

THOMSON REUTERS STREETEVENTS

# EDITED TRANSCRIPT

CTRP - Q4 2014 Ctrip.Com International Ltd Earnings Call

EVENT DATE/TIME: MARCH 20, 2015 / 12:00AM GMT

## OVERVIEW:

Co. reported full-year 2014 total revenues of CNY7.8b, net income attributable to Co.'s shareholders of CNY243m and diluted earnings per ADS of \$0.26. 4Q14 total revenues were CNY2b, net loss attributable to Co.'s shareholders was CNY224m and diluted earnings per ADS was negative \$0.26. For 1Q15, Co. expects to continue YonY net revenue growth at rate of approx. 40-50%.



## CORPORATE PARTICIPANTS

**Michelle Qi** *Ctrip.com International Limited - IR Manager*  
**James Liang** *Ctrip.com International Limited - Chairman and CEO*  
**Min Fan** *Ctrip.com International Limited - Vice-Chairman and President*  
**Jane Jie Sun** *Ctrip.com International Limited - Co-President and COO*  
**Jenny Wu** *Ctrip.com International Limited - Chief Strategy Officer*

## CONFERENCE CALL PARTICIPANTS

**Wendy Huang** *Standard Chartered - Analyst*  
**Vivian Hao** *Deutsche Bank - Analyst*  
**Dick Wei** *Credit Suisse - Analyst*  
**George Meng** *Morgan Stanley - Analyst*  
**Alicia Yap** *Barclays - Analyst*  
**Fei Fang** *Goldman Sachs - Analyst*  
**Juan Lin** *86Research - Analyst*  
**Michael Olson** *Piper Jaffray - Analyst*  
**Ida Yu** *CICC - Analyst*  
**Eddie Leung** *Bank of America Merrill Lynch - Analyst*  
**Tian X Hou** *T.H. Capital Research - Analyst*  
**Yu-Heng Fan** *China Renaissance Securities - Analyst*

## PRESENTATION

### Operator

Good day ladies and gentlemen and welcome to Ctrip.com International Limited's fourth quarter and full year 2014 earnings conference call. My name is Patrick and I will be your moderator for today. (Operator Instructions)

As a reminder, this conference is being recorded for replay purposes. I would now like to turn the conference over to Ms. Michelle Qi, Senior IR Manager. Please proceed.

---

**Michelle Qi** - *Ctrip.com International Limited - IR Manager*

Thank you, Patrick. Thank you all for attending Ctrip's fourth quarter and full year 2014 earnings conference call. Joining me on the call today we have Mr. James Liang, Chairman of the Board and Chief Executive Officer; Mr. Min Fan, Vice-Chairman of the Board and President; Ms. Jane Sun, Chief Operating Officer; Ms. Jenny Wu, Chief Strategy Officer and Ms. Cindy Wang, Chief Financial Officer.

We may during this call discuss future outlook and performance which are forward-looking statements made under safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties. As such, our results may be materially different from the views expressed today.

A number of potential risks and uncertainties are outlined in Ctrip's [form] filings with the Securities and Exchange Commission. Ctrip does not undertake any obligation to update any forward-looking statements except as required under applicable law.

James, Min, Jane, Jenny and Cindy will share our strategy and business updates, operating highlights and financial performance for the fourth quarter and full year 2014 as well as the outlook for fourth quarter of 2015. We will also have a Q&A session toward the end of this call. With that, I will turn to James for our business update. James, please.

---

**James Liang - Ctrip.com International Limited - Chairman and CEO**

Thanks, Michelle. Thanks, everyone, for joining us today.

2014 has been another year of investment for Ctrip. We focused on strengthening our core competencies in technology, service, product and open platform. We stepped up our investment in the last 15 -- sorry, we stepped up our investment in 15 new initiatives to take the leadership in key travel-related verticals.

Yet we still delivered our profit to our shareholders. Our accelerated market share gain has demonstrated the effectiveness of our efforts. Back in 2012 we had an ambitious target to grow our total transaction value by over 10 times to RMB700 billion by 2020.

In 2014 our total transaction value reached RMB152 billion, more than double its size two years ago. We are on the fast track to achieve this goal earlier than expected.

In 2015 Ctrip will focus on both investment and efficiency. Going forward we will fully leverage our scalable model to increase value for our shareholders. Our efforts will be concentrated on best technology to support 10 times growth target. Our best services to achieve the highest customer loyalty and our best product and prices through open platform.

Ctrip technology has vigorously evolved over the past three years. We have built modern and highly scalable web service architecture to support our rapid business expansion, to empower business innovation and to improve operational efficiency. On the mobile front, we're already one of the leading players in mobile app design and functionality with more than 600 million downloads of Ctrip mobile apps by the end of 2014.

Right before the Chinese New Year holiday, the Ctrip mobile app was selected as the only travel app out of the top five lifestyle mobile apps recommended by the Apple App Store in China. We also developed our first app for Apple Watch, which is among the first apps selected and recommended by Apple Watch.

In the fourth quarter of 2014 mobile channels accounted for approximately 70% of our online hotel transactions and 55% of online air ticket transactions. More than 70% of our total transactions were made through mobile channels through the Chinese New Year holiday.

Our customers' needs are facilitated by multiple user interfaces that are seamlessly interconnected, including mobile channels, websites and call centers. Our scale and the continuous investment in technology allow us to improve operational efficiency while providing unparalleled services as we continue the fast growth. During the fourth quarter of 2014 service costs for air tickets decreased by 27% year over year despite the record high growth in air ticketing volumes.

We have made an intensive investment in our open API everywhere initiative which connects Ctrip with third party suppliers and improves booking experience for our users. We have been working hard to build a transparent platform so that our partners can fully leverage Ctrip's strong brand name, heavy user traffic and outstanding technology support. In addition, we are able to provide customer service centers to support our suppliers, helping them improve their operational efficiency and service quality.

By the end of 2014 we are working with over 4000 third party agencies in China across business lines. Total transactions through the open platform for our packaged tour business increased over 10 times year over year in the fourth quarter. Besides our four major business lines, the majority of

## MARCH 20, 2015 / 12:00AM, CTRP - Q4 2014 Ctrip.Com International Ltd Earnings Call

our new initiatives such as train, bus ticketing, travel community, cruise reservations, local [holiday attraction] tickets and car rentals are the leaders of their respective verticals.

