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VF Corporation, Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). And we will take our first question from Robert Drbul, Barclays Capital.

Eric Wiseman

Hey, Bob, how are you doing?

Robert Drbul - Barclays Capital

Good. Good afternoon. I guess the first question is, is a specific question on cost savings added for the \$100 million, is it fair just take \$25 million on a quarter or is there any more detail in terms of how to think about that?

Bob Shearer

Bob, it grows throughout the year as you might imagine, so it's a little less in the first quarter and it grows throughout the year, so it will be more of an impact from the fourth quarter than the first.

Robert Drbul - Barclays Capital

Okay. And then on the contemporary businesses, Mike, if you could talk a little bit more in term of I guess when you look at the business performance in the fourth quarter and the assumptions for 2009, I guess the first question is how much of the growth that you are projecting in contemporary comes from the Mo acquisition and the completion of the Mo acquisition. And then I think and then if you could maybe just put in a little bit more in terms of the organic assumptions that you have and perhaps like what you expect the retail business to contribute just to get the growth after seeing the fourth quarter performance in that business.

Mike Egeck

Let me speak to the organic growth question first, it is a very tough environment out there and our plans don't assume that it get better, we are also not assuming its gets worse. So, the organic growth for 7 really comes from market share gains, from some very selective new distribution and from our own retail stores and our e-commerce. The timing on the Mo Industries acquisitions is still to be determined. So, we can't speak specifically to the growth from that particular acquisition or we do plan to complete it sometime in the first half of the year.

Robert Drbul - Barclays Capital

Okay. And then on the inventories are there areas of inventories that you guys are concern with either at wholesale or at the retail level in terms of where the system is right now from the orders etcetera any cancellations that you are concerned about as you look at the first half of this year?

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