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Safeguard Scientifics, Inc Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Robert Labick – CJS Securities.

Robert Labick – CJS Securities

A couple of questions, first I just wanted to ask you obviously you've mentioned you've done some work on lowering your total costs and overhead costs, could you discuss your current cash burn rate from the corporate expenses? And also the range of expected funding requirements for the holdings that you have right now?

Stephen T. Zarrilli

Bob, for 2009 our expectations are cash requirements for Safeguard will be less than \$15 million for operating expenses. With respect to future deployments of existing partner companies we anticipate that number will range somewhere between \$15 and \$20 million for 2009.

Robert Labick – CJS Securities

The retirement of your debt as well obviously it's trading at a discount right now and I know you've been active at buying it at a discount, is that also in the plans for '09? Can you elaborate on that please?

Stephen T. Zarrilli

We will opportunistically take advantage of situations where we think that there's an opportunity to purchase our debt at a discount. Regardless, we are putting money aside if you will, to ensure that we have adequate resources to meet that obligation by no later than March 2011.

Robert Labick – CJS Securities

Moving to Clariant, can you discuss obviously the beginning of the month March, you expanded your financing plans with them, can you just elaborate upon that credit facility and potentially the longer term financing plans for Clariant?

Stephen T. Zarrilli

Well for Clariant we keep opportunistically looking for ways in which they can reduce their dependency as it relates to Safeguard and we think there are some credible alternatives to be

considered in the next couple of quarters. With respect to the credit facility that Safeguard has, we expect that that will not need to be used in any meaningful way in the foreseeable future but wanted to make sure that we had that capacity in the event that we had a near term exit that may allow us to take advantage of an opportunity in the market and wanted to tap that line for that purpose.

Robert Labick – CJS Securities

Then moving on to the partner companies, it sounds like from the release and Peter's comments Avid is beginning Phase III trials as well as NuPathe. For the laymen among us could you discuss the time frames and expectations that should be looked for as it relates to Phase III trials and milestones we might see and the timing of when we might see them?

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