybody. I'm Peter Schuman. I am the Vice Chairman of Programs for (inaudible) Valley Chapter. And I want to welcome you today to Analyst Day Do's and Don'ts. I'm sure we're going to have a lot of questions. We have some questions Sue (ph) made for the panel, but if you'd like to ask a question, please feel free to come up to the microphones.

The program is being webcast by today's sponsor, which is Thomson Financial, and we like to thank them for doing this, and it will be available on replay as well. Also, (inaudible) but we want to remind people that we're doing signups for the mentor program. (inaudible) please make an announcement. Today's panelists, very distinguished panelist group, we have Randi Paikoff Feigin and she's the Vice President of investor relations at Juniper Networks.

She's also on the NIRI National Board, and has over 10 years of IR experience. She's also been at Cisco, StrataCom and worked on the sell-side at a number of firms. To Randi's right is Paul Kreider (ph) at (inaudible) Investment Management. Paul is very outspoken, those of you who (inaudible). He has a few ideas of his own. Paul is a portfolio manager at a fund which has over 400 million in assets and Paul was previously an analyst with, is it pronounced (inaudible)?

Paul Kreider: Close enough.

Peter Schuman: Close enough. And he worked at Whitney Capital (ph) and DWKW Silicon (ph) and also you (inaudible) as well, I believe. So a long career in the (inaudible). Craig Ellis is a sell-side analyst with Citigroup Global Markets in San Francisco. Craig leads II -- Institutional Investors All-American Research Team, in 2003 for imaging technology and Craig is covering the semiconductor sector right now, at least flash (inaudible). Anything else you want to add to your vitals?

Craig Ellis: No, long story, but won't bore you with it here. Worked at Chevron for a long time (inaudible) sectors on the sell-side.

Peter Schuman: Great. Michael Beckwith is a buy-side analyst for the technology fund Navis Capital. Navis is about 11 (ph) billion (ph) and assets and covers technology software and IT services. He was previously with Andor Capital Management, where he focused on network infrastructure stocks. And prior to that, he was an analyst with Robinson Stevens where he focused on network infrastructure. He received BA in history from (inaudible) College and (inaudible) Harvard University.

And last not but not least we have Cathy La Rocca who is manager of investor relations at Yahoo! It's the number one Internet brand globally and the most valuable (inaudible). And with that, I guess we'll start out on the panel.

Unidentified Company Representative: (inaudible)

Peter Schuman: Oh, yes. I'm sorry. First I'd like to have everyone in the room stand up, we'll start with the table here, and introduce yourself, just your name and maybe the company you work for.

Unidentified Speakers: (inaudible- microphone inaccessible)

Peter Schuman: Thank you. Tom (ph), you want to say a few words about the mentor program since you're here now?

Unidentified Company Representative: (inaudible - microphone inaccessible)

Peter Schuman: We'll turn it over to Randi now.

Randi Paikoff Feigin: Thank you. Welcome, everyone. Thanks for coming today. We're also going to look for insight from the audience as well, because I'm sure many of you have had analyst day and (inaudible). So, what I'd like to start off with is asking the panelists from the investment community what are -- maybe the best components or worse components of analyst days that you've been to? And Paul, maybe we can start with you.

Paul Kreider: Yes. I think that's a -- my favorite analyst days were back in the '90s when Randi and all the other networking companies did network --

Randi Paikoff Feigin: Networking world or networking days.

Paul Kreider: They basically spent 2 days, a day or 2 with maybe 8 or 9 companies all doing analyst meetings. So it was a good reason to come out to California and stay at the Westin and do all these meetings. The question is who are you trying to attract to your analyst meeting. You have sell-side (ph) analysts, you have buy-side analysts, you have portfolio managers and they're probably the ones you want, but their time is probably the most compressed and they're not interested in spending the time to really learn the story

with any depth. And then you have industry analysts. So the question -- what was your question? I apologize.

Randi Paikoff Feigin: What are the best attributes around analyst days or the worst ones?

Paul Kreider: I'm a portfolio manager now, so the best attributes are I can learn about your company in a short period of time and I don't have to spend a lot of time traveling to get there. In the days when I was a buy-side analyst, I'd have to learn about your company in a great deal of depth, so a 4-hour presentation with multiple management team members was what I wanted to see. The question you have to answer is what do you want the people attending -- who are you trying to get to your analysts meeting? Is it portfolio managers or is it the sell-side and the buy-side analysts?

Randi Paikoff Feigin: Craig. Maybe a little about when -- are these mics not working? They're not working well, okay.

Unidentified Company Representative: (inaudible - microphone inaccessible)

Randi Paikoff Feigin: Craig, maybe you can provide some detail around similar -- in terms of when you go to an analysts day, what do you like about it, what are you trying to get out of it, versus when somebody does something (inaudible) you go, well that was pretty useless?

Craig Ellis: I think --

Randi Paikoff Feigin: A little more direct.

Craig Ellis: I think I've been -- I tried to add it up before I came down. I think I've been to 70 or 80 analysts meetings in the last 7 or 8 years. And the things that I find most valuable when companies host an analyst meeting, I know it's very time-consuming to put them together on everybody's part, particularly yours. It is a nice balance of factors, including one, the right mix of management at the meeting and accessible at breaks or at lunch, whatever. I want to meet with the CFO, I want to meet with the COO, I want to meet, depending on the company, with the head of marketing, whatever. But I want face-time with the management.

I want the right balance of attention on strategic and tactical issues and I don't want you to over-promise, because I think that gets companies in a lot of trouble down the road. Analysts try to get everything on a spreadsheet. And then (inaudible), over either a short or long period of time, to just be realistic about what you say you're going to deliver at your analyst's day and I think that will put everybody in a good, favorable position.

And then be as quantitative as you can be. Everybody's got a different interest. Certainly sell-side analysts probably want the most detail. And the extent to which you can provide detail on your company, we can do a good job telling the story; hopefully we tell

it right when we do tell it. So those are some of the attributes that I'm looking for. To the extent that you can host it at the Y (ph) or something, I like that as well.

