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Encore Wire Corporation Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Our first question is from Liam Burke with Janney Montgomery Scott. Go ahead.

Liam Burke – Janney Montgomery Scott

Thank you. Daniel, Frank, how are you this morning?

Daniel Jones

Great Liam.

Liam Burke – Janney Montgomery Scott

Daniel, the residential construction market speaks for itself. It's been three years of contraction and nobody is expecting anything for 2009. Commercial construction for the first half of the year has been holding its own and even in July it looked like it was okay. Are you seeing a dramatic shift in the commercial construction market at this point or did you see it in September? And how does it look for the rest of the year?

Daniel Jones

I'm not seeing a dramatic shift, Liam, but certainly there is some apprehension out there. You know the larger jobs continue. Some of the medium size jobs may push out into the future a little bit as much as they can stand. But for the most part, they are moving along. The institutional type construction – colleges, universities, hospitals, local schools seem to be going along pretty well. The retail obviously has been down a little while. But it seems to be kind of hold about flat where it is.

Liam Burke – Janney Montgomery Scott

Thank you.

Daniel Jones

You are welcome.

Operator

Our next question is from Curtis Jensen, Third Avenue. Go ahead.

Curtis Jensen – Third Avenue

Good morning, fellows. Just a quick question. Cash from operations versus CapEx – it looks like your working capital is up a little in the quarter.

Frank Bilban

Cash from operations – would you like it for nine months or the third quarter?

Curtis Jensen – Third Avenue

Well, nine months is fine.

Frank Bilban

For the nine months, our cash provided by operating activities is \$45.5 million and our capital expenditures for the nine months also are \$12.6 million.

Curtis Jensen – Third Avenue

Okay. So what – how do you see CapEx going out through the balance of '08, and if you thought about kind of your '09 planning?

Frank Bilban

I was just going to say that through '08 we are targeting around \$16 million to \$17 million as a final number.

Curtis Jensen – Third Avenue

Okay.

Daniel Jones

And in '09, we have some projects that we are buttoning up. And I don't see today sitting here anything that's large to report.

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