

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Core-Mark Holding Company, Inc., Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions) Our first question comes from Jonathan Lichter from Sidoti. Please go ahead.

Jonathan Lichter - Sidoti & Company

Hi, good morning.

Mike Walsh

Good morning.

Jonathan Lichter - Sidoti & Company

So your estimate for working capital for SCHIP is \$30 million to \$40 million additional?

Stacy Loretz-Congdon

Yes.

Jonathan Lichter - Sidoti & Company

Okay. Why were the non-cigarette margins this high, is it all related to Fresh initiative?

Mike Walsh

No, not all. I would say we had some higher than normal price increases on non-cigarette items that also helped us for the increased margins. So I wouldn't say these kind of pressures are 100% responsible for it.

Jonathan Lichter - Sidoti & Company

And those should be sustainable, I imagine then?

Mike Walsh

Well, Jonathan it hits us. Those things happen pretty regularly, you just can't tell when or how much. But in the 20 years I have been here, they have been pretty consistently.

Jonathan Lichter - Sidoti & Company

Okay. And then just lastly Canadian sales then were down entirely because of the currency, is that correct?

Stacy Loretz-Congdon

There was a significant impact of the result of the currency. For the fourth quarter it was \$48 million.

Jonathan Lichter - Sidoti & Company

Okay, thank you.

Operator

Our next question comes from James Ray from Hawkshaw Capital. Please go ahead.

James Ray - Hawkshaw Capital

Yes. I was just wondering if you could provide an update on the VCI revenues similar to what you have provided last quarter.

Mike Walsh

This rough of the year, we are, I would say, about \$80 million for the year of 2008, which was under what we had hope to achieve largely because of our milk contract to sell-through. We are planning to do a 100, again this year.

James Ray - Hawkshaw Capital

Okay. And for Fresh total?

Mike Walsh

Yeah. I am talking about VCI and Fresh as one category.

James Ray - Hawkshaw Capital

Okay. That's all. Thank you.

Mike Walsh

Welcome.

Operator

Our next question comes from Garrett Stevens from Giovine Capital. Please go ahead.

Garrett Stevens - Giovine Capital

Yeah. Hi, thanks for taking question.

Mike Walsh

Sure.

Garrett Stevens - Giovine Capital

Expand a bit on your thoughts around your capital plan, Mike? I think we can understand kind of shielding buyback to some degree though, I think it's really nice to see enough activity there to offset any potential option dilution, but why can't we move forward a bit more forcefully with the dividend at this point?

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.