Ctrip's travel community has become the leading travel content platform on multiple fronts, including the number of users, daily reviews, total reviews and brand recognition. Ctrip travel content covers around 650,000 hotels over 100,000 destinations and attractions listings and three million restaurants.

Our editors offer travel advice for different customers based on over 30 million authentic reviews. We also have over 5000 local experts to give more personalized travel tips.

Travel financing services is another star project, combining two booming sectors, travel and internet finance. We've launched multiple travel-related financing products through mobile apps and online platforms, including Ctrip gift cards and associated value-added financing services, overseas shopping discounts and delivery services to hotels and airports. We will continue to expand the scope of our travel financing services for our customers.

Recently we established the Beijing Joint Wisdom Information Technology by merging several key subsidiaries including Brandwisdom.cn, China's leading company providing hotel big data mining and other value-added services, with Ctrip's Beijing China Software Hotel Information System, China, one of the leading property management system providers. With the combined strength, Joint Wisdom is providing the full set of property management system solutions to cover about 60,000 hotels in China, ranging from hostels to high star hotels.

Joint Wisdom has integrated big data and cloud-based technology in three segments: software, information stream and data intelligence products, utilizing these tools to meet the diverse needs of hotel brands operations and revenue management. Joint Wisdom effectively enables hotels to realize the potential of data-enabled operations. By providing hotels the complete solutions to improve operational efficiency, Joint Wisdom will ultimately create more value for both hotels and the travel industry as a whole.

During 2014 we gradually stepped up our brand marketing in lower tier cities, including TV commercials and local marketing campaigns. While we aim for long-term customer recognition, we have already received favorable feedback.

Ctrip was once again named one of the 100 most valuable Chinese brands and one of the top three most trusted Chinese brands in Milward Brown's 2014-2015 brands report, with the Company's brand value growing 71% from the previous year. Travel is a young industry in China with lots of potential, focusing on investment and efficiency, we are confident that we will be able to create greater value for our customers, our industry, our partners, our employees and ultimately our investors.

Before I turn to Min for industry highlights and investment opportunities, I am very happy to announce that our Chief Operating Officer Ms. Jane Sun is promoted and concurrently serves as Co-President and Chief Operating Officer of Ctrip. Jane's comprehensive expertise and experience in both business and financial operations has been a great asset for Ctrip. We are confident that Jane will continue to deliver outstanding performance in the coming years.

---

### **Min Fan - Ctrip.com International Limited - Vice-Chairman and President**

Thanks, James and congratulations to Jane. Thanks, everyone. This is Min. In 2014 Chinese travelers took 109 million [outbound trips reach] another [55]. We are very proud that the volume of outbound travel bookings reached over 20 million [per year], which reflects our strong position in the international travel market.

As our motto goes, building from good to great and on to greater, our quest to enhance our market leadership and remain competitive never stops. To further expand our leading position in the international travel market in terms of product coverage, information efficiency and service quality, we have formed strategic partnerships with international leaders and investing in several vertical market leaders.

In January 2015 we invested in Travelfusion, a leading GDS company for low-cost carriers. We are excited to work with the Travelfusion team and believe this strategic relationship will not only help our international travel business but also enhance efficiency and effectiveness of our IP system by leveraging Travelfusion's advanced technology.

[Firstly] cruises, a joint venture between Ctrip and the Royal Caribbean Cruises has renamed its first vessel Golden Era. Golden Era will provide [Chinese star service] which is tailored for Chinese customers and will launch its first sale on May the 15th.

Marketing initiatives are already underway and we are encouraged by the positive market response. We are witnessing the start of Chinese urban travel [trends] and we are fully prepared to capture explosive growth from this booming industry trend.

With that, I turn to Jane for operational highlights.

---

**Jane Jie Sun - Ctrip.com International Limited - Co-President and COO**

Thanks, James. Thanks, Min Fan and thanks to everyone. I am pleased to share the updates about Ctrip's main business with you. At the end of the year 2014 Ctrip has tripled its domestic hotel coverage to more than 220,000 hotels and almost doubled its international hotel coverage to more than 520,000 hotels from a year ago. We continued to expand our accommodation volume versus our competitors.

Total volume grew 53% year over year in the fourth quarter of 2014 on a strong base. We have continued to grow in the mid to high-end hotel market. Along with the competitive prices, we hold industry service standards high, especially for our mid to high-end travelers. Our efforts have been rewarded as customers value our comprehensive services and they remain loyal to Ctrip.

Our domestic high-end hotel and international hotel has maintained a remarkable growth momentum and accelerated market share gains. At the same time, we continued to penetrate the mass travel market with more diversified accommodation offerings and competitive prices. Our hostel channel covers more than 180,000 hostels and other accommodation by the end of 2014, growing from 50,000 in the third quarter.

We also work to improve service efficiency for both customers and our partners. For example, our property management system Hotel Manager provides a win-win solution. This cloud-based multi-device property management system is offered to all hostels and small hotel operators for free. It effectively connects hotel operators with customers. Within six months' time over 30,000 hostels and small hotels have adopted this system.

The total volume of transportation tickets grew 102 year over year in the fourth quarter of 2014. Air ticketing growth further accelerated to reach a record high since 2008.

Working hand-in-hand with our industry partners, the Ctrip air ticketing platform expanded to the global stage with extensive coverage, powerful low fare search engines and high quality other services. By the end of 2014, Ctrip's flight channel covered around two million flight routes, connecting over 5000 destinations in 200 countries and jurisdictions.

On the ground, train ticketing maintained strong volume growth for over 300% year over year. Bus ticketing also performed extremely well, becoming the largest platform of its own kind.

For vacation package business, market share was the top priority in 2014. The gross transaction value of packaged tour business reached over RMB13 billion for 2014. During the fourth quarter, the number of organized tours grew 90% year over year for our mainland branches.

