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Coleman Cable Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions) Our first question will come from Brett Levy with Jefferies & Company.

Brett Levy – Jefferies & Company

Hey, guys, very strong quarter. Can you guys talk about, I'm guessing from the CapEx number you gave that you don't focus on the acquisitions you've made. Are you out of the acquisition for a while or you remaining opportunistic?

Gary Yetman

Right now we're very focused on integrating the two acquisitions that we made last year. We will have the Woods' acquisition, we believe, totally integrated over the next 60 days or so. We still have a lot of work to do with the Copperfield facilities, so we would like at least the balance of this year focusing on getting those businesses fully integrated.

Brett Levy – Jefferies & Company

All right. It does seem like you guys are kicking off a decent amount of free cash flow. Do your bank agreement and your bonds are trading at like 15% its deep discount, does your bank agreement allow you to buy back bonds in the open market with free cash flow?

Gary Yetman

No.

Brett Levy – Jefferies & Company

Is that something you would want to explore at some point? It just seems like a pretty good return, maybe not comparable with buying Woods or Copperfield but something that you guys even look at?

Gary Yetman

We haven't focused much on it because the ABL loan prohibits it, but it also prohibits buyback of our equity as well.

Brett Levy – Jefferies & Company

I'm sure you'll have those discussions independent with these guys. You did give numbers, can you talk sort of quarter-by-quarter when you expect to get the various savings? I mean you put in a full number for the year, but can you sort of give a sense as to when those numbers from Woods and Copperfield in terms of the synergies will start rolling in first quarter, more second quarter, etcetera?

Gary Yetman

We'll we're beginning to see and have begun to see really some of the benefits of Copperfield and we expect to see them continue throughout the year. Really the Woods' acquisition, when we had made it, we said that it would contribute an incremental \$10 million in operating profit and that business is really a second half business. It's mostly retail oriented, so we would expect that benefit to happen in the last 2 quarters.

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