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## IDEX Corp. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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[Operator Instructions] Your first question comes from Mike Schneider.

**Mike Schneider - Robert W. Baird**

Good morning everyone. Just wondering if we could start out, Larry, with the dispensing segment and the outlook for accelerating growth. Can you reconcile for us? It looks like orders and certainly organic growth were down in Q1. What is it that you know about the order book I guess in April really that gives you confidence you're going to accelerate this business from negative organic growth to high single digit and I would even note against the double-digit comparison a year ago in Q2?

**Larry D. Kingsley - Chairman, President and Chief Executive Officer**

Sure, Mike. Let me run through it. I'll start with the global view of the segment and we'll talk more specifically about some of the elements within. As I mentioned in the prepared comments, we see that the foundation, frankly, for ongoing pretty solid base order rates globally is quite strong. We saw, as I mentioned, great new business opportunities materialize in the first quarter over in Europe. We see evidence of some solid orders in the developing country markets around the world. And some of that's folks that are going to architectural paints for the first time and going right to automatic dispensers as part of that process. Others who have been in the broader color pallet and are going from manual dispensed processes to the automatic-driven processes. So that's all good.

There's been some concern. Obviously folks have raised questions in the last call with respect to domestic resi construction market and how that impacts the DIYs and the mass retailers for this year. Essentially, a long story short on the new store openings component to that equation, it's come in pretty much as we had anticipated and no real change of expectation there for the current quarter or for the remainder of the year. New store openings among the larger retailers are definitely down, but the replenishment programs continue. And as we've mentioned in the last call, there are a number of machine replacement programs, not just in the U.S. but globally as well, but particularly in the U.S. that we have included within our internal plans and are executing through the course of the year. We feel quite good frankly about this quarter based on line of sight visibility to those programs. And obviously for the remainder of the year, we continue to work those programs, and we obviously earn everyone.

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