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## Medical Facilities Corp Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from James Dunn of MacKenzie Financial. Please go ahead.

#### James Dunn - MacKenzie Financial

Good morning, gentlemen. My first question is with respect to Dakota Plains. I noticed that the [inaudible] ownership has gone up to 64.6% in the quarter. Can you shed some color on that and financially how is this being accomplished? Is this sort of taking up the corporate debt?

#### Michael Salter

Yes, James, it was principle to the exchange agreement and the exchangeable interest and there were a couple of exchanges made during the year by holders at Dakota Plains and it was in accordance with the agreements that have been in place since IPO.

#### James Dunn - MacKenzie Financial

So this is all sort of pre-planned and according to schedule?

#### Michael Salter

It's all in accordance with the exchangeable interest agreement. You know, what you are seeing, though, is in Dakota Plains for a number of reasons, they have had a higher rate of exchange than we've had at some of the other centers. If you look at Sioux Falls, none of the physician owners have exercised their exchangeable interests and the minority interest still [inaudible] and obviously the other centers, as well, are all varying degrees in between.

#### James Dunn - MacKenzie Financial

This quarter the Corporate GNA was a little higher than usual and the Maintenance CAPEX was little lower than usual. Can you shed some color on those two?

#### Michael Salter

It's just seasonal; more seasonal variations. I don't read any trend into it at all.

#### James Dunn - MacKenzie Financial

Would you care to put out a guidance for the Maintenance CAPEX for 2008?

**Michael Salter**

Yes and no. We haven't been putting out guidance. We think that we're—you know, at the time of IPO—that we had always stated a number or around 2% to 2.3% of net revenues as being a reasonable amount; that was what we came out of shoot at. Since that time, we've never been that high. I would say I would see nothing to indicate that our past performance would not be an indicator of the future.

**James Dunn - MacKenzie Financial**

Great. And just my final questions and then I'll hand it over for other questions. The hand surgeon at Black Hills who is on sabbatical, is he due back next week as planned?

**Michael Salter**

Don, would you like to answer that one?

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