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Tupperware Brands Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Doug Lane - Jefferies & Co.

Doug Lane - Jefferies & Co.

Can you talk on two things, the biggest upside to profitability versus what I was looking for is on gross margin, if you could drill down that a little bit, and what the resin outlook is going into the second quarter and the balance of the year. And then a broader strategy question on Beauty Other, big improvement in profitability but what's the strategy on top line and profitability for the remainder of the year.

Rick Goings

Let me comment while we have everybody on the line here though, I do want to reiterate if we have a quarter where we believe we're going to miss our numbers, we will prerelease and I say that because in this very uncertain time, I think that's going to be helpful to a lot of people. Once we know what the trend or pattern is, we will let you guys know. That has nothing to do with the question you asked but I just wanted to reiterate that.

Michael Poteshman

On the gross margin question we were up as you're noting a little bit more than a point in the first quarter and that really reflected some things on the procurement side including resin. It also reflected our reporting more line sales versus promotionally promoted products and that helped in the quarter. As we look at the full year, I think that will probably tone down to some extent. I think we'll continue to see this mid 60% to 65% or so margin that we are now.

In terms of the resin impact itself, we talked about in the last call that we were seeing year over year about a \$20 million benefit in local currency although a good part of that was going away in US dollar terms. As things have continued to evolve and the oil and gas prices and in the resin market, that number has gone up to a little bit over \$30 million in local currency. We're still taking a bit hit against that in US dollars.

So that's all been included in the forecast that we're talking about.

Doug Lane - Jefferies & Co.

And then Beauty Other.

Rick Goings

Yes, the second piece of that is our strategy really has been as we've said it in the past, we're really focused on that's Latin America mostly, and that is using our presence and the base and the brand Tupperware in those large markets, Brazil is fourth largest population in the world, to leverage that halo effect of the Tupperware brand to really go against [Natura] and Avon in those markets.

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