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## Coleman Cable Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Brett Levy – Jefferies & Co.

#### Brett Levy – Jefferies & Co.

Given where copper prices are right now, you've historically given some sense as to what the working capital benefit will be going forward, can you talk about sort if copper stays kind of near where it is today, what do you think the working capital effect will be from this point forward on 2009?

#### Gary Yetman

Much depends on production. If you were to look at our working capital reductions in the fourth quarter, we would estimate that about two-thirds of that reduction came from a reduction in quantity as in number of widgets in inventory versus about one-third related to copper. But we have taken our and reduced our inventory, our stocking level significantly so if demand were to remain relatively constant to where it is right now, I would see kind of a flattening here in Q1 of our working capital requirements relative to inventory.

#### Brett Levy – Jefferies & Co.

And then in Q2 what is the thinking?

#### Richard Burger

Well based upon Gary's comments about our anticipation of a normal uptick which is more in Q3 and Q4 associated with our retail distribution businesses, we would see a working capital build as much of that is imported. I would think most of that would occur in Q3 and then would peak actually in Q3, start coming down in Q4.

#### Brett Levy – Jefferies & Co.

What are the most onerous maintenance covenants in your bank agreement? Do you have any and do they or do they not include any of the one time impairment or restructuring charges?

#### Richard Burger

I actually have what I refer to as covenant light. So I actually have no maintenance covenants at all if I maintain more than \$30 million of excess availability. So at the end of December, I had \$74.2 million.

So if I have more than \$30 million, I do nothing. If I fall below \$30 million, I have to calculate a fixed charge covenant which is 1.1 to 1. And there are no maintenance covenants on the indenture at all.

**Brett Levy – Jefferies & Co.**

As to there was no availability under the bank indenture to buy back bonds. Have you amended it or are you thinking about amending that covenant given that your bonds are trading somewhere near 60% of par?

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