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Molson Coors Brewing Corporation Q4 2008 Earnings Call – Follow Up Session Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Mark Swartzberg – Stifel Nicolaus & Company.

Mark Swartzberg – Stifel Nicolaus & Company

A question about your outlook comment where you talked about \$115 million plus or minus in the MG&A number for '09 for corporate and global market. Am I correct in thinking that number compares to the \$137.7 million you reported for calendar '08 or does it compare to the \$100ish number you've had just for the G&A element of that segment?

Dave Dunnewald

Not just the G&A but it would be the full global markets and corporate and for the full year on that for MG&A I'm showing \$137.7. That sounds like that ties with what you have.

Mark Swartzberg – Stifel Nicolaus & Company

In terms of for ex, I wanted to better understand the comments that you all made about a 15% to 20% hit to Canadian Dollar profits from the Canadian Dollar standing where it is presently, if it remains at that level for the rest of the year. Then you said 50% to 60% hedging effect that would be against that 15% to 20% negative number, is that correct? So, the number you're really talking about on a net basis, assuming the Canadian Dollar doesn't move is on the order of 8% to 10% negative?

Dave Dunnewald

Actually, let me give you the two pieces and then we'll see whether we need to drill in to them once I've clarified them. First of all, the perspective that we provided for foreign exchange on the call earlier today was just to simply take last year's earnings as reported and then apply the current fx rates to those. That gives you a percentage change you could say in those results. Obviously, it's not a forecast of what we think we can do this year but it gives you sense of the potential impact in each of our business units and it was in the teens in Canada in the first three quarters and it was in the 20% in the UK business particularly in the second and third quarter.

The hedging that we have undertaken we've described it has hedging approximately 50% to 60% of our Canadian Dollar profit streams call it on an '07 base although '08 works reasonably well also because the pre-tax earnings from Canada did not change significantly between '07 and '08. So,

we're essentially hedging a number of inputs that effectively hedges 50% to 60% of our Canadian profit streams.

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