During the year we have built a wide selection of destination services from scratch to become a vertical market leader, such as the local attractions tickets, local tours, local [dynamics] package, theater tickets, tourism shopping services and other ancillary services. A rich selection of standardized destination products combined with our strong accommodation and transportation business has ultimately enabled our customers to easily plan their DIY tours, including the new destination services. The total number of customers served grew over 200% year-over-year in the fourth quarter of 2014.

Ctrip's corporate travel maintained a strong growth of 38% in the fourth quarter. Our investment in technology has empowered us to have a seamless online booking system which has driven the fast migration to online mobile platforms. Now more than 60% of our corporate travel bookings are made through online channels, including 25% mobile application reservations.

Recently, we launched the new [CTM] website in English and traditional Chinese versions, making the first step towards [internationalization]. We're excited that our efforts are highly recognized by the industry as well as our clients.

By the end of 2014 the number of our corporate clients reached over 5000, more than double what it was last year. Our new corporate management system for smaller companies were recently named the best corporate travel management company for small and medium enterprises, attracting over 20,000 registered SME clients.

2014 has been an exciting year. We have achieved accelerated growth across major business lines and at the same time successfully incubated 15 baby tiger programs for our long-term competitiveness. We are eager to embrace the New Year and we are confident that we will continue to deliver excellent results and growth.

Now I will turn to Jenny for financial highlights.

---

**Jenny Wu - Ctrip.com International Limited - Chief Strategy Officer**

Thanks, Jane. Thanks everyone. For 4Q, total revenues of RMB2 billion grew 32% year on year. For the full year total revenues of RMB7.8 billion grew 36% year on year.

On our accommodation reservation business, revenues were RMB842 million in 4Q, up 31% year on year, driven by an increase of 53% in room nights. For the full year, revenues were RMB3.2 billion, up 45% year on year, accounting for 41% of the total.

On transportation ticketing, revenues for 4Q were RMB774 million, up 34% year on year, driven by an increase of 102% in ticketing volume. For the full year, revenues were RMB3 billion, up 36% year on year, accounting for 38% of the total.

On packaged tours, revenues for 4Q were RMB233 million, up 20% year on year, driven by an increase of 54% in volume. For the full year, revenues were RMB1.1 billion, up 13% year on year, accounting for 14% of the total.

On our corporate travel, revenues for 4Q were RMB108 million, up 38% year on year, driven by an increased corporate travel demand. For the full year, revenues were RMB373 million, up 40% year on year, accounting for 5% of the total.

For 4Q, net revenues were RMB1.9 billion, up 33% year on year. For the full year, net revenues were RMB7.3 billion, up 36% year on year. Gross margin was 69% for 4Q and 71% for the full year.

Product development expenses for 4Q of RMB789 million increased 137% year on year, primarily due to an increase in HR-related expenses. On a non-GAAP basis, that is, excluding share-based compensation charges, product development expenses accounted for 39% of the net revenues versus 21% a year ago and 26% a quarter ago.

For the full year, product development expenses were RMB2.3 billion, up 86% year on year and on a non-GAAP basis accounted for 29% of the net revenues versus 21% in last year, in 2013.

Sales and marketing expenses for 4Q of RMB707 million increased 88% year on year, primarily due to an increase in sales and marketing related activities. On a non-GAAP basis, sales and marketing expenses accounted for 36% of the net revenues versus 25% a year ago, and 27% a quarter ago. For the full year, sales and marketing expenses were RMB2.2 billion, up 74% year on year, and on a non-GAAP basis, accounting for 29% of the net revenues, versus 23% in 2013.

G&A expenses for 4Q of RMB234 million increased 52% year on year, primarily due to an increase in HR-related expenses. On a non-GAAP basis, G&A expenses accounted for 9% of the net revenues, versus 6% a year ago and 8% a quarter ago. For the full year, G&A expenses of RMB862 billion increased 33% year on year, and on a non-GAAP basis, accounted for 8% of the net revenues, versus 7% a year ago.

Loss from operations for the fourth quarter was RMB401 million, and on a non-GAAP basis RMB274 million. For the full year, income from operations were negative RMB151 million, and on a non-GAAP basis, positive RMB346 million. Operating margin was negative 21% for the 4Q, and on a non-GAAP basis, negative 14%. For the full year, operating margin was negative 2%, and on a non-GAAP basis, positive 5%.

Net loss attributable to Ctrip's shareholders for 4Q was RMB224 million, and on a non-GAAP basis, RMB98 million. For the full year, net income attributable to Ctrip's shareholders was RMB243 million, and on a non-GAAP basis, RMB739 million.

Diluted earnings per ADS were negative \$0.26 for 4Q, and on a non-GAAP basis, negative \$0.11. For the full year, diluted earnings per ADS were \$0.26, and on a non-GAAP basis, \$0.78. As of 2014, the balance of cash and cash equivalents, restricted cash and the short-term investment was \$2 billion.

Now this is the outlook. For the first quarter of 2015, the Company expects to continue the net revenue growth year on year at a rate of approximately 40% to 50%. This forecast reflects Ctrip's current and preliminary view, which is subject to change.

With that, Operator, I'll now open the line for questions. Thank you.

---

## QUESTIONS AND ANSWERS

### Operator

(Operator instructions) Your first question comes from the line of Wendy Huang. Please proceed, your line is open.

---

### Wendy Huang - Standard Chartered - Analyst

Thanks (inaudible) and congratulations on the very strong outlook. I wonder if you can provide some color on the cost line operating expenses as far as your hotel coupons? So how would that actually affect the bottom line outlook for the next two quarters as well as the whole year? Also the related part on that is there has been lots of talk about how Ctrip (inaudible) different business units so what's your kind of key KPI for these units for 2015? Thank you.

---

### Jenny Wu - Ctrip.com International Limited - Chief Strategy Officer

Okay, so the coupon, the hotel coupon impact, you know, we have this coupon with us for almost three years, and our observations from 3Q 2013 to 3Q 2014. Coupon expenses as a percentage of hotel commission revenues have been relatively stable, around 18%, but trended up to 21% in 4Q due to the intensified competition. For 1Q this year we expect the coupon [roll] to be relatively stable, with coupon expenses to be about 20% of our hotel commission revenues. That means on a year-on-year basis, we expect the hotel coupons will cost roughly 2% extra (inaudible) for revenue per room night, but it's -- the impact is largely -- will be stable on a sequential basis.

