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Abaxis, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Our first question comes from the line of James Sidoti with Sidoti and Co.

James Sidoti -- Sidoti & Co.

Good afternoon, Clint. Good afternoon, Al.

Al Santa Ines

Hello.

Clint Severson

Good afternoon, Jim.

James Sidoti -- Sidoti & Co.

Okay, a couple questions. First, any way you can quantify what the ERP costs were in the quarter?

Clint Severson

Al?

Al Santa Ines

Could you repeat that?

Clint Severson

The ERP cost.

Al Santa Ines

Oh, the ERP cost, yes. That is about \$200,000 for the quarter or half a penny EPS. Okay?

James Sidoti -- Sidoti & Co.

And going forward, does it stay at that level or--?

Al Santa Ines

No, it will be lower. Just to explain, we successfully implemented the ERP this fourth quarter. It's start-up, the bulk of the expense was absorbed in this quarter.

James Sidoti -- Sidoti & Co.

All right. Now, the next question might be a little more difficult to quantify. But any (inaudible) about how much R&D is being spent to support the machines?

Al Santa Ines

Actually, we are probably about 25% of our R&D expenses are probably on the equipment side, because we are past the critical stages more related to vendors' problems now that we are looking. Okay?

James Sidoti -- Sidoti & Co.

But how many more quarters do you think spending will remain at that high, just to keep the machines getting out the door?

Al Santa Ines

My guesstimate, probably very minor going forward, probably about two more quarters.

James Sidoti -- Sidoti & Co.

Okay. And then, on the -- a question for Chris -- on the Piccolo placements, have you seen any immediate impact of getting that last round of panels waived?

Christopher Bernard

The ones that are pending, Jim?

James Sidoti -- Sidoti & Co.

The electrolytes. No, the ones that you got waived in the fourth quarter.

Christopher Bernard

Absolutely. I mean certainly to have the first-ever waived comprehensive metabolic panel is a major event in the industry. Certainly the challenge we faced January through April is not having those codes loaded by Medicare, which means the trickle-down effect to Blue Cross, United, or any other payors was unable to reach them until after the April 1 deadline.

James Sidoti -- Sidoti & Co.

So now that we are past that deadline, does it get easier again at this point?

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