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Teleflex Incorporated 2009 Financial Outlook Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of James Lucas - Janney Montgomery Scott

James Lucas - Janney Montgomery Scott

First a little shocked with your comment about the strength in the APU markets, can you talk a bit about what you're seeing there. Granted there's some easier comparisons but differentiating truck versus rail, if you could give us any color of what you're seeing in the APU.

Kevin Gordon

As you know we distribute our product through exclusive arrangement with Carrier and they are representing us in this market. I think what you saw is a particular weakness in the first three quarters of 2008 and as we've told you coming out of the third quarter we expected both the fourth and the first to have good results.

So that order input from Carrier I think as they're building up their supply for their distribution network, we're seeing particular strength and we have booked orders for that through the first quarter and into the second quarter.

But we did again caution the second half of the year because where fuel is we have a bit of uncertainty.

James Lucas - Janney Montgomery Scott

But this is specifically on the truck, nothing of note on the rail side?

Kevin Gordon

On the rail side I think again our expectation right now as you can see here is we'll have an improved year over 2008. We've seen good demand there and we've actually been able to expand the interest in that market beyond the North American market.

So as we're looking into some of the foreign markets there's more opportunity there and we're also potentially working on some relationships with OEMs.

Jeffrey Black

And that business, it's a fairly long selling cycle. Most rails are going to bring it in, they're going to run it for four to six months before they make a commitment and then they've got to get it in their budgets so I think we feel pretty good about the work we've done over the last 18 months to better position that business and I think at the end of the day that there are going to continue to be opportunities at both the rail line and the OEM line for that product line.

James Lucas - Janney Montgomery Scott

Your comment about the commercial outlook of actually being up low single-digits, how does that work out from a quarterly basis because given those end markets, the fact that that business can potentially grow is a little surprising.

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