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## Iconix Brand Group Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Todd Slater - Lazard Capital Markets.

#### Todd Slater - Lazard Capital Markets

Currently you're trading at 6x GAAP EPS, 4x cash EPS, about the lowest valuation in the group even though you have one of the best models in the group, so I guess the Street is saying if Mudd is vulnerable, perhaps all the guaranteed minimum income is in jeopardy. I think this is an erroneous conclusion but I'm just wondering if you could just address these concerns.

#### Neil Cole

It's tough to address the Street and the stock price hopefully will take care of itself in the long run, but I think we have addressed it over the last three years. I mean, the company has gone from \$60.0 million royalty up to \$217.0 million worth of royalty and we have partnerships with the best, we think, retailers in America, or the world, that are going to do well in this environment and we have three and we have three deals with Walmart and we have three deals with Target, we have two deals with Cole's. Some of the best retailers, the best credits and our business continues to grow and prosper.

Obviously you get frustrated when you look at the stock but with what's going on the world today, we just have to stay focused and we have to continue to execute. And yes, some of the plans where we thought they were going to bring in \$20.0 million might bring in \$18.0 million or \$19.0 million in this economy and sales have been off as retailers are managing inventories tightly, but we just have to stay focused and we will come out incredibly strong on the other end as we continue to perform.

#### Todd Slater - Lazard Capital Markets

Help us understand Mudd. Mudd is kind of going from a wholesale type of structure to a direct-to-retail short-term negative implication concerning that transition. Does Mudd get back to or grow above the revenue levels with Cole's that had it as a wholesale business?

#### Neil Cole

Yes, that's the way. It will get there probably in 2011, 2010 it will probably get back to where it was and we think in 2011 and 2012 it will prosper.

Cole's is an amazing retailer, we have had great success with them with Candies's, they're turning a large percent of their business over to us and have signed nice guarantees and we're pretty excited about what they will do with Mudd in the years to come.

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