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Symmetry Medical, Inc., Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And the first question comes from the line of Benjamin Andrew with William Blair.

Benjamin Andrew - William Blair

A couple of quick questions; Brian, I think I counted three or four times that you guys said ?if we were to experience softness next year,? is that a hypothetical or is that a projection? And it's another way of asking how far into '09 does your visibility on orders go in terms of your thoughts on revenue growth.

Brian Moore

If we didn't read the newspapers and the media, we would not be aware of any issues economically from what our customers are telling us, what our plants are saying, and what the facilities are actually producing. Obviously, we do read the media and the newspaper and we do realize that the economy, everybody is forecasting that at some point it would recover clearly, but it's likely to get worse before it gets better, and estimates range from 1 year to maybe 2. So, we're just being prudent businessmen in saying, ?look, we can't just carry on as though the world is immune from these economic factors,? so, we're basically saying, ?let us assume there will be some impact, let us prepare for it,? but meanwhile we'll just react to our customers and carry on as we are.

Benjamin Andrew - William Blair

Okay that's helpful in terms of understanding that. You identified I think it was \$10 to \$15 million of potential cost savings in operations in '09, do you want to give any more detail on that?

Fred L. Hite

Yes, those are the items I went through, Ben, on my list for 2009 including the loss at Sheffield which carried no tax benefits in '08. As that turns profitable in 2009, obviously that eliminates a huge net loss and it will have no tax expense in 2009 going forward as we can use up our net operating loss. It also includes eliminating the \$5 million of Sheffield restatement costs that we incurred this year as well as these \$4 million of unfavorable non-cash translation impact and then some other actions we have internally.

Benjamin Andrew - William Blair

Okay, it wasn't clear that those were the same. So then, thinking about the UK taxes, why the uncertainty about the Q4 benefit on the NOL, is that a ruling you've got to get or what's the likelihood you do get that \$0.14?

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