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Autoliv Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions)

The first question comes from the line of Himanshu Patel from JP Morgan. Please go ahead.

Himanshu Patel - JP Morgan

Hi. I had a couple of questions. Can you help us understand how much of the 2% organic growth outlook for 2008 is due to revisions with CSM's, or Global Insight's production schedule versus, I think Chrysler had some model discontinuations as well, how much could that have contributed to what seems like slightly slower growth than maybe we talked before?

Jan Carlson

Yeah, we have talked before. You remember that we talked in our Capital Market Day of a growth in total 4% to 5%. If you look on the North American markets and such, the Chrysler production cut approximates a 1 percentage point for the company. Then we see approximately another percentage point coming from the general down trending light vehicle production in North America. And then, you have approximately 0.5% coming from a different vehicle mix primarily in Western Europe actually. That's how it builds up together.

Himanshu Patel - JP Morgan

Okay. And then, Jan, the restructuring cost, it sounds like they've started to accelerate last quarter, and we had another elevated quarter of that. What's your outlook on that for 2008? Do we sort of assume this \$10 million per quarter level for all of 2008, or does that taper off in the back half of the year?

Jan Carlson

You should assume the same overall level for the year. We have built-in, we had last year a restructuring cost of \$23 million, and you should assume the same level for full year 2008. We are currently under review of the restructuring program for the company and if you look specifically into quarter one you should expect the minimal level for restructuring cost and for the other three quarters we will come back to that it's just under planning.

Himanshu Patel - JP Morgan

Okay. And lastly, I wanted to go back to the comment you made on slide 22. It sounds like you guys are suggesting that the cost of assisting distressed suppliers, will be comparable to '07. I'm a little bit curious at that, because some of these commodity costs are going up, steel in particular. North American production in the first half is expected to be considerably weaker than what the expectations were just six months ago.

Are you thinking that there is elevated cost for distressed suppliers in the first half, but by the second half you think things will become easier, or you don't see any incremental deterioration in the last quarter or so of the health of the tier 2 supply base?

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