

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.

Baxter International Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). I would like to remind participants that this call is being recorded and a digital replay will be available on the Baxter International website for 30 days at www.baxter.com. Our first question comes from Matt Dodds of Citigroup.

Matt Dodds - Citigroup

Thanks, good morning. A couple questions. I usually do not get on this quick. First, Bob, on the fourth quarter comments, I think Rob you said that, there would be a vaccine contract or a one-time benefit from a product?

Rob Davis

Yes, it is actually a tender, very consistent with what we have done in the past; it is an advanced purchase agreement. I do not want to disclose the country because right now we are under some confidentiality agreements with them. It will be a one-time tender in the quarter of probably about \$50 million.

Matt Dodds - Citigroup

And, can you at least say because usually those are pretty high margin tenders, is that realistic to think about?

Rob Davis

Yes, this will be a relatively high margin tender.

Matt Dodds - Citigroup

Okay. Then the second question concerns the PD contract in Mexico. Is that coming up for tender again in '09? If so, is there a chance that you would potentially bid on it or it could be a better contract that would allow you to get back in?

Bob Parkinson

Yes, Matt, this is Bob. It is coming up. We actually expect to receive the tender for '09 shortly. We do not know all the terms, what has changed from last year given, frankly, what has transpired in the marketplace with the conversion last year and so on. So, we will definitely participate in that tender.

Relative to the financial impact going forward, obviously, as we all know, we took a major hit in '08. We are obviously hopeful that on a year-to-year basis we certainly would not decline any further '09-'08 based upon the results of the tender.

Matt Dodds - Citigroup

Alright. Thanks Bob. Thanks Rob.

Bob Parkinson

Thank you.

Mary Kay Ladone

Next question, Shawn?

Operator

Our next question comes from Larry Keusch.

Bob Parkinson

Larry Keusch are you there?

Larry Keusch

Hello?

Bob Parkinson

Hello?

Larry Keusch

Can you hear me?

Bob Parkinson

Yes, we can.

Larry Keusch

Okay, sorry about that.

Bob Parkinson

No problem.

Larry Keusch

On IVIG sales, I think if I have this right, declined sequentially in the third quarter, which is the first time I think since going back to '06 if that is occurred. Any color around that, Bob?

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