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Bio-Rad Laboratories Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions) Our first question comes from Jon Wood with Banc of America Securities.

Jon Wood - Banc of America Securities

Hey, can you hear me?

Christine Tsingos

I can hear you.

Jon Wood - Banc of America Securities

Hi, Christine. Is Norman there?

Christine Tsingos

He is here.

Jon Wood - Banc of America Securities

Hey Norman.

Ron Hutton

Norman had a cold.

Jon Wood - Banc of America Securities

Well okay, I'll start with Christine. Can you just go over how much of the life science the business mix is actually capital equipment and not electrophoresis, the apparatus business but the high end capital equipment?

Christine Tsingos

Yeah, it's actually not a huge percent of our mix. Jon, as you know 70% of the sales are more recurring in nature either consumables or apparatus and then another chunk are the instruments that not really be these high tickets capital instrument. However, having said that we have a couple of new

ones that have been doing well in the U.S. recently and we just saw a brief change during Q1. I will let Brad add some color as to how that may change over the course of the year.

Brad Crutchfield

This is Brad Crutchfield. As far as, it's about 30% of our business roughly which would be in the more capital instrument and subject to that kind of sales cycle and we just saw a fairly soft quarter. We don't really see this as lost opportunities but more differed opportunities. Are fairly confident that that won't be something we see through the end of the year.

Jon Wood - Banc of America Securities

Brad, is that just the Life Science or you mean total Bio-Rad, on 30?

Brad Crutchfield

I am talking specifically total Life Science only.

Jon Wood - Banc of America Securities

Okay Life Science only. Okay and then its split in the press release, you kind of talked about academic plus biopharma. Is it any one particular customer group to single out there or is it just both was relatively weak?

Brad Crutchfield

I would say it was really across the board. Our biopharma, our for-profit customers, were fairly conservative in terms of when and putting off some purchasing and in general, we have seen a cycle over the last 2 or 3 years with the sort of traditionally government sponsored research. Our researchers being a little bit conservative in the first quarter and kind of holding back on their budget in purchases but again as we saw in the last two years that generally corrects itself throughout the year.

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