For the coupon strategy, we want to reiterate that we will always stick to our principle of decisively matching competitors to ensure our customers keep enjoying the best price. With Ctrip's (inaudible) cash generating capability and a solid execution (inaudible) coupon level, it's very much affordable for Ctrip. Although it still hits our margin the coupon program works in line with our expectations.

Together with our efforts in fundamental competitiveness of (inaudible), service and price, we have again accelerated the volume growth and despite -- as you will see, despite the higher volume base, we have still delivered over 50% volume growth in 4Q, and expect to continue this trend



in the 1Q. As Jane mentioned, by absolute amount in hotel room nights, we actually have been consistently widening our market share gap versus our competitors.

---

**Jane Jie Sun - Ctrip.com International Limited - Co-President and COO**

Wendy, to echo with Jenny, I think although our strategy is very [aggressive] to the highest coupon rate in the market, the quality of our customer is very high, therefore only 20% of the customers will redeem their coupon. So that is a demonstration of our strong earnings power for our business model, and the strong quality of our customers.

Regarding your second question, for the small business units, we give them the KPIs the same way as we evaluate our whole Company. Basically we strive for a very aggressive market share gain, and also we measure them on the bottom line from a long-term perspective. So if they can achieve a target for market share gain as well as the bottom line, the team will be well rewarded.

---

**Wendy Huang - Standard Chartered - Analyst**

Thank you.

---

**Jane Jie Sun - Ctrip.com International Limited - Co-President and COO**

Thanks, Wendy.

---

**Operator**

Your next question comes from the line of Vivian Hao with Deutsche Bank. Please proceed.

---

**Vivian Hao - Deutsche Bank - Analyst**

Hi James, Min, Jane and Jenny. Thank you for taking my questions. I've got two questions here. First of all can you give us the outbound volume in your hotel and in air segment contributions to your current segment? My second question is what is your rationale and strategy for the recent integration of your pre-paid and post-paid hotel system? What will be the future dynamic going forward? Thank you.

---

**Jenny Wu - Ctrip.com International Limited - Chief Strategy Officer**

Okay, I will take the first one. For the outbound volume, for hotels the contribution is (inaudible) roughly 5%, but we see very strong growth, continued growth. For the air ticketing, the (inaudible) outbound travel volume contribution is roughly 15% to 20%, and we are a clear leader in that segment (inaudible) three times our close competitors. We continue to see very robust growth.

---

**Jane Jie Sun - Ctrip.com International Limited - Co-President and COO**

The second question is our rationale between combining the pre-paid versus post-paid teams. I think it's an effort for both. When we combine these two teams, our negotiation power is enhanced because we are able to offer our hotel partners a comprehensive product that we will be able to help them to promote, including pre-paid, post-paid packages, secret hotels, last minute and coupons. So with all these variety of products, we're offering a very good selection for the hotels to market our platform to drive the revenue maximization. Secondly the combination of these two teams will also increase our efficiencies from our operation perspective. So it's two-fold: revenue driven and also efficiency driven.

**Vivian Hao** - Deutsche Bank - Analyst

Okay, thank you.

---

**Jane Jie Sun** - Ctrip.com International Limited - Co-President and COO

Thanks Vivian.

---

**Operator**

Your next question comes from the line of Dick Wei with Credit Suisse. Please proceed.

---

**Dick Wei** - Credit Suisse - Analyst

Hi. Thank you for taking my questions. I have two questions. The first one, if you can give more clarity on the Q1 guidance, maybe by growth by segment and volumes, as well as some of the pricing changes in the first quarter. Second question is maybe more on the competitive landscape for 2015. I wonder when to expect some of the accelerated competition, and what's kind of the standing and operating margin that we think we could achieve at this point in time? Thank you.

---

**Jenny Wu** - Ctrip.com International Limited - Chief Strategy Officer

Sure, I will take the first question and then leave James for the industry landscape. Okay, for 1Q we expect our net revenue to grow 40% to 50% year on year. To give you some breakdown here, the revenue growth will be 40% to 50% year on year largely across each business line. The volume growth for both hotel and air ticketing will be 50% to 60% year on year. The transportation ticketing volume all together will be roughly 80% to 90%.

For the hotel coupons, the impact will be 2% to 3%, and the (inaudible) exchange will impact the commission per room night for the rest of the impact. So you will see there is still a little gap between the volume growth and the revenue growth. But we expect this kind of thing will be much less stable on a sequential basis from the 1Q to 2Q.

For the air ticketing, we see the air ticketing prices are stable, and the commission can't impact our overall commission rate. So the impact will be roughly 10% to 15%. On the marketing side we expect non-GAAP operating loss will be much narrowed to be less than RMB100 million in 1Q. This implies an active 5% of non-GAAP operating margin. For the non-GAAP net income, we will be close to breaking even. We believe this margin improvement is driven by accelerated revenue growth, and largely our operating growth, and also the effective measures we adopted since November last year in improving our cost control and operation efficiency.

Since we're already close to the end of 1Q, we also want to help analysts and investors to know our business a little better, so we would like to talk about 2Q. For the 2Q, now based on our current visibility, we expect our net revenue will grow about 40% to 50% year on year. We push the team -- we will try to attempt to be profitable on a non-GAAP basis in the second quarter. Our net margin, net income margin, hopefully will be from 0% to 10%. Obviously people always ask me about our full year margin guidance, so I think we will still target and work very hard to make sure we can deliver the flattish margin on a year-on-year basis.

A little bit more color here. As James mentioned, our target set-up in 2012 is to grow our total transaction value by over 10 times to reach RMB700 billion by 2020. It implies that our revenues need to grow about 30% bigger in the next few years. As you'll see, in 2013 we made this request. In 2014 we outperformed by achieving 36% growth. We now target to grow our net revenues by about 40% to 50% in the 1Q and 2Q this year. This shows that we are clearly accelerating our market share gain once again, although we are facing the highest comparison basis in the China online travel industry. It demonstrates not only the effectiveness of all our efforts in the past several years, but also our team's courage to self-challenge to reach new heights.



