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## Hanger Orthopedic Group, Inc., Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

Thank you. (Operator Instructions) Our first question comes from Bryan Sekino. Please go ahead.

**Bryan Sekino - Barclays Capital**

Good morning. This is actually Brian Sekino on behalf of Adam Feinstein.

**Tom Kirk**

Good morning.

**Bryan Sekino - Barclays Capital**

Good morning. Just I want to see if you guys could give us a couple of housekeeping details here. As far as the impact from leap year and I guess the poor weather, do you guys have an indication in terms of what that did for your same-store number?

**George McHenry**

Well, the extra day from leap year last year would have given us about 1.2% in additional sales. That will be roughly what the impact should be for leap year. So a little more nebulous to try to find a value to the weather winter, clearly were some severe weather in Midwest in particular. And we did some studies and determine that roughly half of this is where impacted at one point or other but whether that was more severe than the prior year is really hard to tell. So we are not assigning any value to that in numbers.

**Bryan Sekino - Barclays Capital**

Okay. And then did you give a bad debt number for the quarter?

**George McHenry**

Bad debt expense was at 2.2%.

**Bryan Sekino - Barclays Capital**

Okay.

**George McHenry**

So, it's tracking to historic norms.

**Bryan Sekino - Barclays Capital**

Right. And then George, I think, you said that your SG&A, did you say that was up about 1.2% year-over-year?

**George McHenry**

No, it was up in dollar, but not as a percent.

**Bryan Sekino - Barclays Capital**

Okay.

**George McHenry**

Our SG&A other than labor was from margin standpoint at the same level as the prior year and that's with a higher comparable competition accrual.

**Bryan Sekino - Barclays Capital**

I got you, but that's not something that we are going to see going forward with your new presentation in terms of just breaking out SG&A on.

**George McHenry**

It's correct.

**Bryan Sekino - Barclays Capital**

Okay.

**George McHenry**

New presentation is going to concentrate on our personnel cost and then all other SG&A will be in one category.

**Bryan Sekino - Barclays Capital**

Okay. Great, and then with your guidance for revenue the 6.7% to 8.1% growth, can you kind of breakout what portion of that relates the kind of same-store. And what relates to kind of acquisitions that you made in 2008 that are not included in the year-over-year same store number.

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