Randi Paikoff Feigin: Michael?

Michael Beckwith: I just scribbled down a few thoughts. If you want an impactful analysts day, if you can commit your CFO to raise guidance at the beginning of the day, is always a nice starting point. The thing that I thought about was know your audience. And a lot of the companies, particularly Silicon Valley companies, are engaged with amazing technologies and I think sometimes at analysts days people forget that, as buy-side analysts or financial analysts and product portfolios, technology innovations are only relevant so far as we understand the economic implications.

So wherever possible, whether it's a group head, whether it's marketing manager, whether it's a sales executive, whether it's the CFO, I always want to see (ph) quantify, quantify, quantify. So one message I would say is know your audience. Second one is PowerPoint is not your friend. We can all sit and watch somebody go through a deck for 45 minutes. The most valuable pieces are always about Q&A, so it's in a formal setting where, say, you have a 30 minutes session for different lines of business, I'd think 15 minutes of slides is more than sufficient, 15 minutes of interaction.

The other piece is maximizing opportunities for informal interaction with executives. The only reason anyone ever goes to the Microsoft Analyst Day is the pilgrimage (inaudible). I sent an email around Maverick (ph) asking what were the favorite features of other analysts days and someone highlighted it's Texas Instruments. They basically do different tracks where you can, in small group settings, meet with different lines of business managers.

And ultimately, going back to that first point of knowing your audience, adding incremental data to how people think about the business, again throwing out examples from people at Maverick, someone highlighted AMD always provides more incremental color on margin targets and CapEx and we really want to learn something that we don't know simply by reading Qs and Ks, listening to earnings calls. So something incremental about how we think about the business are things they tend to want.

Randi Paikoff Feigin: Cathy, as an IRO, maybe you can describe your best or most successful analysts day and that probably comes in 2 forms. What do you think contributed to that success and what are the things that maybe you would change to make it more successful?

Cathy La Rocca: Well, naturally our best would be our last one; at least we hope it is. And at our last analysts day I think we just really started planning way in advance. We started planning way in advance, we held it offsite for the first time, which allowed us to open the doors to more people. We started with a theme that the -- that everyone's presentation kind of focused on and would tie back to. And that's something that we tried to do with others, but just really came together with this one.

In terms of things that we would do differently, our next analysts day is going to be May of next year, which is 2 years since our last one. And one thing that we need to improve upon is Jim's (ph) Q&A session; I think we didn't put enough time into thinking about, which is about preparing for them, but just the logistics of them and think it's important about somebody up there moderating the Q&A session. So, that's one thing we're going to look to do differently this year. But I think really just want to raise the bar and do it better. But definitely last year was our best.

Randi Paikoff Feigin: (inaudible) act as an IRO in the panel. We're actually at Juniper planning for our analysts day on February 16th, so if you want to do it before that or afterwards, that's fine. But the date's going out next week and we're planning now for that, and we're already starting to work on the agenda.

Last year the 2 things that went extremely well is we changed the location. We used to do it close to the Juniper headquarters so that our execs can kind of come in and out, which worked really well. The negative feedback that we got from that is that the executives didn't stay around long enough because when it's close to the headquarters, they can just leave and you don't capture their attention.

So one of the changes that we made is we did it further away. We actually did it last year at the Westin right by the airport in San Francisco and this year, we just signed a contract this week actually with the Hyatt in Burlingame. And the great thing is one of the biggest pieces of feedback that we got last year it was so easy to get in and out because there are shuttles to and from the airport every half hour on the half hour. And so, we cut the analysts day to -- and at 2:30, 2:45 so that they could catch their shuttle to start getting their 4 o'clock or 4:30 flights back to the east coast. And so location turned out to be a very important component.

And then the second, and Michael actually you brought this up, we got very favorable comments in the evaluations because we provided an ample amount of opportunity for the analysts and investors to have informal conversations with the executives. One of the examples that we had was cocktail hour, so the night before we actually had a cocktail hour. To be honest with you, the challenge of doing it the night before is it took a little bit of the thunder away from the following day. So this year we'll probably do it the night of. And if people are (inaudible) for it, great. If they're not, then they're not required to.

But more importantly, during the lunch we have specific tables that each executive hosts. And so the CEO had a table, the CFO, the general managers and so forth had places at a table and you only put 10 seats at a table and you're not allowed to move the chairs. So if everybody wants to talk to the CEO, it's too bad; we're first come, first served. So you have to just manage that well. So those are some of the lessons, at least for Juniper's (inaudible) Day.

Unidentified Audience Member: (inaudible - microphone inaccessible)

Randi Paikoff Feigin: So the question from Lori (ph) is, are we running a full day from 8 to 5. Actually, last year we had separate analysts days. So Paul was talking a little bit about the mysterious (ph) analysts and so forth. Last year we had separate industry analysts days (inaudible) financial analysts. A lot of that was just logistics. We were going to have a new CFO coming onboard and so forth, so we wanted to wait.

This year we're combining all of it. So the first day will be from, call it 7:30 till 2:30, and that will be a traditional financially-focused analysts day, very strategic, numbers, CFO, CEO, general managers, all those kind of things. The following day the person that's in charge of doing industry analysts relations (ph), we're actually going to have a half-day of breakout and they'll -- I think there's going to be three tracks (ph) for 3 hours, so technically nine tracks. And those will be more technically oriented towards the industry analysts.

If the financial analysts want to stay for that, they're absolutely welcome to. And so because we're doing that, we'll have some sort of a dinner or cocktails or heavy hors d'oeuvres or whatever the night of the analyst's day and not the night prior to that. So technically, it's a day and a half. But for the IR audience, it's really more that kind of three-quarters of a day, but they're welcome to stay if they want additional knowledge.

(Inaudible) how that works out. We've always done a full day. We run about 8:30 to 4. We do a dinner the night before that is for all of our sell-side, and for our top buy-side. We don't invite everybody to the dinner. We use the same type of set up in terms of having a Yahoo! executive at each table, and do our best to try to keep -- hold the thunder until the next day. And we end the following day with a cocktail party, which I think is just as much for the Yahoo's involved in analyst day, and we are ready for a cocktail at that point as anybody else

Unidentified Audience Member: Are all analyst days webcast? Is every part of the meeting webcast?

