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EMC Corporation Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from the line of Mike Judd, Greenwich Consultants.

Mike Judd - Greenwich Consultants

Congratulations on a great quarter and it's nice to see a company that's actually increasing the guidance for the year.

Bill Walter

Thanks Mike. It feels good here too.

Mike Judd - Greenwich Consultants

That's great. So my question really relates to a comment that you just made about anticipating higher soda ash prices potentially in 2009 versus 2008. It was that on sort of an annualized basis or is that from current levels that you see here? I realize that these prices are often set at the beginning of the year but I guess there is some drift during the year, right?

Bill Walter

Very little Michael, through the course of the year. I think I would answer your question, it's both. It's both relative today's price and the average for 2008.

Mike Judd - Greenwich Consultants

Could you just try to expand upon that, talk about some of the factors. Is it in a material competition with caustic or is it just continued strong demand? What are some of the factors that are leading you to believe that that will be the case?

Bill Walter

It is a combination of things, Mike. The least of which I think is the inter product competition with caustic. However, with caustic pricing where it is, we continue to see caustic customers coming to us looking for supply of soda ash.

More important than that is, despite the slowing global economy, we have yet to see any significant erosion of demand growth and I emphasize the growth part. We have seen no decline in demand

other than that in North America in the housing and auto sectors which we largely have felt in 2007 and early 2008.

Global demand growth as we sit here today continues to grow. Supply additions are limited to those in China and even those capacity additions in China that have been announced, a number of them seem to be being deferred or canceled outright.

Mike Judd - Greenwich Consultants

Okay and then I am not an expert on seaweed, but I thought I read somewhere that in the third quarter there had been an increase in seaweed prices and then a collapse in prices. Can you just elaborate please if that's the fact even the case.

Bill Walter

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