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The Cooper Companies, Inc F1Q09 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Steven Willoughby with Cleveland. Research

Steven Willoughby - Cleveland Research

First kind of CapEx and kind of cash flow, CapEx of, I think the number was \$34 million in the quarter. How much of the CapEx that you were expecting in the January/February time period came in during January rather than February out of how much you expect?

Bob Weiss

Of the \$34 million, which represents a roll forward from year-end where we had in excess of close to \$60 million of commitments that were coming in, as far as what we spent during the quarter, we were within reason on that number, if you will.

Steven Willoughby - Cleveland Research

So I guess my question is should the second quarter CapEx be similar, more or less than what the first quarter was?

Bob Weiss

It should be less. In other words, it's front ended drop off somewhat in the second quarter and then drop off considerably after the second quarter as all of this equipment has been paid for.

Steven Willoughby - Cleveland Research

Okay and then regarding the court case and injunction going on in Europe between two of your competitors, will that have any impact on you guys, or what are your thoughts on that impact on the industry overall?

Bob Weiss

We're like sitting on the sidelines, as well as Bausch & Lomb, watching two 500-pound gorillas go after each other. While one may view that benevolence as inconsequential it certainly is a by-product of the European patent office reaching a determination that favors CIBA in the battle. From our perspective the primary target of that litigation was Oasis, which has a higher DK than Acuvue Advance which is germane in Europe.

I know there are some views out there that there will be a quick settlement or a piece meal settlement. I can say I will be unbelievably surprised if CIBA, after all of the money they have invested over as many years as they've invested it, would just kind of roll over and say okay we'll settle an injunction in the Netherlands.

There was some activity today that I kind of set a new milestone date for May for a revisiting of some of that litigation. Suffice it to say that means that between now and May it is unlikely that that will ripen, because J&J still wants to fight some more on that issue within Europe. Between now and May in the Netherlands there will be several other legal activities taking place in France and the UK and I think in Ireland. There is also activity, I think, coming up in Germany. So it is basically a global event. It is not likely, in my opinion that they will settle. Without a total settlement of not only Oasis but also Acuvue Advance which is more germane in the US than it is in Europe.

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