Randi Paikoff Feigin: So, the question is are all analyst days webcast. I am actually going to take a poll in the room. Anybody in the room that does not webcast their analyst day? I think -- just for the webcast (ph) said no. Nobody raised their hands. And Paul to be honest with you, I think a lot of it is with (inaudible). You really just can't get away without webcasting your analyst day. And, a little bit to Mike's point you only want something new to come out of the analyst day, and therefore you have to have it webcast if there is going to be something incremental for somebody making an investment decision or some type of purchasing or sell decision that you really don't want to get caught from a (inaudible) perspective if you don't do it.

To put the question to the investment community panelist again, Mike you talked on a couple (ph), if each of you -- why don't we go in reverse order this time, if each of you can tell me, and I'd like you to actually be very descriptive don't worry about defending anybody in the room, because we are all adults and professionals, I'd like you to just tell

me what your best analyst day was and why. And the worst analyst day you attended in the weeks (ph).

Paul Kreider: I'm not trying to be -- not controversial. There's never been a single analysts day where I said ultimately -- that changed my investment opinion of a business and that's why I tried to list more of the attributes because there have been discreet things that the individual companies have done that I think really make a difference. And the ones that truly stand out have been the ones that maximize interaction and maximize sort of helping us understand the economic dynamic of the business.

And in terms of the worst ones, it went back to the central theme of failing to know who your audience is. I mean if you guys are working with 8 lines of business heads and going through the dry run-through, asking a simple question, what do you want a potential investor to walk away from your presentation with? And what I would suggest, or at least from my perspective as an analyst, I want to know why this product or why this marketing strategy is going to be additive to the -- creating shareholder value and basically adding economic impact. So the analyst days that have failed, in my opinion, basically go too deep into technology and forget their audience.

Randi Paikoff Feigin: Craig, anything to add?

Craig Ellis: Yes, actually the best analysts day was the analyst day that we spent in Hawaii, pretty cool. It was multi-day. In terms of things that didn't work, I haven't seen this since (inaudible) another part of the market. A company was doing regional analyst meetings where they do a meeting on the west coast one day and the east coast another day. The second meeting is who cares; it's old information. I've seen companies try to do analysts meetings associated with different events. That can be very tough to pull off well. I've seen companies do it well, but events like 3GSM (ph) or things like that are highly fluid and everything really needs to work in your favor if you're going to realize success there.

Some of the things that I think, at least people on the sell-side, would really like to see that they often don't get, real basic stuff, handouts, all the slides so you can just, you know, it just makes it so much easier to follow the points you're trying to make. And don't try and convey too much information. I think that's come up a little bit already. And then, let's see, just make sure that you're prepped for the right amount of time that is really required to get all the questions that people will have.

In terms of the things that I like to see, make sure you're telling the story with passion that's pretty (inaudible). You really want your management team to convey a real energetic message. Some people work in somewhat complex industries and you don't want to go too deep into the detail and I don't like product demos, but try to address misperceptions that are out there or areas of particular complexity. IT issues, I can't mention names in this forum according to my legal department, but there's a company that I cover now that did a real good job about a year or 2 ago.

Acknowledge areas where the company needs to improve. Don't be afraid to do that, companies don't do it enough. And send a real reasonable message and give us the financial targets for your business. That's real important and it's surprising that you can go to an analyst's day and not get that at a pretty detailed level.

Unidentified Company Representative: The best way I would describe a good analysts meeting is (inaudible). It didn't take up too much of my time, I learned a little bit, there was an interaction with senior executives, and (inaudible). But I don't think I'm ever going to walk away from an analysts meeting saying wow, that just changed my whole thought process (inaudible). If it's pleasant, you win; it's a good experience.

From my -- there's an enjoyment factor, my going to an analysts meeting, and it usually runs inverse to disaster. If -- I'll think back to the 1998 Nortel Analysts Meeting in New York, which they handed out -- at the time, Nortel was a very go-go stock and it was all about optical systems. And at the beginning of the meeting they handed out a packet and in the back it was the CFO's presentation and it had some questionable information.

And I think during the meeting the stock was just freefall, just going down, down, down. Everybody's standing up and there's someone up on stage trying to do a presentation about some business unit and everyone's trying to figure out -- they've all got their pagers and they're trying to figure out why the stock's going down. It was a disaster, this analysts meeting. It reflected poorly on the company. It was very enjoyable for anyone attending because it was kind of controversial.

But if you can eliminate controversy from your analysts meetings, so make sure there are no -- CFO doesn't have a slide presentation in the back that's a little bit ambiguous, you're fine. If I can walk out of your analysts meeting saying okay, no one was embarrassed, it was a pleasant experience, you win. It was a good thing. Otherwise, I kind of -- we do so many of these. When you have somebody make a mistake like that, it's kind of fun. But if you look back and remember it, I don't remember the 400 other analysts meeting I went to. I remember the Nortel analysts meeting.

Randi Paikoff Feigin: So it sounds like in combining a couple of those comments, the real takeaway here is have handouts but don't necessarily give it to them fully ahead of time or have them generic enough that they won't be looking in advance at the packages. Maybe give the first 2 presentations to them and go through those presentations, then at the break give them the next 2 presentations prior to that coming up. Does that sound like it would be something that would work for you or would it be enough to give them the presentations after the event is entirely over? Maybe some quick response on that.

Unidentified Company Representative: I think you need to hand out some at the beginning. What a lot of people are doing is if it's a morning analysts day and it's ending around 2 o'clock but there's a CFO presentation at 1 and you're getting all the handouts except the CFO handout, those someone distributes at 1 o'clock, and then everyone's like did they change guidance, did they change guidance or did they actually engage in a good conversation about the key metrics and key patterns of the business, which most people

who go to the meeting want. But I've seen a lot of people basically just not hand out the CFO presentation until the last session of the day.

