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Diebold Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). And we'll take our first question from Mark... excuse me, Matt Summerville with KeyBanc.

Matt Summerville - KeyBanc Capital Markets

Just wondering if you could, Tom, kind of walk through what your regional expectations are either including or excluding currency, however you want to talk about it, for the ATM businesses that are embedded in your I think, minus 7% to minus 1% kind of revenue number?

Thomas Swidarski

Okay. Matt, I'll start with that and then Kevin you can chime in (ph) as we go through. Certainly, the regional bank space, the area that we have the most scrutiny on and we saw some significant shift as we entered into the November, December timeframe of last year. So, throughout the course of 2008, we saw order entry that was fairly strong and then we saw a change in that occur really towards the end of last year which has given us kind of uncertainty in that space which has caused us to really try and make some prudent decisions here. So, in the... in the ranges that we've set up, we have in the regional banks space and basically that's North America, we are projecting to be at the high-end down in the low double-digit range. And then at the high... I'm sorry, at the low-end we would be down at 25 plus range for the regional accounts in the U.S.

Matt Summerville - KeyBanc Capital Markets

And then can you sort of walkthrough what your thought processes with, I'll just call them the big banks here domestically?

Thomas Swidarski

Yeah with the big banks, it's interesting that's almost on the other side that we saw a continued strengthening in the U.S. throughout the course of the year. We come into the year with strong visibility and good market position there and have good confidence in terms of not only where we stand, but in terms of the continued rollout of the deposit automation which is the big driver for the major players there.

Certainly, of the impact of the acquisitions that are occurring, that impact, the timings of some of these decisions with the National City, in PLC environment. But all in all, we have very good visibility, good strength there. And one of the other common fact on the regional side that we've seen as, as you get into some of these players and again as acquisitions take place there, we've seen a few orders move to the right as acquisitions have taken place and they are postponing those. We've seen the FDIC come in on a couple of occasions and delay some existing decisions. So, really what we're seeing the bulk of the impact of the uncertainty is the regional space, we feel very good about the clarity and visibility and strength of the national players.