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Beckman Coulter Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions)

Your first question comes from the line of Bruce Cranna with Leerink Swann.

Scott Garrett

Good morning, Bruce.

Bruce Cranna - Leerink Swann

Hi. Good morning, guys. A couple of things. First of all, Charlie, just on the gross margin impact from transportation costs, if you quantify that for the quarter, I apologize I didn't hear it, but what was the impact on this quarter?

Charlie Slacik

I don't think I gave a specific number on the quarter, but it would roughly be about \$2 million, \$3 million.

Bruce Cranna - Leerink Swann

And your comment on the second half of the year was 30 to 50 bps?

Charlie Slacik

30, 50 bps for the full year between higher commodity and transport costs.

Bruce Cranna - Leerink Swann

Okay. Thanks. And then can I just spend a minute or two on the DxH 800? Scott, I think you said you're sort of in a controlled launch now or you expect to be imminently?

Scott Garrett

We have several instruments in the field in validation studies, and we expect to start a controlled launch probably in late third quarter to early fourth quarter this year.

Bruce Cranna - Leerink Swann

How many installations you have at present?

Scott Garrett

We're not disclosing that, but in hematology, it's kind of an extension of clinical studies. You have to look for rare samples. And we need a lot of data to validate that we're flagging all the conditions that historically were flagged by the long history of Coulter hematology products. So, we're being thorough. We're being careful. And we're going to do a controlled rollout, because we want to make sure that this is very, very well received and well positioned when we finally launch it with customers.

We have made our submissions to the FDA. We expect that there are no regulatory hurdles that we're waiting to hear about. We're ready to go, and we're going to do it in a very controlled and careful manner.

Bruce Cranna - Leerink Swann

And if you had to guess as to the period of time that the controlled period is or how long would the controlled release period be, I guess, is my question.

Scott Garrett

I think it will probably be in full release sometime in the first half next year.

Bruce Cranna - Leerink Swann

Okay. And then just quickly on O.U.S. trends, which are again really pretty substantial, especially in China. I know it's kind of early days there, but do you have any read on what sort of consumable trail per instrument you might see in a geography like China? And I don't need a whole dollar amount, but I guess compared to maybe something in your experience in the U.S. or --?

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