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AT Cross Co. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you Sir. The question-and-answer Session will be conducted electronically.

(Operator Instructions).We will go first to David Leibowitz with Burnham.

David Leibowitz - Burnham

Good Morning or afternoon, excuse me.

Dave Whalen

Hi Dave.

David Leibowitz - Burnham

A few unrelated items if I may. Number one, the new product introductions this year will that be a greater number of those or a lesser number than we saw in '07?

Dave Whalen

In the Cross business, the Cross Accessory Division there will be a greater number. Probably, Dave a similar number of quality writing instruments launches and a greater number of extension launches, as we have an increase in our readers business, and an increase in our leather goods line, which are both expected to grow this year, leading the way. But we still have a robust, spring and fall additions to our quality writing instrument line as well.

David Leibowitz - Burnham

Second question, which quarter of the year is going to make the toughest comparison for you vis-à-vis the year just ended?

Kevin Mahoney

Toughest comparison, Yeah, I think, if I am answering it directly, David, but I mean, for me, or for us really, the Costa Del Mar business continues to run, as it always has, with the growth it has been showing. I think for the Cross Accessories Division, '08 will be similar to the past years, which is really the financial performance of that segment is all driven by what happens in the fourth quarter. So, it isn't a quarter-to-quarter comps that we are concerned about. And to say it in a different way, the Cross Accessories division remains driven by the performance in the fourth quarter. And so, the

investments that we make in the first few quarters of 2007, again set us up for the fourth quarter of 2008. We have no reason to be concerned about what we have in our plan for the fourth quarter of 2008, but I am not answering you directly, but I don't think there's any particular quarter that we're intimidated by from a comp perspective.

David Leibowitz - Burnham

Excellent, what about the reading glasses are they still growing or have they plateaued?

Dave Whalen

I think in 2007, they plateaued, but I think that was primarily due to fact Dave, that we wanted to get together an entirely new line. The eyewear business, you need new, fresh products and new, fresh styles, and so, what we did was we took the time in 2007 to develop an entirely new Cross reader line that would appeal to a broader range of consumers. That was launched earlier this month. And so, we expect a much larger reader business in 2008, than we had in '07.

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