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## Lexmark International, Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

Thank you. (Operator Instructions) Your first question comes from Eric Garfunkel - Sanford Bernstein.

**Eric Garfunkel - Sanford Bernstein**

My question is according to our checks, HP pushed through another 5% supplies price increase in the U.S. effective January 1st and that all other vendors matched. First, can you confirm that Lexmark has now put two supplies price increases into effective since last fall? And second, can you help us understand the timing and rollout, particularly to international markets?

**Paul J. Curlander**

Okay. Well, let me say this. We've gone through and implemented the first 5%. We were a little behind HP in doing that. That pretty much was effective late in the fourth quarter, both in the U.S. as well as internationally, as a general price increase.

On the laser supplies, in the U.S. we have taken the second 5% price increase. That was effective last week. From a European standpoint, I think we're moving on that within the next week, and that will be effective within the next week and we'll be following with the other geographies around the world.

On the Consumer side, we're a little later than that on that second 5% price increase, probably looking for an effective date somewhere around the 1st of April right now.

**Eric Garfunkel - Sanford Bernstein**

And is that in both the U.S. and then internationally or that's just for the U.S. beginning in April.

**Paul J. Curlander**

Yes, that would be the U.S. and international.

**Operator**

Your next question comes from Min Park - Goldman Sachs.

**Min Park - Goldman Sachs**

Just a quick question on your tax rate. I believe you indicated that your full year tax rate was going to be 20% or 21% in the last call, so is it going down to 17% for the full year in 2009 or just 17% for Q1?

**John W. Gamble Jr.**

No, it's 17% for Q1 and the full year.

**Min Park - Goldman Sachs**

And what is causing the tax rate to be coming down by 300 to 400 basis points since your last call?

**John W. Gamble Jr.**

When we were speaking at the last call, we were asked what tax rate did we assume in the guidance that we provided and we simply indicated what that was. Obviously, as we completed our full year results and completed all the work we do at year end, our tax rate's a bit lower so we're assuming that that tax rate will continue.

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