## MARCH 20, 2015 / 12:00AM, CTRP - Q4 2014 Ctrip.Com International Ltd Earnings Call

In the past two years our primary goal is to invest aggressively to boost the market share gain. In 2015 Ctrip will focus on both investment and efficiency. Our efforts will be concentrated on best technology to support our 10 times growth target, best services to achieve the highest customer loyalty, and best products and prices through our open platform. With that I turn to James for the second question.

---

### **James Liang - Ctrip.com International Limited - Chairman and CEO**

Okay. I think Jenny has answered this question pretty well. In the last year, especially the last two quarters, we have invested a great deal in technology and products. So we have built up a very strong capability into penetrating the low end. The Chinese travel market has always been very competitive, and Ctrip has been the leader and everybody is very envious of Ctrip's market share and profitability. So they've been investing very aggressively in the last few years. I think they will continue to invest.

But Ctrip in the last two quarters has built such a strong team and technology leadership, that I think in the coming quarters Ctrip will be able to penetrate the low end market very aggressively, just like our competitors, while maintaining a high profitability and growth in the high end market where Ctrip has always been enjoying very strong leadership. So I think Ctrip can achieve -- actually it's already showing us -- in Q1 numbers Ctrip is seeing accelerated growth in almost all our major product lines, and not just the transaction values but also on the revenue. I think over the long run we'll see a very healthy margin as well. So we're very positive about our recent development and our -- the kind of returns we're expecting with the heavy investments we made in the last two quarters.

Thank you.

---

### **Dick Wei - Credit Suisse - Analyst**

Great, thank you very much.

---

### **Operator**

Your next question comes from the line of George Meng with Morgan Stanley. Please proceed.

---

### **George Meng - Morgan Stanley - Analyst**

Hi, good morning everyone. Thank you very much for taking my question. I have two questions. The first one is regarding your mobile strategy. So you mentioned your accumulated mobile downloads are now 600 million. I just wondered do you have like an active user count on the mobile? Also in terms of your mobile marketing efficiency, roughly do you have a number of your mobile user acquisition cost, and what's the trend here? That's my first question, thanks.

---

### **Jenny Wu - Ctrip.com International Limited - Chief Strategy Officer**

The active mobile [app] the number is roughly 200 [million]. The acquisition cost for Ctrip -- our team is savvy in utilizing our resources to do very effective cost [cost selling] and very well planned overall marketing plans. As I talked to you before, Ctrip consists -- Ctrip is a mobile default company, and Ctrip is a mobile internet company now. So everything we are doing, not including some marketing campaigns, all is centered around this mobile. Even when we just promote a certain, specific product, we will insert [lines] to let people know if you download our app, if you use our mobile apps, you are enjoying extra benefits of discounts. So I think this -- for the overall sales and marketing team expenses in this way you can consider it's all mobile related. Our team has been working very hard to closely monitor the ROI and returns for each channel to make sure we can maximize the return.

Jane, do you want to add more color here?



**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Yeah, sure. I think mobile -- three years ago we put our focus on mobile and transformed the whole Company into a mobile based company. So all the sales and marketing efforts are focusing on mobile. This is our very strong investment area. We will make sure the ROI in mobile technology as well as sales and marketing will drive the top line as well as the bottom line growth.

**George Meng** - *Morgan Stanley - Analyst*

Got it. A follow-up question on that is also on sales and marketing, but more on the PC end. I know you are now transforming to an all mobile company, but still you can still acquire traffic on PC. Considering your major competitor is now -- basically they are utilizing less of the PC or search engine traffic now, are you willing to -- are you planning to maybe ramp up your SEM spending a little bit to take advantage of that, or are you basically focusing on mobile so that's why you won't spend incrementally on search engine or on PC in general? Thanks.

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

I think we monitor the market very carefully. For each channel we break it down to details. Each detailed channel is measured by ROI. So if ROI is very attractive and we can expect exceeding our expectation, we will increase this investment. But for certain channels, if the ROI is below our target, then we will pull back a little bit. So if there is an opportunity, regardless which area, our model will tell us which area we need to increase the dollar amount, and which area we need to decrease the dollar amount. This very scientific measurement of the sales and marketing is one of the reasons why we can continuously drive our profit. So we will keep it up.

**George Meng** - *Morgan Stanley - Analyst*

Got it.

**Jenny Wu** - *Ctrip.com International Limited - Chief Strategy Officer*

(inaudible) George, you know, our mobile internet strategy has been very effective. Now it's not only our default platform, and also helps us successfully attract a lot of new customers, and over 40% of our new customers actually now come through our mobile apps (inaudible). Our reliance on other online channels and (inaudible) expenses can be expected to decrease gradually.

**George Meng** - *Morgan Stanley - Analyst*

Got it. Can you comment briefly on the different ROI of different promotional channels? I know you have a very rigorous calculation of ROI, but just roughly or qualitatively, which channels are trending up in terms of ROI and which channels do have a lower ROI?

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

We have a lot of channels to track to. We strive for ROI very positive, but for certain areas, if it is a new area, we are wanting to lower ROI, so it's very dependent on the region, dependent on channels, dependent on our customers.

**George Meng** - *Morgan Stanley - Analyst*

Okay, got it. That's very helpful. Thanks a lot.



---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Thanks.

---

**Operator**

Your next question comes from the line of Alicia Yap with Barclays. Please proceed.

---

**Alicia Yap** - *Barclays - Analyst*

Hi, good morning everyone. Thanks for taking my questions. I have two questions. Number one: regarding Travelfusion, how should we think about where are the synergies and the benefits that will bring along from this business, and how significant is Travelfusion's contribution to our future volume, revenues and even market share going forward? Did our first quarter guidance include any of these business combinations?

Then second question is regarding your mobile. I wanted to ask, out of the 55% volume from the air, and also 70% from the hotel volume booked on mobile, is that purely from the actual completion done on mobile, or does that include, let's say, for example, user -- they're stuck in the middle and then they dial into the call center where the customer service rep helps to complete? Or is it purely on mobile? Thank you.

