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Beckman Coulter Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) And your first question comes from Quintin Lai with Robert W. Baird.

Scott Garrett

Good morning, Quintin.

Quintin Lai - Robert W. Baird

Good morning, nice quarter.

Scott Garrett

Thank you.

Quintin Lai - Robert W. Baird

As you take a look at the hospital environment and thank you for the color, Scott. I am talking about the strength that you are seeing so far, and your new guidance earlier in the morning. What about some of the larger projects, things that where hospitals have retransformed their labs and broken down walls and brought in new automation.

Are you getting any good visibility on those types of projects and the capital spend from some of your customers and in particular automation for you those tend to be cash sales? What are you seeing with respect to the order flow for that?

Scott Garrett

It continues to be quite strong. We have been pacing our automation based on our capacity to do installations, and as you suggested Quintin, often times our major hospital customers will look at the automation installation, the same way they look at putting a new wing on the hospital. It's part of an overall capital program. And we often get paid cash even if they are financing otherwise. You may have noticed that the major hospitals and hospital groups around the country in the United States are really doing quite well financially.

We've had great relationships with many of these big integrated health networks. They tend to be regional, they tend to do a great job of maintaining a highly productive hospital and we've been able to help them in making their labs more productive. But they seem to be financially doing quite well

financially. And we haven't seen any impact in this quarter or fourth quarter of last year from what I think is often described as the overall credit crunch that the country is going through.

Quintin Lai - Robert W. Baird

Thank you for that. And then, second question and I'll jump back into queue. Nice growth in emerging markets, servicing those areas can be an issue. How do you handle that, do you have to build the service in front of these orders or do you expand the service as you get these orders? And how easy is it for you to get that infrastructure in place?

Scott Garrett

Of course we, yeah okay...

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