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Core-Mark Holding Company, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) We have our first question coming from Jonathan Lichter - Sidoti & Company.

Jonathan Lichter - Sidoti & Company

Is there any thought to perhaps pulling back from Canada and focusing on other parts of the U.S.?

J. Michael Walsh

I'm not sure I understand your question. Pulling back from Canada? Pulling out?

Jonathan Lichter - Sidoti & Company

Yes. Over the last few years it looks like profitability there has been declining.

J. Michael Walsh

No question it has been. Canada went through tremendous turmoil for a couple of reasons; I still believe that Canada will restore its profitability and when it happens, I think that we'll all be glad that we hung in there. There are some synergistic reasons that we're in Canada. I think that we've seen the bottom and I think that going forward we've got some upside potential there.

No question, Jonathan, it is down and no question, it has hurt us in our overall company performance. But having said that, I do think that Canada, it's going through a market shakeout and I think that we will emerge stronger than we were before. So I would hate to give up that potential.

Jonathan Lichter - Sidoti & Company

Okay. You mentioned that there was about a \$100 million worth of business that moved away. What were the reasons there? Was it just price?

J. Michael Walsh

Yes. It was basically price. It was not service. It was a bid and we have certain thresholds that we need to achieve and you can understand that when there is some shift in the marketplace, as there was in the fourth quarter. We picked up some wins, but there's going to be competitive reactions to that and we're not in business to do business for no profit.

Operator

We have our next question from Gideon King - Loeb Partners.

Gideon King - Loeb Partners

Hi, thanks for your work.

J. Michael Walsh

Sure. Thank you, Gideon.

Gideon King

Perhaps I should say thanks to the management team, but perhaps not thank you to the Board. My question centers around creating value for holders and the Board process that took place. When you folks emerged from bankruptcy in April of 2005, I think your stock came out at around \$26. And unfortunately, that's where we are right now.

And when I look at our internal projections which I'm sure are flawed, as they always are, and I see that at the end of 2008, given \$50 million of free cash flow ? these are our projections, please understand.

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