---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Thanks Alicia. First of all on Travel Solutions, it's a pure technology company, very small, very lean, highly efficient with advanced technology. That is the whole purpose for us to get -- to merge with them. Secondly their target market is low cost area, so we forecast going forward, for international travel the lowest cost carrier will attract a lot of volume. That will strengthen our competitiveness in the air business. Since it's a technology company, the revenue is very small and de minimis, so it is in the guidance but very immaterial.

Second, would you please repeat your second question?

---

**Alicia Yap** - *Barclays - Analyst*

For the second question --

---

**Jenny Wu** - *Ctrip.com International Limited - Chief Strategy Officer*

I know that. Alicia, you know, the majority of the transactions are actually for people to start from mobile apps and complete it at that platform. Indeed there is a very small percentage of people that will also eventually go to our call center to complete this transaction, but the percentage is very small. After two years of hard working and -- we see a lot of customers become more --

---

**Unidentified Participant**

I think the number we have is the transactions are actually completed on mobile, not just the --

---

**Jenny Wu** - *Ctrip.com International Limited - Chief Strategy Officer*

Yes, largely (inaudible) --



**Unidentified Participant**

But they include the transactions that are completed in the call center, but with some information that was collected or something.

---

**Jenny Wu** - *Ctrip.com International Limited - Chief Strategy Officer*

True, yeah, you're right.

---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

As we improve the user interface in mobile, there is less need for the customers to use call centers. So everything can be very loosely finished on our mobile platform.

---

**Alicia Yap** - *Barclays - Analyst*

So just to clarify that I heard the answer correctly, you mean all the volume that you announce is actually all completed on the mobile platform, but it's also including a very small percentage that could be with the help of the call center.

---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Correct.

---

**Alicia Yap** - *Barclays - Analyst*

Okay, great; thank you.

---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Very single digit.

---

**Operator**

Your next question comes from the line of Fei Fang with Goldman Sachs.

---

**Fei Fang** - *Goldman Sachs - Analyst*

Hi, good morning, thank you for taking my question. On the balance sheet the advances from customers grew 61% year on year. I think that seemed to be a gradually moderating or decelerating trend from the previous quarters. Can you maybe elaborate on the drivers behind the trend? Is it indicative of a moderating [gross volume] or revenue trend in air ticketing or prepaid hotel segment going into 2015? Then I have a follow up question, thank you.

---

MARCH 20, 2015 / 12:00AM, CTRP - Q4 2014 Ctrip.Com International Ltd Earnings Call

**Jenny Wu** - *Ctrip.com International Limited - Chief Strategy Officer*

No, the advance from customer is basically for the customer give us deposit for their packaged tours and is fluctuated according to the seasonality. In 1Q it's Chinese New Year, so always see more people do this booking and do the deposit to advance. So it's a fluctuation largely driven by the seasonality.

---

**Fei Fang** - *Goldman Sachs - Analyst*

Got it, thank you Jenny. Also you highlighted strong volume from mobile and online. Can you maybe give us an update of your call center headcount and also is there any opportunity to reduce or reallocate some of the call center staff? Thanks.

---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Sure, sure. So for call center, on average on a per room basis each per room booking we can make 20% more than per room from mobile and online platforms. Also on per order basis, each order we get from call center has 20% higher volume than the average online and mobile booking. Also, we do not have to give cash rebates in call center. So if you combine all these factors together, the call center right now is the most profitable sales channel for our Company. These customers are high quality customers, less price sensitive, strive, looking for high levels of the services, so it is [crown of the jewel] of the customer that we serve, work very hard to serve them well.

For our technology, investment in call center is very strong. So for example in air ticketing business, although the volume increased about 50%, our call center staff cost decreased year over year. Headcount decreased as well, so the strong investment in technology will enable us to achieve greater efficiency for the call center.

---

**Fei Fang** - *Goldman Sachs - Analyst*

That's very helpful Jane, thank you.

---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Thank you.

---

**Operator**

Your next question comes from the line of Juan Lin with 86Research.

---

**Juan Lin** - *86Research - Analyst*

Good morning everyone, this is Juan. I have two questions. The first one is could you please break down the Q4 transportation volume growth into air ticket booking and non-air ticket booking?

---

**Jenny Wu** - *Ctrip.com International Limited - Chief Strategy Officer*

Okay, for the air volume in 4Q it grew about over 40% and we're very happy to see our future is to grow our volume to three times the industry average. Given our already very high comparison basis and in 4Q we again achieved like a record high growth and now our volume growth is roughly over four times the industry average. We see that even faster volume growth in 1Q and now expect the air-ticketing volume growth will be over 50% in 1Q. We are very happy to see this acceleration.



## MARCH 20, 2015 / 12:00AM, CTRP - Q4 2014 Ctrip.Com International Ltd Earnings Call

For the non-air ticketing volumes, it's largely train ticketing. In 4Q, our team did a fantastic job and they again delivered 300% growth and in 1Q and we certainly can deliver roughly close to 100% growth. For our bus ticketing it's obviously tremendous growth, but this is very small and we see it's both bus ticketing and the train ticketing is emerging as the clear leader in their own verticals. It will continue to help us to run after user acquisition and to cover more customers and to provide them more comprehensive products. Thank you.

---

### Juan Lin - 86Research - Analyst

Thank you Jenny. Just a quick follow up on that. For your air ticket booking, around how much does it come from your open platform and what do you see the trend going forward in 2015?

---

### Jenny Wu - Ctrip.com International Limited - Chief Strategy Officer

Yes, it has continued to be over 60%.

---

### Juan Lin - 86Research - Analyst

Thank you Jenny. My second question is that also on transportation business, I see a significant pickup in ARPU over the third quarter, I think initially is around ARPU growth for transportation business. What is the reason behind that? It seems it is much stronger than the normal seasonal pattern.

---

### James Liang - Ctrip.com International Limited - Chairman and CEO

So the technology we invested in the last two quarters allow us to get a lot of the cheaper prices for the open platform. So we now are as competitive or even more competitive on the prices in air ticketing and many other products as well through open platform strategy. So we were able to grow especially in the low end of the market as quickly as our competitors and even more quickly. So we are seeing accelerated growth in the air ticketing business, especially in the lower end of the market.

