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CDI Corp. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question is coming from Jeff Silber of BMO Capital Markets.

Jeff Silber - BMO Capital Markets

I just wanted to get some color on the TK Engineering acquisition; first of all, that acquisition has it closed as yet?

Mark Kerschner

Yes, it has.

Jeff Silber - BMO Capital Markets

Okay, so is that included in your guidance?

Mark Kerschner

Yes, it is.

Jeff Silber - BMO Capital Markets

Okay, so just kind of quantify that and I know you've been a little bit reluctant to, but the 300 engineers that you've had, how many engineers did you have in the aerospace engineering business?

Mark Kerschner

Around 600?

Jeff Silber - BMO Capital Markets

Okay so we've added about 50 capacity more or less?

Mark Kerschner

Yes.

Jeff Silber - BMO Capital Markets

Okay, and in terms of comparing those folks, the folks that you had already, it's the same kind of business model as the time and materials model?

Mark Kerschner

Yes it is.

Jeff Silber - BMO Capital Markets

And are the billing rates or margins dramatically different from what you have in aerospace?

Mark Kerschner

No they are pretty comparable.

Jeff Silber - BMO Capital Markets

Okay, alright that's helpful, I appreciate that. Just a couple of numbers and questions and I'll let somebody else jump on. In terms of your share repurchase, what's left in the reauthorization?

Mark Kerschner

\$48 point something million?

Jeff Silber - BMO Capital Markets

I'm sorry that's \$48 point something million dollars, right?

Mark Kerschner

Yes, correct dollars.

Jeff Silber - BMO Capital Markets

You mentioned the tax guidance when do you think you'll be getting the tax credit; is that in the third quarter or fourth quarter?

Mark Kerschner

At this time we'd anticipate it coming through in the third quarter.

Jeff Silber - BMO Capital Markets

Okay, so we'll build that into our model accordingly; and then stock based compensation in the quarter what was that?

Mark Kerschner

It was \$965,000.

Jeff Silber - BMO Capital Markets

Okay great and then one final one; I don't know if missed this last quarter, but it looks like you restated or reclassified engineering solutions and IP solutions, was that something you just did this past quarter in terms of classifications?

Mark Kerschner

No, we didn't do anything with them this quarter we did that earlier.

Operator

Thank you our next question is coming from Bill Sutherland of Boenning & Scattergoods.

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