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BlackRock Kelso Capital Corporation Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operations

(Operator instructions) Your first question comes from the line of Cyril Battini with Credit Suisse.

Cyril Battini – Credit Suisse

I was wondering if you could just address maybe your funding profile and any short-term maturities and also your liquidity position.

Mike Lazar

Sure, this is Mike. Our credit facilities, both the revolving credit facility and the term loan facility, don't expire until the very end of 2010 and the capital is available to us on a revolving basis until that time. In addition, the credit facilities that we have, have accordion features that allow us with additional capital to increase the size of those facilities should we find additional lenders to join in under the existing facility. So we have that in place until, I believe, it's December 6, 2010.

Availability, we have \$484 million drawn under those facilities at the end of the second quarter. The total amount of those facilities is \$545 million of availability and that's prior to any increase that we may or may not seek under the accordion feature.

James Maher

Yes. I think it is also fair to say that we have some expectations of certain securities on our portfolio, some significance being refinanced in the next quarter also.

Cyril Battini – Credit Suisse

Okay, great. Thank you.

Operator

(Operator instructions) Your next question comes from the line of Jim Shanahan with Wachovia.

Jim Shanahan – Wachovia

Hi, guys. How are you?

James Maher

Good, Jim.

Jim Shanahan – Wachovia

Good. A very busy day and I apologize, I really hadn't a lot of time to really spend on the press release here. But I have a couple of questions. First of all, actually I want to make a comment. The share buyback is – I did some quick math here and it works out it looked to me to be roughly, may be 1.3 million shares at \$9 a share, or \$12 million, and not a significant amount in terms of dollar value, but I think it sends an important message to the market that buying stock back below book value is a lot more powerful than selling equity below book value. And so I think this is a positive development and your demonstration of market leadership hopefully sends a message to some of your peer companies which see the opportunity and thinks that the right thing to do is to raise capital and I don't think that's always the case; it can be very costly. So, having said that, without your commentary, I just wanted to make that point and –

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