

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha (α) in orange, all on a dark red background.

Liz Claiborne, Inc., Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Robert Drbul – Barclays Capital.

Robert Drbul – Barclays Capital

Hi, good morning. The first question that I have for you is, when you look at the next 60 days or so can you give us a comp expectation in your numbers for Juicy? I'm not sure you gave that. I guess the other question that I have is, what's the total dollar or percentage of sales for the quarter for your retail stores that will be done between Thanksgiving and Christmas?

William L. McComb

Well, on the latter part of your question it's a very significant number. It's about 75% of the profitability of those businesses happen in that period in the quarter from Thanksgiving to Christmas. So it's still, believe it or not, half way through the quarter it's still too early to say whether or not the guidance that we've given for the quarter is going to change or not. Right now we're sticking to the guidance that we provided two weeks ago for the quarter. We think that's solid and, as we said, we're assuming low double-digit comp declines in total for our retail chains.

We do not report or project monthly or quarterly comps by brand when we give guidance, Bob.

Robert Drbul – Barclays Capital

Okay. On the partner brand side of it, can you give us an idea how your order book for the spring came in, in terms of either on a percentage basis or dollars for partner brands in total or for the Liz brand itself.

William L. McComb

Dave, why don't you take that question, especially with regard, make the comment on the Liz line.

Dave McTague

Sure, Bill. Thanks for the question, Bob. First, as Jennifer Black recently so poignantly put it, down 10 is the new flat. And I think that's a great characterization of the planned receipt level for 2009 on an average in wholesale. We're happy to date with the bookings on the spring line. As we've said before, if we did this launch right we'd probably be down overall. As we exit certain stores and manage the inventory for strong profitability and better natural margins. Creating regional destinations is one of

our planning principles. Here I mean we're making sure that in a given high-traffic mall we have one major store that becomes known as the place to buy Liz Claiborne New York. That store is where we're going to distort all of our marketing spending and efforts. We certainly can't dribble it out to every available store in the universe, so instead we're getting it right out to winning stores in each major mall. Candidly, bilaterally we've got to break some bad habits as we plan these buys. We were all so used to using these restores for receipts rather than planning it carefully as a lifestyle brand. In light of this approach we're very happy with the way that the buy came in.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.