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Weight Watchers Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) The first question is from Michael Binetti from UBS.

Michael Binetti - UBS

Thanks and congrats on a nice quarter. Maybe just a quick question on the fourth quarter guidance -- would you mind telling -- I guess I'm curious if you guys, if there is hedging of the currencies that we should think about that you just mentioned, David.

Ann M. Sardini

No, there isn't.

Michael Binetti - UBS

And then does that bake in any kind of an impact from -- I think what you guys called a soft launch of the new guide in December, [for attendance purposes]?

David P. Kirchhoff

I think that we do usually see a little bit of positive benefit from the soft launch, recognizing that there won't be any really marketing activities at all prior to Christmas. Sometimes we see a little bit of lift but I think what I would point out is that the enrolment levels are so low in the month of December traditionally that even if there is a little bit of a lift on a percentage basis, it tends to be fairly immaterial on an attendance basis.

Michael Binetti - UBS

And just one quick follow-up -- I understand you guys are reticent to talk about the details of the new guide for competitive reasons. It seems like -- I mean, there's a lot of noise for those of us trying to figure out the fourth quarter and '09. How do you think about the realistic [inaudible] outcomes for attendance on a -- if you tested but you haven't given us a lot of details about the particulars [inaudible] and given the current environment.

David P. Kirchhoff

You clipped in a little bit on and off but I think I understood the gist of your question, which is given that we haven't described the innovation we're launching in January of 2009, how do you think about it with respect to our performance in 2009, is that right?

Michael Binetti - UBS

Actually, I was just saying how do you think about the realistic bands of outcome for attendance with the product that you've tested but not yet given us really any details about in the current economic environment.

David P. Kirchhoff

Okay, I got it. And you know, that's kind of the trick as we think about, starting to think about 2009 and obviously we are going to be providing a lot more details when we provide guidance in February, and the reason, just for context, the reason we traditionally provide guidance in February is because January has such a significant impact on volumes for the business. We've just always done it that way.

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