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## RC2 Corporation Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator instructions). First, we will hear from Joe from Wachovia.

**Joe Mackie – Wachovia**

Hi, it's Joe Mackie [ph] here. Just wanted to get some additional details on the credit facility for (inaudible). I haven't seen the AK, but is this a three year facility that for 2011?

**Peter Henseler**

Yes, the three-year term loan and revolving credit facility.

**Joe Mackie – Wachovia**

Okay, great. And can you remind us what the size of the facility that you went to \$145 million. What was the size of the previous facility?

**Peter Henseler**

I think the previous facility was a little larger than that. And we really size this one based on what our current needs are.

**Joe Mackie – Wachovia**

Okay. Great. So there is nothing to read into that?

**Peter Henseler**

No, at this point, with capital kind of under – you're kind of paying for capital where they use it or not we are really sizing it to what our needs are, recognizing that when the capital markets especially the debt markets improve that we probably want to be back out looking for better terms when it stands right for that.

**Joe Mackie – Wachovia**

Great. Can you talk a little bit about current channel inventory? You mentioned that retailers were more conservative as far as ordering this year. Can you comment on the domestic and international inventory levels right now?

**Peter Henseler**

We are well higher than like to be in terms of what we got in our warehouses, and I think that's the reflection of what our retail partners are doing all around the globe. They are leaning out there inventories and really relying on resupplies, especially, fourth quarter supply from us. We have made those adjustments and we made the best decisions we can, but I don't think there is a tremendous amount of inventory in the channel on a – and frankly, I don't think there will be the way the retailers with the cautious ordering we are seeing at a retailers.

**Joe Mackie – Wachovia**

Great. And then final question here on the Super WHY products. You mentioned – Peter mentioned debuting late spring in 2009, when do those begin to ship to retailers and any guidance you can kind of give us based upon what you expect from that line next year?

**Curtis Stoelting**

The first products we're really begin shipping probably in Q2 next year at a limited basis and really get fully ramped up in early Q3.

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