

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Loral Space & Communications Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) We'll pause for a moment to give everyone an opportunity to signal. We'll go first to Marti Murray, Babson Capital Management.

Nicole Hiracarat – Babson Capital Management

Hi, guys. It's actually Nicole Hiracarat [ph], Babson Capital. My first question deals with what your synergies are to-date that's included in your EBITDA number when you first you did the Telesat transaction, I believe, it was CAN\$55 million with the run rate that you thought you didn't achieve. I just want to sort of get an update on what's been realized thus far and sort of whether that's still the target?

Michael Targoff

We disclosed that we would hope to achieve the vast bulk of the synergies within 18 months of the close and we are, as you know, about little more than nine months, I guess, into the close. We're making good progress. We still believe that target is very achievable and we see no evidence that we won't get to the place we speculated – that's more than speculated – the place we plan to be by the 18 months.

Nicole Hiracarat – Babson Capital Management

Okay. This quarter, corporate expenses were down quite a bit, I think, about \$1.5 million and there were about \$6 million or so year-to-date. What should we be looking at as sort of run rate corporate expense. I know you guys have been taking out cost. Are there any more cost to come out or they're one time items in this corporate expenses?

Michael Targoff

There's very real cost to come out yet. I think your numbers are off. Our run rate at corporate expense will be down about \$14 million, that's between \$10 million and \$14 million when we're all done. Some of those expenses, of course, are picked up by some of the capabilities being absorbed at SS/L. But from measuring the corporate expense, you'll see that number down between \$10 to \$14 million.

Nicole Hiracarat – Babson Capital Management

Okay, I'm sorry. Instead, my numbers – it's not \$1.5 million without your corporate expense for the quarter?

Michael Targoff

Well, that was. That was for that reflects items that will not expect to be ongoing. I think, our corporate expense are in forward basis per quarter would be more, in the 3-sh, 3 to 4-sh range.

Nicole Hiracarat – Babson Capital Management

I see. Okay. That was – thanks. That's helpful. Next, if you could just turn to your cash used for the quarter, I think its roughly \$180 million. And I guess there's a general breakdown in the 10-Q but if I can just go a little deeper as to sort of what the specific uses of cash and what their affiliate – associate numbers are, that would be really helpful.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.