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Compass Minerals International Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Your first question comes from the line of David Begleiter – Deutsche Bank Securities.

David Begleiter – Deutsche Bank Securities

Angelo do any of your highway de-icing customers ask for any price roll backs given the decline in your prices and if they did will you lower prices?

Angelo C. Brisimitzakis

Just to answer your question no we have not had that. I'm not aware of any requests for roll back in prices. This issue of pricing kind of cuts both ways. If fuel were to go up after the bids were awarded we would take that hit. If fuel costs go down, I guess the customer takes that hit.

We would like nothing much more than the customer to accept maybe a fuel surcharge mechanism but to date they've insisted on the supplier taking that cost risk so we take it and now the price is fixed for the entire season.

David Begleiter – Deutsche Bank Securities

Just on SOP on the August 15th price increase how much of that have you realized or are realizing?

Angelo C. Brisimitzakis

Well you saw our average for the third quarter, which is kind of a blend of some of the [lagerage] from the old price and the new \$1,000 list price. We expect that for the fourth quarter to approach the full \$1,000 for all of our customers on average so I think we've had very good success and are pointing to the continued success as we finish out the year.

David Begleiter – Deutsche Bank Securities

Lastly if MOP prices were to decline how sticky would SOP prices be short and long term?

Rodney L. Underdown

We saw a brief period in 2006 when there was a slight period of MOP pricing decline and our SOP pricing did not decline. So hypothetically if MOP were to decline, and from all that I hear from the

MOP guys they're not expecting that to happen – remember we're a big MOP consumer – we would test the premium that normally get.

Normally we get about \$150 premium to MOP. We believe that in premium should increase as the extra value of SOP is further realized by the growers and if MOP were to decline slightly we would test that premium and we would expect that premium to increase.

Operator

Your next question comes from Mike Judd – Greenwich.

Michael Judd – Greenwich Consultants

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