Randi Paikoff Feigin: So, Cathy, on that same line of thinking, do you guys actually give out presentations?

Cathy La Rocca: We do and we did a presentation book last year and we went back and forth on when to give it out, at the beginning of the day or at the end. And we ended up giving it out at the end. We just didn't want people flipping through it and we realized not everybody was a fan of that. But stuff (ph) that we chose to do, we'll probably do the same next year.

Randi Paikoff Feigin: (inaudible-microphone inaccessible)

Unidentified Audience Member: (inaudible - microphone inaccessible)

Cathy La Rocca: The difference is to hand them out at the end, either on a memory stick (ph) (inaudible) We don't need controversy in the audience about this one.

Randi Paikoff Feigin: (inaudible) analyst's day, you can see (inaudible) and Mike regarding any type of giveaways. From a Juniper perspective, we have never provided handouts and a lot of that is just an argument that I have every year with our general counsel. I'm not sure that that will actually change. But if I were to do it, I probably would provide them the information at the end as opposed to (inaudible).

Unidentified Audience Member: (inaudible - microphone inaccessible)

Randi Paikoff Feigin: So, the question is what's the hesitation to actually give out handouts from the general counsel. At least from my perspective, it's a much larger issue than just the analyst's day event, because we don't give out any handouts to any conferences. We take everything off our website within 30 days or going into the quiet period. So there's -- obviously there are companies that keep things there forever through their archives, but the general argument is because we are changing so rapidly right now, whether it's because of acquisitions or new businesses or new products and so forth, the information becomes old relatively quickly and there's the whole component of duty to update.

And realistically, from an IR perspective, I support it a little bit from the standpoint of if our business changed enough and there's a presentation up there that doesn't necessarily represent it and they go and look at that presentation, which is not a full representation of our company, I don't feel like we're doing the appropriate job. If somebody went and looked at a presentation that we did 2 years ago, it would mean absolutely nothing if somebody made a purchase decision on the stock because of that presentation or actually made a decision to sell our stock. To me, that would actually be miscommunication. So I think a lot of it is company-specific and how quickly and rapidly your businesses actually change.

Unidentified Audience Member: (inaudible - microphone inaccessible)

Randi Paikoff Feigin: So the question is with all of your informal conversations with execs or non-exec's at the analyst days, IR is providing any type of Reg FD training or anything else. Cathy?

Cathy La Rocca: Yes, in terms of our preparation sessions that we go through, we bring in our legal department and have them do a Reg FD session with everybody. We'll put the fear of God in all of them. And they do. They're kind of skittish when they talk to people, which is kind of a good thing, even to the point where if you're contacted later, please refer them back to us. So, we do that and we're actually going to do another one later this year just kind of a check-in with people as just a reminder.

Randi Paikoff Feigin: And actually we do the same thing, which is we do regular Reg FD training, whether it's with new executives or at tradeshow's for sales people or intermediaries that are going to be at the booth. But we also have a specific pre -- call it pre-show or pre-analysts day dinner and go through some of the do's and don'ts and maybe what the latest Q&As are and so forth, just to refresh everyone. So absolutely, Tom.

Cathy La Rocca: This is just a tip on that point. If you're concerned about particular executives, even though you've gone through the whole Reg FD training, if you are still concerned that they're going to say something, if you are concerned that an executive may say something that, let's say an executive at each lunch table during the analysts day, what we've done is we appointed an additional person from the company to also sit at that table and sort of monitor what's being said.

Just in case something is said, that person can then go back to the counsel and say I was sitting there and the VP of sales just mentioned a product that we haven't announced publicly. We should have that backup person to go at least ask the questions versus waiting for the analyst note the next day, where a new product has been mentioned and nobody knew because nobody else was sitting at the table except the analyst and the executive. So, that's something you might want to think about doing.

Unidentified Audience Member: You guys are taking all the fun out of this.

Randi Paikoff Feigin: The thing I would add to that, what we've done as well, is because there's -- well, we have a department so we're fortunate for that, as well as we have folks that are in charge of the industry analysts relationship, as well as we also allow the press and media to attend the events. We have PR representatives. So there's typically another type of representative, whether it's IR, PR or AR, a representative at each of the tables. And more of that is just to mingle and some of the industry analysts will focus more on maybe a PLM person that's in the group versus somebody that might sit with the CEO. So that sort of -- but that happens a little bit by default because we figured that we all need to eat too.

Cathy La Rocca: We do the same. We try to put an executive at the table and somebody from IR. There's only 4 of us, so there's not -- we can't cover everything. But we do have 2 job openings; I want to put that plug in there. But we try to -- obviously we can't be everywhere. They catch you -- they catch you in the restroom or they catch -- there's lots of conversations going on. They're well trained.

Randi Paikoff Feigin: For the investment community panelists, I'd like to ask you about your thoughts regarding product demos, whether you think they're useful or not, and if so, in what form do you like to see them? Do you like to see them so you can just walk through casually in a breakout? Do you like it as part of the overall presentation? Or do you just not like them at all? And we'll go in reverse. Michael?

Michael Beckwith: I think the challenge that you -- a lot of you guys have is you're teaching a very heterogeneous audience so you have a class of people ready for pre-algebra and somebody for calculus. So, instead of forcing people to sit through them in the formal presentation, I like the analyst's days where they have it more informally, i.e. there's some product demos set up outside, there's some product managers, and for those people that are new to the business who get deep in the technical side and want to go down that road, it's voluntary. But consuming an entire group's time for an hour running product demos, I don't think is the best use of your time or the investor's time.

Unidentified Company Representative: I guess the way I look at it is a little bit from a risk/reward standpoint. One, I've never really been at a meeting where I saw a product demo where I felt like I took away something insightful, but investors would find valuable in terms of making an investment decision. I have seen a lot of product demos that didn't work and that's I know not the desired outcome. I want to hear about what's happening with the product roadmap, I want to hear about perceived competitive advantages, I want to know about pricing tactics and that kind of thing. But I really haven't found that a product demo per se is an effective way to convey what the company, I think, should be conveying with respect to the product portfolio.

