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## Bel Fuse Inc. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

Perfect. (Operator Instructions). And our first question comes from the line of Todd Cooper with Stephens. Please proceed with your question.

**Todd Cooper - Stephens**

Yes, good morning.

**Colin Dunn**

Good morning.

**Dan Bernstein**

Hi, Todd.

**Todd Cooper - Stephens**

How much per quarter will the cost saving initiatives cost over the course of the year?

**Colin Dunn**

It is not a specific number, Todd. You know part of the issue is, we were looking at, here we have other cost going up all the time, and so we didn't split these assets as a discrete item. But you know, if you think of closing a 46,000 square foot facility which is what the facility was in Macau and a 53,000 square foot facility which was the size of the facility in China, you get a bit of a flavor for what the savings will be even just on the utility side.

**Todd Cooper - Stephens**

Okay. I was asking more about the cost of closing those facilities. I think last quarter you said it was approximately \$0.5 million. Will it be more in the second half of the year than the first half of the year?

**Dan Bernstein**

I think that's a good number.

**Colin Dunn**

Yeah, actually it was just a little less; we came at about 485 I think Todd. I spoke, this morning I said 500,000 just rounding it up but we came in just slightly under that.

**Dan Bernstein**

I think going forward that's a number we can use for the next 12 months.

**Colin Dunn**

Yeah, that's not going to change.

**Todd Cooper - Stephens**

Okay. Can you describe your employee situation around that Chinese New Year in China?

**Dan Bernstein**

What generally happens is that as you get closer to Chinese New Year, most of our workers are coming from the north, and some of them do migrate before Chinese New Year, and you saw it losing the workforce. And the problem is it's very difficult to bring workers into your facilities in the September, October, November timeframe to train them and so forth. So what happened was we had a layoff in July and August, and then our backlog started to increase and at that time we went out to look for more labor and it was very difficult to attract the labor. So our backlog was getting pushed out and our lead times were getting pushed out. As that was occurring, we received more orders coming in and that's where we have pretty strong backlog today.

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