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## Coleman Cable, Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Brett Levy with Jeffries & Co.

#### Brett Levy – Jeffries & Co.

Can you quantify the benefit of all the plant closings you discussed and talk about when those benefits will start to roll in.

#### Richard N. Burger

As Gary mentioned, and we've mentioned previously, we expect the annualized cost savings from these consolidations to be about \$3.0 million a year starting in 2009 and forward. A large portion of those cost reductions were the consolidation of a number of plants into one specific plant, so transportation costs between plants, particularly Avila, Indiana, to El Paso, Texas, was a large portion of the rationalization, if you will. But fundamentally it was to house everything in one plant.

#### Gary G. Yetman

Until we get the El Paso facility fully integrated, which we would expect to have done by the fourth quarter, we really won't begin to see the real benefits, especially on the freight side of the business. In fact, we may actually incur additional freight in the third and fourth quarter as we close down the facilities in El Paso.

#### Brett Levy – Jeffries & Co.

Based on the current economic environment, does it seem like you're done with the cost-cutting measures or is this sort of normal blocking and tackling from this point, but no major plant closures?

#### Gary G. Yetman

Right now we don't see any major plant closures on the horizon. We do see some opportunities over the course of the next 12 months that takes additional cost out of the business at certain locations.

#### Brett Levy – Jeffries & Co.

In terms of what you are thinking about on the M&A front, at this point are you actively out there looking for additional targets? What is your comfort zone in terms of leverage pro forma for a prospective acquisition?

**Gary G. Yetman**

That's a multiple-part question. I guess from an acquisition front, we are certainly well aware, and I'll put a historical perspective on it. We have been higher levered than 4.4x but when we were a private company and with debt only. But since the public equity we have been very conscious of where we are in relationship to leverage as it affects the equity side of our business. So I think in that regard we would be cautious about incurring additional indebtedness or in leveraging the business up, unless, and I can't see it now, in this market place, and the credit markets, us being able to do that.

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