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Symmetry Medical Q3 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And our first question comes from the line of Michael Matson with Wachovia Securities. Please proceed.

Michael Matson - Wachovia Securities

Hi, thanks for taking my question. I guess, it's great that the revenue picked up, we were kind of expecting that. I think everyone was. But I guess the bigger question in my mind has been around the margins in the second half. And I understand that you can't give us a detailed EPS number, but what can you do to kind of give us confidence that the margins are really, kind of, stepping up to the degree that was built into your guidance and in the consensus estimates?

Brian Moore

Mike. We are under pretty strong advice not to comment on that until the investigation is fully completed.

Michael Matson - Wachovia Securities

Okay.

Brian Moore

It's unfortunate, but that's just the way it is.

Michael Matson - Wachovia Securities

All right. In terms of the revenue in the quarter, can you tell us what portion of that came from the SSI-UCA acquisition?

Fred Hite

Mike, I think net on top of my head, I don't have it in front of me, but I will follow up with you offline and let you know how much that is.

Michael Matson - Wachovia Securities

Okay.

Fred Hite

But they were approximately \$21 million to \$22 million business and so their normal run- rate would have come through for the time that we own them.

Michael Matson - Wachovia Securities

Okay. And then just with regards to the follow-up on the loans what sorts of remedies do you expect to work out with the banks on that?

Fred Hite

The standard agreement that we had obviously says that we can't issue financial statements during the fall, and that's just pretty standard. The forbearance basically gives us time to remedy, that which is to issue a valid financial statement that everybody can count on and then we just go back into our normal loan agreement.

Michael Matson - Wachovia Securities

All right. And then just given what we're seeing with oil prices, is there any risk that's going to hurt your margins, over the next 12 months or so?

Brian Moore

No, we have, the biggest risk could be on the plastic that we purchased. We have a three year contract that we've locked into, and we're one year into that. So we have two years left on that agreement, so there is no risk of that for the next couple of years.

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