Unidentified Company Representative: Product demos probably should be in a backroom somewhere and hit and go. It does offer a nice kind of break for people. You're going to do your product demo, I'm going to take out my computer or my ring pager, go through my email, no one is in the audience and paying attention to your product demo. So, it can be just a nice kind of buffer time where people just kind of pretend they're still engaged and you go through your presentation and we all come back at the same time, but we're in the room.

Randi Paikoff Feigin: (inaudible) actually change the topic around. I think we talked a little bit about the length of the analyst's day, we've heard a little bit about who should present and the informal networking component. What, from your perspective, what do you think about third parties getting involved, and I'd like to actually hear from all of the panelists. We, in some circumstances, have had customers come in to present and not to

do a Juniper sales pitch, but to talk about what are they seeing, what kind of networks you're seeing building, what's going on.

And in some cases there was -- I just thought (ph) there was really proud of and other cases I go, oh man, this guy's the worse presenter in the world. So, I'd like to actually hear from all of you in terms of thoughts around having third party people come in that are not company representatives, either industry analysts talking about the market, customers talking about the market, (inaudible), investment community panelists as well as, Cathy, if you've ever brought anybody in from a third party perspective. Paul, I'll start with you and work down.

Paul Kreider: I think your chances of a miss on bringing in a third party (inaudible) very high. The miss rates are -- people just are not good presenters. If you bring in a customer, it's frequent that they'll give a credible discussion, but you can't understand what the point they're trying to make. Most of the people in the room are going to know every -- I guess not every detail, but have a very in-depth knowledge what their company does. And what you're telling them is only going to reinforce (inaudible) things they think of. I'm jumping to a different question.

My ideal analyst meeting is simply the CEO taking unscripted questions from the audience. And I want to see how he's going to react to the questions that people have. That is the only reason I go to an analysts meeting. Everything else is fine (ph). Being on the buy side, I can read it in a first call note the next day. But it's just bringing in outsiders, again, it's the time I open my computer and I start getting my email. But I really just want to see your CEO answer a question that he's not necessarily prepared for.

Unidentified Company Representative: Let's see, so in terms of bringing in outside speakers, echo earlier comment, I haven't seen it work well. And in part, I don't expect it because I'm looking at your analyst meetings to get something in my company due diligence that I can't get anywhere else. And it's very easy for me in most cases to do the type of due diligence with respect to customer input on a product or a service that I would be able to get if it was held at an analyst meeting. So, I've never found that to be particularly valuable. Maybe in a sector that I haven't covered, but not in the ones I've been involved with.

Paul Kreider: Rather than a customer panel, I think I've seen sales panels where it's direct sales, it's some people from the partner community, people around the value chain, and when that is an open dialog and an open interaction, again, the theme is Q&A, I think that a lot of people take value out of it. I'm sure one of the things you hate about sell-side research (inaudible), research notwithstanding, is that every morning you wake up about somebody saying they did six channel checks on your company so your stock could go up or down, which is not research, but a lot of what people want to understand is how do distribution chains work around your company and having an intelligent conversation where people can ask questions around it, I think is valuable.

Cathy La Rocca: We haven't brought any customers in as third party, but what we have done is last year we're a minority owner in Yahoo! Japan and people have a lot of interest in that, a lot of our analysts follow Yahoo! Japan as well. So, their CEO and CFO came and presented and that went over really well. We now have an interest in Alibaba in China and so we're hoping to have their CEO and CFO come speak next year. And, we think that will be well received as well.

Randi Paikoff Feigin: Cathy, in addition, what has been the biggest problem or obstacle that you've dealt with, and maybe not an analysts day, and have you found a solution to curing that challenge?

Cathy La Rocca: I think that you have to remember that while there's so much planning that goes into this and many hours of rehearsal and preparation that there's still a company to run, and so you're trying to vie for people's attention when they're trying to do other things. And so your perfect prep schedule that you've got set, as Holly (ph), my counterpart in this knows, can be all blown up when the CFO needs to reschedule a bunch of things. So, I think there's not a solution to it other than just to be flexible, plan way in advance, and just know that you're going to have to make some changes.

Randi Paikoff Feigin: I'd actually echo a lot of those remarks in terms of just getting the execs to commit because you're right, they have to run their business and they know that the analyst day is extremely important, but if all of a sudden they have to fly to Asia for something, for a customer reason, then they're out of the analysts day. And you already sent out the agenda and you need to (inaudible) and, of course, everybody shows up and asks why isn't so-and-so here, what happened, and then the rumors all start.

I think to Cathy's point, if you plan far enough in advance, and you always can't control the things that might come up in an urgent matter, but try to plan far enough in advance. And one of the things that we're doing right now in terms of locking February 16th on our executives' calendars and we don't even know if they're going to be a presenter yet or just lock it. And then what'll happen is then we'll say, "Oh, you don't need to do it". And they go, "Well why not, why don't you want me?" Well, there's limited time slots and so (inaudible). But (inaudible) them a little bit, then, having them commit and then not being able to do it.

Why don't we take some questions from the audience?

Unidentified Audience Member: From a (inaudible) standpoint, what are the advantages and disadvantages that you guys see in terms of having the analysts day near corporate headquarters -- at or near the corporate headquarters, versus New York or Boston or someplace closer to where the analysts and investors might be?

Paul Kreider: You want to have a meeting in New York because you're more likely to get portfolio managers to attend them. And if you -- most important is later on, let's say I own a stock and there's trouble, there's controversy, if I'd never met, if I'd never kind of looked the CEO in the eye and heard him in an analysts meeting, the type of setting

where I can ask questions, I'm more likely to sell the stock because I don't necessarily have confidence in this management's team because I haven't seen it. So you go to New York, you have more investors there. That fills that requirement.

In New York, you're running into -- I grew up in New York so I can say this. People are weird in New York. I mean, they come in, they walk out in the middle of the meeting, they're taking phone calls. It's a much more abrupt atmosphere than out in California. These people put their phones on silent and sit there. To get back to who you're trying to attract to your meeting, an analyst, buy-side or sell-side, will come out to California. Portfolio manager will likely not come out to California to come to the meeting.

