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Bio-Rad Laboratories, Inc. F4Q08, and Full Year Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Jon Wood from BAS-ML.

Jon Wood - BAS-ML

Can you talk about what the capital equipment deterioration did to the growth rate for the life science business in the fourth quarter?

Ron Hutton

Well John, there is really two ways to look at it. We have capital equipment in terms of instruments and we have some instruments that are in the neighborhood of about \$250,000. That certainly had an impact. But, we also have our process chromatography business which in effect is a capital instrument and certainly the kind of investment both in the hardware and media and those really did hurt us in the fourth quarter. They contributed significantly to the slow down, ultimately.

Jon Wood - BAS-ML

All right, so can you give us a range of impact? I mean if you exclude that hard chromatography comp and the capital quip and dislocation, I mean are we looking at low mid single digit type of growth in the Life Science?

Ron Hutton

Yes, I would say maybe mid single digits would be the impact of that. It was pretty substantial.

Jon Wood - BAS-ML

So think about those impacts for 2008 as a whole, what do you anticipate both the capital equipment as well as process chromatography compares to the whole year in the Life Science business.

Ron Hutton

The whole year, certainly they did have an impact, not clearly as substantial as in the fourth quarter. The main impact was in the fourth quarter. It was probably down maybe slightly, but the main part was really in the fourth quarter.

Jon Wood - BAS-ML

I guess a better way to ask that is if you look at 2009, I'm trying to get a sense for how difficult or easy the comp is in the capital equipment side. So, do you expect significant incremental deterioration in 2009 over 2008 and particularly the capital equipment side?

Ron Hutton

There is clearly a lot of uncertainty in the markets today, especially the US market. Essentially, I you look at the process chromatography business, I have a lot of visibility on those orders and I don't see that as deteriorating or having a significantly negative impact as far as some of our capital instruments. And, now we're talking about a relatively small number as a percentage, but that's still in flux. If I look at the overall number I don't see that as having a huge impact and obviously that's been reflected in Christine's projection.

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