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Iconix Brand Group Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Todd Slater - Lazard Capital Markets.

Todd Slater – Lazard Capital Markets

Your '09 revenue guidance, it assumes slight negatives across the board outside of Wal-Mart. I'm just wondering how that lines up with your performance currently and especially given what you saw in October?

Neil Cole

Some of the brands have been either up slightly or down slightly or a few of them are even. So we are projecting next year to be pretty much similar. We see this environment continuing. The retailers are playing inventories really tight, so even if the consumer does come back and buy, we believe that it is going to be a very tough '09 throughout and what we've seen in the third quarter; September, October, we see continuing; and that is how we planned our guidance going forward.

Todd Slater – Lazard Capital Markets

Secondly, when do you anticipate commencing any of the buyback and where do you see your cash position at the end of the year?

Warren Clamen

The cash position at the end of the year should be around \$75 million of cash on the balance sheet. We put this buyback in place, our Board, because we wanted to be in a position from time to time to repurchase shares when they are undervalued. So we have no set predetermined parameters; but we want to again have the ability to buy back shares.

Todd Slater – Lazard Capital Markets

Lastly, you mentioned Central and South America as new international initiatives. When did you say that you're going to be closing those deals and I'm just wondering if there is any news on the India opportunity? Thank you.

Neil Cole

We are hoping to announce a deal in South America this quarter. We have a wonderful partner that we are starting to work with and who is strong in the region and could help us monetize our brands there.

India has been taking a little more time. It seems to be a lot less developed than we thought in the opportunities and we are probably going to be doing more I'd say, one-off typical licensing deals there rather than a joint venture of some kind.

Operator

Your next question comes from Bob Drbul - Barclays Capital.

Bob Drbul – Barclays Capital

The question I have is on the Wal-Mart businesses Neil. Can you maybe peel it back a little bit more, in terms of when you look at the percentage of your business at the end of '08, where you think all the Wal-Mart brands will be for you in terms of the diversification and then I guess similarly, can you just maybe frame us around what your expectations are for '09 and maybe sort of the different scenarios that you see for the Wal-Mart businesses with the three brands that you have?

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