Unidentified Company Representative: I think in general the sell-side guys will go wherever there's a meeting because it's so important for us to talk to management. And we have to write a note anyway and that note writing stipulation isn't what -- really who I think your primary customer is, which is the guy that's running the money. And so I think it depends a little bit on your shareholder base and if people -- if you choose to hold it in California, they'll come out here or they won't.

For smaller companies, I have seen companies kind of tag-team and do one company in the morning, one company in the afternoon. When the companies work together, it works really well. So if for some reason you can't go out to New York, look around and find another company that you might double up with because you can really increase your odds of getting good attendance at your meetings and that's a win for both companies.

Unidentified Company Representative: That's what the networking companies did in the late '90s (inaudible) would have a full 2 days. And it was a good reason to come to California.

Unidentified Company Representative: (inaudible - microphone inaccessible)

Randi Paikoff Feigin: So, one question I actually want to now ask of the investment community because it came up a little bit earlier and I think this was a reflection of the location, is obviously we're all webcasting these events. Do you guys find -- and Paul you were talking about you want to see people, and that's okay, we understand that, but if for some reason you can't, if you can't get to California for whatever reason it is and we don't do it in New York, are you finding the webcasts valuable? Are you using them? Are there specific things that you're looking for that would make it better in terms of the webcast at the analyst day events? Michael, I would start with you.

Michael Beckwith: When I can't make an analyst day, I almost religiously use the webcast. I bet if you actually tracked the Internet volume that you would have a huge spike around the CFO presentation. So you look at the agenda for the day, so you look at when the CEO's presenting and you look at when the CFO's presenting, then you look at when the Q&A is. But I think it's a valuable tool.

You know if you're going to fly 3,500 miles for an analyst day, you presumably they're really-- are new to business and want to learn about it, you either already have a very big position (ph) and you want to continue to learn more, or C. you really want to get that interaction that has come across multiple times. But when you're just wanting to monitor and hear what's going on with the company in the industry, I think the webcast is one tool.

Unidentified Company Representative: The problem you have is if I'm in my office trying to listen to a webcast, you don't have my attention. I'm doing many other things. So I'll probably have it on, not listen to it, think oh, what did I miss. If you're going to have -- if you want my attention, at least get me in the room and then you've got a shot.

But if you're going to webcast, (inaudible) right. You're just going to flip to whatever the CFOs presentation is and I'll probably have somebody else listen to it for me and get my attention if there's something interesting I should listen to. But the problem with webcasts is there are so many other distractions going on that you're just not going to have their attention.

Unidentified Company Representative: Not really anything to add. I don't think I've ever participated in an analysts day via webcast, because I've been to every one any of the companies I'm involved in has ever held. And I don't see that changing. I think most analysts would respond -- more on the sell-side, although it might (inaudible).

Randi Paikoff Feigin: So I'm going to take that actually one step further and I believe I have the answer to it, but I'm going to ask it anyway. When you think about the agenda, when you think about (inaudible), at least for CEO and CFO and I think all of us have those folks at our analysts day, at what point in the day would you like to see them?

Unidentified Company Representative: I think this has almost become the de facto standard, but starting the day with the CEO talking about the strategic vision of the company I think is essential and any new developments with the business, maybe an update on current market conditions. Then almost everyone seems to be ending the day with the CFO and hopefully there is a lot of data around it. And then people do some sort of Q&A with the CEO, CFO or maybe all the panelists. That's almost just become the de facto norm.

Randi Paikoff Feigin: Would you like to see that any differently?

Unidentified Company Representative: It's one of the things it actually feels appropriate.

Randi Paikoff Feigin: Fine. Okay, all right.

Unidentified Company Representative: It works well.

Randi Paikoff Feigin: Do we have any more questions? Yes?

Unidentified Audience Member: To that question of Q&A, someone mentioned that the Q&A was the most valuable piece of the analyst's day. Would you prefer to let the CEO present, then hold a Q&A, then other executives present, and each one hold an individual Q&A after their presentation or, do you prefer all the executives to come up in mass at the end and hold a Q&A then?

Unidentified Company Representative: If you do a mass Q&A, the CEO's going to dominate the discussion. Everybody else is going to be afraid to actually say something, to get in his way. The individual Q&A is for the product line managers. They're going to be very short periods, so it's not going to be -- you can just probably throw Q&A at the end of anybody's presentation.

Unidentified Company Representative: I like both actually. I find that when companies set aside time for the Q&A after each presentation they make sure they've allotted enough time for the amount of questions that the investment community has. I generally find as well, though, that when I'm sitting in an analysts meeting that there'll be something that comes up in a presentation, however long the duration is, but it's after, say, the CEO or the COO's presentation, maybe in the financial, and say, "Oh, I'd like to ask a question that I didn't think of to the CEO." And if you have the whole group come up at the end, then you get a chance to do that.

Unidentified Company Representative: I don't know if I have anything to add. I think it's essential to have some Q&A component for each speaker. I think it's really unfulfilling when you basically see a PowerPoint presentation and people walk away.

Randi Paikoff Feigin: Cathy, how have you done it?

Cathy La Rocca: We do Q&A after every presentation except for -- our CEO starts the day and he does not do Q&A. But at the end of the day after the CFO's presentation, we'll have the CEO, CFO, COO and cofounder of the company up on stage for the remaining, like 30 to 45 minutes of Q&A.

Randi Paikoff Feigin: And have you had the challenge, I think to the panels concern, do you have the challenge where the CEO dominates that Q&A or does it seem relatively equal?

Cathy La Rocca: It's relatively equal. They're really good at -- as we do with our quarterly conference calls, the CEO may start the answer, but he'll point to somebody else to finish it. So, it's pretty well balanced.

Randi Paikoff Feigin: We've done a combination (inaudible) question, where last year, as an example, in almost all of the presentations they had a, call it 15 -- 10 to 15 minute Q&A slot after they gave their formal presentation, which worked really well. At the time, we had 2 business units, call it, and we held the 2 business unit Q&As together, so one GM presented and the other GM presented and then they both came up and answered questions. And a lot of that is because of just the strategy that we have. So some of that

might just be dependent upon the company. It worked okay. I don't -- in a certain environment I might do it again. But in other environments I might not.

