



## Darling International Inc Q4 2007 Earnings Call

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Our first question comes from Tyson Bauer from Wealth Monitors International. Please proceed with your question.

#### Tyson Bauer - Wealth Monitors International

Good morning gentlemen, another great quarter and a great year.

#### Randy Stuewe

Thanks, Tyson.

#### Tyson Bauer - Wealth Monitors International

A couple quick questions as we look forward in doing modeling. Can you give us a sense of what your volume outlooks are for rendering and restaurants and on top of that, we had a recent announcement of another mad cow situation in Canada, which in 2003 when it caused hysteria. Now it doesn't even make the newspaper, basically until you get to page seven. Are we at a state now that that the procedures are in place and you don't have that public fear anymore of that disease?

#### Randy Stuewe

Well, let's deal with the questions kind of in order here. Volume wise Tyson, we saw the cattle slaughter for fourth quarter was a little bit less than third, which is pretty typical with the seasonality, but yet, year-over-year 2007 was up about 10,000 head a week. But still, about 18,000 head a week behind where we were pre-Mad Cow.

There's been no secret that the cattle production economics have been somewhat challenged out there, at least on the slaughter side for some period of time here. That said we've seen pretty good volumes stronger than we would have thought given the economics that were at least apparent to us. But the majority of our growth has come out of both the mortality side and the hog slaughter side in the Mid West.

The hog slaughter side as you can imagine has just been running extremely full. I guess what I can comment on is we have seen that trend continue on into early 2008. I think everybody has read the same articles I have, possibly some of the production and the placements team backed off both on the cattle side and the hog side being challenged by higher grain cost. I think it would be inevitable not to say that we are going to see animal economics challenged here as we go in with these higher

grain prices into late summer next fall here, until the consumer price side can react to the higher input cost that are ahead of us.

On the Mad Cow side, I mean the Canadian thing, I guess I would characterize as a non-event. But at the end of the day it's still not the kind of news that we like out there such that our regulators have to pay attention to possibly what's happening north of the border here. But, you are right in your assessment that it doesn't get much attention here anymore.

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