The other is that we were able to build up our technology so that our service efficiency in air ticketing has been greatly enhanced, so we were able to still make money or have positive margin on these lower end of businesses, with increased efficiency in our service capability. So that's the reason we were able to grow very quickly and actually we're seeing a sequential acceleration for our air ticketing business and many other businesses as well, low end businesses. Thank you.

---

### Juan Lin - 86Research - Analyst

Thank you very much James.

---

### Operator

Your next question comes from the line of Michael Olson with Piper Jaffray.

---

### Michael Olson - Piper Jaffray - Analyst

Hi, good morning, a couple of questions. First, could you talk about your partnership with Priceline and what kinds of benefits you're getting from that at this point? Is it primarily that your customers are able to access Priceline's international hotel inventory or is there something that's providing certain benefits from that partnership?

## MARCH 20, 2015 / 12:00AM, CTRP - Q4 2014 Ctrip.Com International Ltd Earnings Call

### **Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Priceline is a very successful company and we have high respect for them. Through our cooperation, the two teams work very well to hear our knowledge on how to serve the international travel business needs. So we have various cooperations for the Priceline Group. Our customer is able to utilize their network to fulfill their need and in return, into China, we are also working with them to give them better support on the China business. So it's a very good business partnership between two teams.

---

### **Michael Olson** - *Piper Jaffray - Analyst*

Okay, thanks for all the detail that you gave on Q1 and Q2, but if you look longer term, last quarter I think you suggested that you still expect a long term operating margin in the 20% to 30% range. Is that still your expectation that you'll be able to achieve those levels long term and if so, what do you think the timing of that could be when you reach those levels? Is it like 2016 or sometime after that?

---

### **Jenny Wu** - *Ctrip.com International Limited - Chief Strategy Officer*

The long term margin is obviously very much related to our scale and also the competitive landscape in China. We believe that eventually industry will -- currently the industry competition is a lot of irrationals here and over competitors, but no industry can continue this kind of growth over the long run. So this is on the industry side, we expect the industry competition will gradually go back to the rational path and Ctrip, we are working very hard to try to drive industry to go back to the healthy growth patterns.

Also Ctrip internally, we are working very hard to gain market share and to improve our operational efficiency. We always say that we need to drive things in the right ways. To be more specific, the right thing is that we work consistently to evaluate the areas that we need to do the investment and to make sure we can build the high entry barriers over the long run. On the other hand, we watch closely on our internal controls to make sure Ctrip's team will not miss any penny.

We work very hard on those two things and even (inaudible) they can do a better job and carry out this (inaudible) and especially our margin will continue to expand over the long run. So by 2020, if our market share and James' ambition and we can have like 30% market share, our margin could be like 20% or 30% and probably even higher. So we are working very hard towards that goal.

---

### **James Liang** - *Ctrip.com International Limited - Chairman and CEO*

Ctrip I think, we're very comfortable Ctrip will have a much higher net margin than our competitors will. That's not so hard to achieve when our competitors have negative 50% net margin. Just I think part of the reason obviously is Ctrip has a very dominant position in the high end part of the business, international air tickets and five star, four star hotels and Ctrip is seeing continuous but still healthy growth in this very profitable business. So Ctrip will have a much higher margin than our competitors, many times the margin of our competitors and hopefully at some point our competitors will have a positive margin so many times of that will be a very healthy margin. Thank you.

---

### **Jenny Wu** - *Ctrip.com International Limited - Chief Strategy Officer*

Thank you.

---

### **Michael Olson** - *Piper Jaffray - Analyst*

Thank you.



**Operator**

Your next question comes from the line of Ida Yu with CICC.

---

**Ida Yu - CICC - Analyst**

Hi, thank you for taking my questions. I just have two questions here. The first one is regarding your guidance. As Jenny mentioned, hotel volume is expected to grow 50% to 60% in Q1. Can you break down into how much is from the prepaid and how much is from the original model and what is the change compared with a year ago?

My second question is about the leisure travel. So as we see that the package tour revenue continued to maintain pretty low as a percentage of revenue, I assume pretty low, so we all understand this market has been grow really robust in the coming years, so what is Ctrip's plan to develop into this market and what is your expectations of this part of business to contribute the topline growth in 2015? Thank you.

---

**Jane Jie Sun - Ctrip.com International Limited - Co-President and COO**

Sure, thanks. For prepaid versus cash rebate, prepaid is relatively a new business, so their base is smaller. It has been delivering three digit growth over the past quarter and it will continue its strong growth in the future. Regarding vacation package, we totally agree with you. I think this relatively base is very small, potentially huge, Chinese customers earning more money, willing to travel further, travel abroad, so for right now our target is grow market share, that's our priority. Once we have established a strong brand name in the vacation package area, then we will increase our earnings power in this area and the revenue will follow. So definitely we agree with you, this is an area with stronger potential.

---

**Ida Yu - CICC - Analyst**

Okay, thank you.

---

**Jane Jie Sun - Ctrip.com International Limited - Co-President and COO**

Thanks.

---

**Operator**

Your next question comes from the line of Eddie Leung with Merrill Lynch.

---

**Eddie Leung - Bank of America Merrill Lynch - Analyst**

Hi, good morning, thank you for taking my questions, fairly quick questions. The first one is could you share more color (inaudible) on the condition rates trend that you have seen for air and hotels, especially given certain policy changes from some of your business partners, how should we think about that going forward?

Secondly, could you remind us your headcount plan and your total staff at the moment because I remember last couple of quarters you guys added quite a number of staff, so just wondering for 2015 what's the headcount plan, thanks.

---

**Jane Jie Sun - Ctrip.com International Limited - Co-President and COO**

Sure, thanks Eddie. For commission rates, as everybody knows, the airline has cut the commission rate. However that helps us to consolidate the market. The smaller traditional travel agencies with lower efficiencies, some of them are out of the game, so for us if you combine the growth in



MARCH 20, 2015 / 12:00AM, CTRP - Q4 2014 Ctrip.Com International Ltd Earnings Call

the volume versus the decrease in commission rate, it's a huge win for us. So we will fully utilize our sellable platform to take advantage of this change. Regarding the hotel, it's relatively stable quarter-over-quarter.

