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Diebold, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you the question and answer session will be conducted electronically. (Operator Instructions) And we'll take our first question from Kartik Mehta with Ftn Midwest.

Kartik Mehta - FTN Midwest Securities Corp.

Good morning. Tom, you talked a little bit about the impact in consolidation and where market shares stands, at least for the top five institutions. I was wondering if you could talk a little bit about if you believe that there would be any impact to appraising or the fact that you've seen large banks consolidate with each other, or there wouldn't be that much of an impact.

Thomas Swidarski

I think Kartik, from a pricing standpoint, maybe we focus on the U.S. in terms of the consolidation. Most of the major players like the BofA's of the world, the JP Morgan Chase's of the world had very sophisticated sourcing folks in place already.

And so as they take over other institutions or whatever, they were in a very competitive position in terms of using all that leverage today. So I don't think that would have that material of an impact on pricing going forward.

Kartik Mehta - FTN Midwest Securities Corp.

And then just a question on your order growth, now I know it's kind of uncertain right now, the times are uncertain and I was trying to get if you've had any cancellations, in any geographies, from banks because of what's happening or have things been pretty status quo.

Thomas Swidarski

We're scrubbing that daily. I mean I have that same worry constantly and we just had a conference call on that yesterday. To date, we are not seeing anything cancelled. Certainly as things continue to unfold, we're going to be diligent in watching that.

But given the environment that we're in, I was concerned that things would be backing off. We haven't quite witnessed any of that yet. But certainly we have a cautious eye and keep our ears very tuned to that and as a matter of fact we're going through the backlog and we're kind of reviewing and revisiting all that to make sure in fact that we think all of that is solid. But as the work is done, to this point, we're pretty good in terms of the orders and our ability to continue to deliver.

Kartik Mehta - FTN Midwest Securities Corp.

Ken, I wanted to ask you a question on the cash flow. I'm trying to figure out is there a way to look at your cash flow for this year in a normalized, what the normalize would be without some of these one-time expenses.

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