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Trimble Navigation Ltd. Q3 2008 Earnings Conference Call Transcript

Question-and-Answer Session

[Operator Instructions]. Our first question comes from the line of Jonathan Goldberg with Deutsche Bank.

Jonathan Goldberg - Deutsche Bank

Hi, thanks for taking my call. Just a quick question. In terms of the slowdown and the weakness you are seeing among your customers and their credit problems, is it... it seems like the weakness is much more in the fuel solution side, do you expect to see something similar in the E&C side? And then a follow up to that is, how much in these businesses start and stop. If distributor stop's buying today, can he restart in a quarter or two or does it... usually take longer to get the business up and running again?

Steven W. Berglund - President and Chief Executive Officer

Okay, so first of all... virtually all of this credit related stuff, we are seeing is on the E&C side field solutions which is agriculture and GIS is... so far we haven't detected anything like that in the agriculture businesses, it's all been on the E&C side and GIS is really in a different realm. So, the credit related or let's call it the psychological effect of the credit problems and it's virtually all on E&C side.

As far as the stopping and starting aspects of it, it tends to be... the normal business tends to be a... call hundreds or thousands of individual small transactions. So it really is post forming [ph] and it's really a deferral. It's very unlikely that we ever loose a sale completely because the justification once done is as relevant two months later as it was two months before. So it's in the after market. So in reality I don't think our sale is actually lost. It may be postponed for a period of time based on seasonal factors, a contractor in season say from April to through September is many less likely to take a machine out of production to installing machine control system for example. But aside from that we would look at the sort of activities being more of a deferral than an actual loss and could be picked up at any point in time.

Jonathan Goldberg - Deutsche Bank

And what about your customer's business. I understand that you wouldn't necessarily lose the sale. But if a construction project is postponed today because of credit problems, doesn't it take... is there a longer than expected lead time to get it up and running again?

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