Your second question is on the headcount.

---

**James Liang** - *Ctrip.com International Limited - Chairman and CEO*

The headcount, I think as I said, the last two quarters is where we have increased the investment level very rapidly, especially on technology. I think with the increased headcount, we hired and we were able to develop these new platforms such as open platforms, such as the new 15 new initiatives that we've started. But I think in the future, we are pretty happy with the kind of technology investments or the rate of investment we are making in these areas. So I think the headcount going forward in R&D will be quite modest.

On the product development, we also increased the (inaudible) last two quarters, especially to the lower end of the market. I think in the future also, I think the increase to the headcount will be quite modest. On the surface front, actually we think we actually will decrease our headcount a little bit, even with a much higher volume that we're servicing. So overall we're seeing that in this year our headcount will grow very modestly.

---

**Eddie Leung** - *Bank of America Merrill Lynch - Analyst*

Got that, thank you Jane and James.

---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Thanks.

---

**Operator**

(Operator instructions) Your next question comes from the line of Tian X Hou, T.H. Capital.

---

**Tian X Hou** - *T.H. Capital Research - Analyst*

Morning management. I just have a question to your guidance and one thing I realized in the last several months towards the end of 2014, you did announce some acquisitions of the hotel wholesalers. I wonder in your guidance, the first one is, for the wholesalers, how do you recognize their revenue and in the Q1 guidance, how much of that comes from those acquisitions? That's the question.

---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Sure, thanks. The wholesaler is extremely small. The reason we invest in them is simply our competitiveness in product offering, but very small. We recognize their revenue on that basis the same way as Ctrip because they do not take any inventory risk. The total amount is less than 1%.

---

**Tian X Hou** - *T.H. Capital Research - Analyst*

Okay, thank you.

---



## MARCH 20, 2015 / 12:00AM, CTRP - Q4 2014 Ctrip.Com International Ltd Earnings Call

**Jane Jie Sun - Ctrip.com International Limited - Co-President and COO**

Thanks.

---

### **Operator**

Your next question comes from the line of [Cheong Thomas with C.P. Group].

---

### **Unidentified Participant**

Hi, good morning everyone, thanks for taking my questions. I have two questions. The first question is regarding the cruise business. Can management provide some updates about your expectations for this year and next year as well as the impact to earnings? Secondly, regarding the revenue mix over the long term, can management provide us some color between the mix between the hotel, the ticketing as well as the package tours business? Thanks.

---

**Jane Jie Sun - Ctrip.com International Limited - Co-President and COO**

Okay I will take the first one, the cruise business. We believe the cruise business is (inaudible) stage in China. The way cruise ship offers its product, it's very suitable for Chinese people's habits. So we are very positive in this area. In our cruise booking, during our cruise booking process, we noted there is huge surge in the order for cruise business and that is why we invest in the first vessel of the cruise business. It is a joint venture between Royal Caribbean and Ctrip. Our two teams work very closely to make sure it represents a very good Chinese style international cruise ship. So we only have 35% in equity so we account it as equity income below the line and the impact is immaterial at this stage.

---

**Jenny Wu - Ctrip.com International Limited - Chief Strategy Officer**

For the product revenue mix, you'll see all of our teams are working very hard and will expect very robust growth across every business line. So we do not expect that much change in business mix. For the package tours, we expect even higher growth this year, so just very modest change here.

---

### **Operator**

Your next question comes from the line of Yu-Heng Fan with China Renaissance.

---

**Yu-Heng Fan - China Renaissance Securities - Analyst**

Hi, good morning. I have a question regarding your GMV mix. [Other than the] (inaudible) GMV from the package tours. Can you further break down GMV for hotel, air ticketing, tram, bus, etc. and also in order to maintain your 30% (inaudible) in GMV growth for the next couple of years, other than your ongoing share gain in your existing business and the more visible like cruise and [call] service, what other verticals you are planning for the next couple of years? Thank you.

---

**Jane Jie Sun - Ctrip.com International Limited - Co-President and COO**

For our package tour, it is a total package we offer, so in the RMB13 billion, the most expensive portion is the air ticketing for overseas. The second most expensive piece is hotels and then the local ticketing, service based ancillary services. So out of the RMB13 billion, the majority are in the air and hotel business. But we accounted in a separate line as vacation package line and it is independent from the regular FIT of hotel and FIT air ticketing business. This business line going forward has a very strong potential to grow faster because the base is relatively smaller.



**Yu-Heng Fan** - *China Renaissance Securities - Analyst*

Can you breakdown the rest of your GMV other than your taxi tour? You have RMB152 billion GMV for 2014; can you maybe have a breakdown?

---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Sure. Again, I think our 40% of the revenue comes from air ticket and GMV is higher because we take a lower commission. Then the second bit is hotel, we take also a lower commission. Then we also have different small business units, so based on all the products combined, there are many of them, but the majority comes from hotel and air tickets.

---

**Operator**

Ladies and gentlemen, this concludes the Q&A portion of the call. I would now like to turn the call back over to Management for any closing remarks.

---

**Michelle Qi** - *Ctrip.com International Limited - IR Manager*

Thank you everyone for joining us on the call today. A recording of the call will be available as usual on IR website shortly after the call has been completed. We appreciate your interest in Ctrip and look forward to convening with you next quarter. Thank you.

---

**Jane Jie Sun** - *Ctrip.com International Limited - Co-President and COO*

Thank you very much.

---

**James Liang** - *Ctrip.com International Limited - Chairman and CEO*

Thank you.

---

**Jenny Wu** - *Ctrip.com International Limited - Chief Strategy Officer*

Thank you.

---

**Operator**

Ladies and gentlemen, this concludes today's conference. Thank you for your participation and have a great day.

---



## MARCH 20, 2015 / 12:00AM, CTRP - Q4 2014 Ctrip.Com International Ltd Earnings Call

### DISCLAIMER

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

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

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2015, Thomson Reuters. All Rights Reserved.