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Arch Chemicals Q3 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. The question-and-answer session will begin at this time. (Operator Instruction)

Our first question will come from Ian Zaffino at Oppenheimer.

Ian Zaffino - Oppenheimer

Great. Thank you very much. Just a really quick question here. If you guys could give us an idea -- I know you mentioned housing is causing some weakness in some areas. Is there any way you could give us some -- somehow quantify that, that will be helpful? Thanks.

Michael Campbell

Let me take a shot that. And if anyone else has any comments from the team, I would encourage them to pipe in. But what we see is about 10%, and this is plus or minus. 10% to 15% of our business is impacted directly by housing. And one measure that we have is what is the big box towards seen in terms of treated lumber for example a year-over-year and their estimates are averaging out it at about an 18% decline year-over-year. So that's the sort of impact that we had, the area that is going to impact the most is our Wood Protection business. I told you that we were on-track to deliver the \$69 million improvement compared to '06 that we had targeted for '07.

Clearly we would be above that target if housing were normalized. How much above that target is purely speculation on my part? But it would be \$7 million or above, but the company as a whole it is largely protected from the housing market it's more the Wood Protection business that's taking the brunt of it and steel in the face that difficult market environment. I think the business is doing quite well.

Ian Zaffino - Oppenheimer

Okay, that's what I figured, just wanted to get some confirmation. Thank you very much.

Michael Campbell

Yes sir.

Operator

And we go next to Al Kaschak with Wedbush Morgan.

Al Kaschalk - Wedbush Morgan

Good morning guys.

Michael Campbell

Hi Al.

Steven Giuliano

Good morning Al.

Al Kaschalk - Wedbush Morgan

Michael was recovering on your accident. First I was wondering could you strip out any currency down at the EPS probably if you have if you can repeat it. I missed it.

Steven Giuliano

Say [\$8 million] for the quarter Al.

Michael Campbell

They won't take \$0.03.

Al Kaschalk - Wedbush Morgan

Okay. That was a benefit?

Steven Giuliano

Benefit yes, and you take a little year-to-date for nine months, \$1 million to \$2 million.

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