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Polo Ralph Lauren Corp. F4Q09 (Qtr End 03/28/09) Earnings Call Transcript

Question-and-Answer Session

Operator

Absolutely. Thank you. (Operator Instructions) Your first question comes from Omar Saad - Credit Suisse.

Omar Saad - Credit Suisse

Congratulations on providing upside in a tough environment.

Roger Farah

Thanks.

Omar Saad - Credit Suisse

Roger wanted to dig in a little bit more. It sounds like some of the activities that you're doing with the restructuring and closing some stores and you're maybe thinking a little bit differently about the U.S. business. Can you expand on the 500 people, you know, what kind of responsibilities are you eliminating in the internal infrastructure here in the U.S.? And am I thinking about that properly in terms of you're kind of looking at kind of reallocating resources to the regions where you think there's growth?

Roger Farah

No, Omar, I think you're thinking about it exactly right. We are clearly very excited about the opportunity to develop our business in Asia, Southeast Asia particularly with China being the lead country has been a part of the world that we've managed through a licensee for many, many years, and at the end of this calendar year, January 1, we'll get it back. We want to try to hit the ground running as best we can so we are putting a complete organization on the ground there as we speak, putting in the infrastructure technology to run that business, making the buys effective for January, February and March as we speak. And we expect to have a, you know, smooth transition of that.

Over the long term, you know, we think China particularly and the rest of Southeast Asia will be an enormous growth opportunity for the company. So we are managing our resources here domestically, where at least in the near term business looks more challenging. We've consolidated, asked people to stretch their responsibilities and eliminated jobs really throughout the domestic operation at all levels in an effort to free up resources to invest in Southeast Asia and other parts of our growth

strategy. So it's a very conscious effort to pull resources out of one part of our business and put them somewhere else.

Omar Saad - Credit Suisse

And then in terms of what some of the things that you're doing on the ground here, it sounds like you closed some stores. Are there plans for further store closures? Is there anything on the horizon for Club Monaco and the domestic arena?

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