So, I think a little bit of it comes back to is one person, I think at that point, going to dominate the conversation, number one. And number 2, if you think there's going to be more interest in one versus the other, then you're probably better off separating it and leave 15 minutes for Q&A for one and maybe 10 minutes for Q&A of the other, if you think that there'll just be a higher level of (audio break) or more questions coming for one or the other.

We've not done a panel at the end, but we did have our CEO sort of open up with, call it a keynote, and then do Q&A, then at the end of the day came back as a standalone to sort of make some closing remarks, pull it altogether, tie it together, and take any last minute questions. So they actually (audio break) many, many times, not only with his kickoff, but also with the conclusion, as well as in the breaks, as well as at the luncheon, so we really enforce and aid people to stay.

The other thing that I think really worked (audio break) some of the earlier comments that we made, is I think one of the things that worked out is we made everybody stay over the night before, because otherwise they come in 10 minutes before their presentation. So we made them come over the night before, we did a dress rehearsal, we went through -- we had a dinner, did some Reg FD training stuff or do's and don'ts, and issues (ph) that were on top of people's minds, which made them be there first thing in the morning, and we made them sit through everybody else's presentation.

We did the same thing, which is grueling and they absolutely hate it, especially when you come back to, why do I need to sit through all this, I know this. But you know what, you haven't heard it. I want you to hear the Qs (ph) that come up throughout the day, I want you to hear the answers and we need to make sure that we're consistent. So there was a lot of pushback on doing that but you know what, I think it worked out really well.

And so then you don't have the pitfalls of where somebody might answer a question one way versus the other. And to be honest with you, when it was all over they were like, "Gosh, I'm really glad I sat through that. That was really educational." So they push back on you pretty hard, but ultimately I think they really appreciated the opportunity as well.

Unidentified Audience Member: This goes back to the webcast question, really a two-part question. How long (ph) can you go back webcast (inaudible) after the end to kind of check up on some things or to download the presentation or whatever? And the second part of that is I've seen this done a couple of times, in a couple of instances, but transcripts. Do you actually use -- would you use transcripts of an analysts meeting, would you go back to read them in case you couldn't attend it live or (inaudible)?

Unidentified Company Representative: I live by conference transcripts because to listen -- your quarterly conference call, to listen to it'll take an hour while it'll take me 10

minutes to read the transcript. I never go back and listen to a webcast replay of an analysts meeting. He'll summarize what you said very well in an eloquent manner, the next day and I'll read it and that's kind of like it's history.

Unidentified Audience Member: Transcript of then analysts meeting?

Unidentified Company Representative: Yes, the transcript of the analysts meeting is kind of he'll do a good job. The transcript of your conference call, that's the greatest service ever created. It saves so much time over the years.

Unidentified Company Representative: I've never gone back to a webcast and reviewed the webcast. I do find myself referring back to the analysts day slides, at least generally once a quarter, sometimes not quite that frequently, but at least every 6 months. And then obviously before the next installment of the analysts day I like to go back, okay what'd they say a year ago, what's a reasonable expectation for what they might say this time. So, I like having the deck, but I'd never come back and look at the webcast.

Unidentified Company Representative: I've used the webcast transcripts a lot. I think it's really helpful, particularly -- the feature everyone (ph) uses, control F, so if you remember there was some issue or topic that you really cared about, it's a lot more expeditious to have the transcript available.

Unidentified Audience Member: Is that for a conference call -- is that for an earnings call or is that for an analysts meeting?

Unidentified Company Representative: Analysts day too.

Randi Paikoff Feigin: And, Cathy, how long do you keep your webcasts up of your analysts day?

Cathy La Rocca: One week.

Randi Paikoff Feigin: Oh. Wow. I thought we were short. We keep it pretty much until we go into the quiet period, so it winds up being sixish weeks, something around there.

And then one question I do have as the microphone gets passed for the investment community panel. I'm not going to ask you to care about what the gift is because you're not there for the gift. However, what gift have you enjoyed getting versus what have you thrown out in the hotel room and didn't even bother bringing back with you? And I know that Yahoo! usually has really good gifts, but we don't have to use them as an example. So, let's start with Craig.

Craig Ellis: I think the coolest -- well, since this is webcast, stating up front that it was less than \$100, it was less than a \$100 gift. The coolest thing was a digital camera. That was probably the best.

Randi Paikoff Feigin: And the worst? What did you leave in the hotel room?

Craig Ellis: Everything else.

Randi Paikoff Feigin: Do you take the T-shirts home, do you take the pen home, do you take the clock home, do you take all that stuff home?

Craig Ellis: I mean if it's useful, I'll use it.

Randi Paikoff Feigin: ...gadgets for the kids. I don't know if you have any, but.

Craig Ellis: Not because Lori's in the room, but USB drives are handy and you do use them. T-shirts, no, I don't think I've every worn one if I picked one up at an analysts day. Clothing I'm not a big fan of.

Unidentified Company Representative: T-shirts are great. My kids wear them to sleep in. Throw in extras, this is a fantastic pen from NASDAQ yesterday, excellent. I still use my umbrella from, had to be '96 or '97, from Synoptic. I like Synoptic's umbrella. And it's a great umbrella and people see it, say, "I was at that meeting too."

My number one choice, don't give out bags because everybody in the sells-side gives out bags. Umbrellas. And make it something that I'm not embarrassed to walk around downtown Palo Alto with, like your company name emblazoned on the top. Put it on the handle where it's nice and -- it's a Yahoo! umbrella and on the handle and it's a good umbrella and I'll keep it forever. The problem you run into is if you ever go bankrupt, where you really don't want me walking around with your bankrupt company like paraphernalia for the rest of my life.

Randi Paikoff Feigin: We're going to get a lot of umbrellas this year. Mike, anything you would add?

Michael Beckwith: My daughter likes the purple Yahoo! car.

