

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

iBasis Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions)

Your first question will be from the line of Gary Singer of Limit Holdings. Please proceed.

Gary Singer - Limit Holdings

I thought that you had previously estimated the synergies between \$10 and \$20 million on what it looked like around mid 50's of EBITDA or 53 of EBITDA, just curious on how you got the 60 to 70 range?

Ofer Gneezly

We estimated the synergies at \$20 million and those we will achieve from the LCR synergies as we outline as well as some reduction in operating expenses. Our guidance for the EBITDA based on our plan for 2008.

Gary Singer - Limit Holdings

Does that mean you are not going to achieve both \$20 million in 2008?

Ofer Gneezly

We said that we will achieve the \$20 million in the medium range in two to three years. I think we achieved quite significantly compared Q3 pro forma to Q4 with \$4 million improvement annualized and that is 16, so we are way on our way to achieve this but if you look at the report to the adjusted EBITDA at 52 that increases to our guide to 60 to 70 while looking at the significant additional expansion in adjusted EBITDA.

Operator

Your next question will be from the line of Adrian Weisberg of Greywolf Capital. Please proceed.

Adrian Weisberg - Greywolf Capital

I have a quick question on cash, can you explain in a more detail how the \$29 million of operating cash was generated in the fourth quarter?

Richard Tennant

Let me kind of walk through the higher level cash flow for the quarter. So as I said, we generated \$29 million from the cash in operations. We had capital expenditures and some other investing activities of just under \$10 million. We had cash flow from bank borrowings in financing notes of just under \$25 million. So what I did was over all to bring us to the changing cash.

Adrian Weisberg - Greywolf Capital

Any additional detail we can give on the cash flow from operations, because \$29 million in a quarter based on the cash from operation that the company has internally looks like, a high number, maybe there is some working capital there or?

Richard Tennant

There is certainly, as you would expect Adrian to be a number of adjustments. In the working capital we had a positive benefit to cash in operations from our receivables and obviously the depreciation and amortization as I mentioned before is a fairly substantial number that is just over \$9 million itself. So the benefit came from primarily the changes in current assets and current liabilities within the quarter.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.