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Spirit AeroSystems Holdings Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from the line of Robert Spingarn with Credit Suisse. Please proceed.

Robert Spingarn - Credit Suisse

Good morning everyone.

Rick Schmidt

Good morning.

Jeffrey Turner

Hi Rob.

Robert Spingarn - Credit Suisse

Rick, you just talked about the capitalized development in inventory, I think it was 235 for the 787, 235 million and then another 100 plus on other programs. How much are you amortizing per unit shift on 787?

Rick Schmidt

787, is all being amortized over the first 500 units.

Robert Spingarn - Credit Suisse

Okay.

Rick Schmidt

So, it's roughly 1.4 million a copy.

Robert Spingarn - Credit Suisse

Okay, okay. Excellent.

Rick Schmidt

And that will be amortized straight line again over those first 500 units.

Robert Spingarn - Credit Suisse

Okay. And then one other thing, I think you were just talking about --

Jeffrey Turner

I think that was the cash ...

Rick Schmidt

About 400 million, 400,000, the \$230 million.

Jeffrey Turner

I'm sorry, you're absolutely right, yeah I'm sorry. I was thinking of the advance, now you're absolutely right. It's the 235 million we're going to amortize over those 500 units, yeah.

Robert Spingarn - Credit Suisse

Okay, so little under \$0.5 million a piece.

Rick Schmidt

Yeah.

Robert Spingarn - Credit Suisse

And on the CapEx that you talked about for next year, the figure you gave, did you mention what... is there any offset from Boeing there?

Rick Schmidt

Well, we have the final year of the CapEx reimbursement program that I think we highlighted on will guidance page.

Robert Spingarn - Credit Suisse

Yeah.

Rick Schmidt

It's -- the final year is a \$150 million, so that we will always reflect that as a separate line item.

Robert Spingarn - Credit Suisse

Okay, you are talking about 2009 now?

Rick Schmidt

For 2009, yes.

Robert Spingarn - Credit Suisse

Okay. I was looking into 2008 actual of 116

Rick Schmidt

It was 116 in '08 actual, that's correct.

Robert Spingarn - Credit Suisse

Okay, so they are very similar.

Rick Schmidt

Yes, they are. But that is the last year of that reimbursement.

Robert Spingarn - Credit Suisse

Okay. And then really the only other thing I wanted to ask you about, is if you could walk us through how we should think about this positive cash flow that you've talked about in the guidance, but not with a whole lot of specificity, how should we think about the working capital accounts as we go through the year and then relative to the CapEx and reimbursement try to size this cash flow.

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