Cathy La Rocca: Cars, that's going to be hard to top. We did a -- Holly did this last year. Volkswagen Bug, Yahoo! branded, CD player/radio. And we didn't actually hand it out that day, because (inaudible) wants to take it home. But we shipped them to them later. So we probably spent too much time thinking about this, but just driving over we're trying to decide how are we going to top the car next year.

Randi Paikoff Feigin: Was it under \$100 each?

Cathy La Rocca: Yes.

Michael Beckwith: My daughter thinks it's a present from me, though.

Randi Paikoff Feigin: I know you had a question over there.

Unidentified Audience Member: Those were great gifts. I had a question. Have any of you on the buy-side or sell-side attended an analyst day that coincided with a user conference? And if so, what were your thoughts?

Unidentified Company Representative: Back when I was on the sell-side, it was very common. Buy-side analysts, if they're just a vertical analyst, just doing a space, probably will attend, may attend. If -- I do broad spectrum. I just don't have time to do that stuff, but I'm sure sell-side analysts are dying to get (inaudible).

Unidentified Company Representative: I've only seen it done once actually at a user conference and it was useful. At the time I was relatively new to the company that I was covering, so it worked. I'm not sure I would have found it as useful had I been involved with the company for multiple years thereafter.

Unidentified Company Representative: I've been (inaudible) in connection with user conferences. It's -- if you're going to fly to Orlando, for example, because that's where the user conference is held, it's nice basically to have interaction with the management team as well. I would actually just think it would be harder from a logistical standpoint for you guys because there's so many demands on management's time from user conferences that I think it'd be harder for you. But it's a nice added benefit. But it wouldn't make or break if I went down to a user conference.

Unidentified Company Representative: One of the last things you want is us talking to your lower level executives and users in a non-Reg FD environment. That's a very -- for you it's a very dangerous situation.

Randi Paikoff Feigin: Actually take a little spin-off of that which is not only for user conferences but also the tradeshow. So is it useful -- let's say there's a tradeshow going on in San Francisco. Is it useful for somebody to either have an analysts day just the day before it starts as well as the day after? Because I think one of the challenges that we all deal with, and actually it's probably too late for this, but one example is there's a security conference that takes place here in the Bay area in February.

Symantec is actually doing theirs the day before it starts and we're doing it the day it ends. So, is that a good thing or a bad thing? Does that require you to be on the road for too long of a period of time, and we're trying to find balance here, does that then say well, now you have to be at both analysts days events as well as the tradeshow or do you say, "Look, I'm going out there. I'd rather be out there for 4 days as opposed to have to come back one week and then come back 2 weeks later." Any thoughts in terms of how to balance that?

Unidentified Company Representative: There's no optimal solution.

Randi Paikoff Feigin: Come on, I want one.

Unidentified Company Representative: If you're at east coast coming west, there hasn't been a broad discussion here east coast versus west coast analysts meetings. But to cover the east coast, you're consuming -- you're consuming a lot of time traveling back and forth. I moved out to California from New York because my wife threatened to divorce me because I was never home. And it's like if you want to see your children, well, we're going to have to move to California. So for everybody it's personal.

If I'm based on the east coast and I'm coming out to the RSA (ph) conference, I'm probably -- the question becomes do you want to give up your Sunday and travel on Sunday, or travel on Monday but in that case, I mean there's a Symantec analysts meeting on Monday. There's no optimal solution. You just have to like put it out there. If they show up, they show up.

Randi Paikoff Feigin: Any other comments?

Unidentified Company Representative: I like it when there's more bang to the buck. On the buy side, if there's a user conference we'll probably see how many meetings the sell side can set up for us with different management teams. When there's also analysts days, that's another reason that if you're debating whether or not to go a place, particularly when you're jumping on a plane, I think it's an added draw.

Randi Paikoff Feigin: Well, I think we are out of time. Correct, Peter?

Peter Schuman: (inaudible-microphone inaccessible) more question.

Unidentified Audience Member: Assuming that you are dividing valuable incremental information, curious as to the value of the consistent (ph) time and frequencies of analyst days?

Randi Paikoff Feigin: Like the same month every year or -- ?

Unidentified Audience Member: (inaudible - microphone inaccessible)

Randi Paikoff Feigin: Maybe we can just run across the panel real quick. So we did one last February and we're doing one this February, so technically we're being consistent. However, prior to that, we hadn't done one in 18 months and I think a lot of that was we couldn't necessarily warrant it and then all of a sudden we've had a lot of change in growth in different businesses and so now we really can warrant doing it on an annualized basis. So for us, just how much is changing in an incremental 12-month period. Paul?

Paul Kreider: Every year, if we can move (ph) the year. I pop out my new calendar and I just try to scribe kind of roughly when all the same meetings are, because I kind of have to plan on my calendar 2 months in advance where I'm going to be. So it's great if you're doing every year kind of the same week around the same event. It's fine. For a lot of companies that do analysts meetings the week of AEA, I guess it used to be it was in

Monterey, now it's in San Diego, but you get a lot of people into the valley and they go to meetings. So, having that consistency is very good.

Unidentified Company Representative: I'll make a point on the ad hoc analysts meetings. I do think that companies want to do them regularly. I don't think it reflects on the company if they'll do it one year, they don't come back and do it the next year and maybe not the next year. It's just -- it gives rise to question about why they would do it one year and not the next year. So, I'd say find a time that works for the company and try and do it with regular frequency and you'll get good attendance and you'll have that one shot every year where you can really tell your story with passion and convince everybody what you've got a spectacular company.

Unidentified Company Representative: I'm rather indifferent in terms of regularity. Just please send out save-the-date 6 months, 5 months, 4 months, 3 months, 2 months, 1 month. It seems simple, but it's a pretty helpful reminder.

Cathy La Rocca: We used to do them once a year. The last time we did one it was in a 15-month timeframe. Our next one will be 2 years. So, I don't know what that means for the one after.

Peter Schuman: I think we're out of time, but I wanted to ask you to give a big hand for the panel; they did a great job today. (inaudible-cross talk)

