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Jarden Corp. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Thank you. [Operator Instructions]. And we will take our first question from Reza Vahabzadeh from Lehman Brothers.

Reza Vahabzadeh - Lehman Brothers

Good morning.

Martin E. Franklin - Chairman and Chief Executive Officer

Hi Reza.

Reza Vahabzadeh - Lehman Brothers

I am sorry if I missed it, but did you provide free cash flow guidance for 2008?

Ian G. H. Ashken - Vice Chairman and Chief Financial Officer

No, we have not.

Reza Vahabzadeh - Lehman Brothers

Okay. Would free cash flow in 08 be at least comparable to 2007 if not better?

Ian G. H. Ashken - Vice Chairman and Chief Financial Officer

I see no reason why it shouldn't be comparable, but obviously it's February. And as you saw, we had extremely good cash flow in Q4. What I do anticipate is that our working capital opportunities within K2 should be able also provide additional working capital improvements during the year.

Reza Vahabzadeh - Lehman Brothers

Okay. And you have a lot of cash on hand. I mean would you anticipate in maintaining this level of liquidity and cash on hand or would you anticipate using some of that to repay debt?

Ian G. H. Ashken - Vice Chairman and Chief Financial Officer

Well, our working capital cycle is such that we continue to generate cash through January and then from sort of February through August on the used cash. Some of that will go into working capital purposes. We don't have any borrowing on our revolver at the moment. So I think the level of cash

flows in our business at the end of Q1 will be lower, but obviously at the moment, we'll continue to build cash.

Martin E. Franklin - Chairman and Chief Executive Officer

If your question is are we considering buying back our own bonds, is that where you're going?

Reza Vahabzadeh - Lehman Brothers

I am going as far as are you going to be using this cash over time to repay debt whether it's bonds or banking.

Martin E. Franklin - Chairman and Chief Executive Officer

Yes, we are not to looking to make any major acquisition, so opportunistically if we think that it's a... when we look at our overall liquidity, if we think it's a good idea to buy back some of our own debt, we will probably look to do so.

Reza Vahabzadeh - Lehman Brothers

Fair enough, and then Martin how do you feel about your particular products inventories at retailers? Is it about it where it needs to be or would you anticipate still some adjustments to be needed?

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