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## American Greetings Corporation F1Q10 (Qtr End 05/29/09) Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from the line of Jeff Stein - Soleil Securities

#### Jeff Stein - Soleil Securities

Great quarter, all things considered, great quarter. A question regarding your integration expenses on RPG and Papyrus, you didn't specifically address that. It seems that most of that swing on the other expense line was related to the loss on the sale of the retail operations, can you talk about the magnitude of integration expenses and what may lie ahead for the balance of the current fiscal year.

#### Zev Weiss

You're not going to see much in the first quarter as it relates to the integration costs. It will come clearly within the back half of this year and it may also come into next year. We're not yet prepared to talk about what those look like, when exactly they'll happen or what the size is. The teams are pretty actively working on their plans and so there's nothing we can share yet.

#### Jeff Stein - Soleil Securities

Have you baked that into your guidance on free cash flow for the year.

#### Zev Weiss

There hasn't been any of the effect of the transactions on the guidance of the free cash flow.

#### Jeff Stein - Soleil Securities

And can you talk a little bit about what's going on in the greeting card business in terms of your comp door sales. It sounds like your wholesale business excluding acquisitions was relatively flat if I'm reading it correctly and could you comment on what channels are the strongest and what channels are showing the weakest increases at this point, or decreases.

#### Zev Weiss

What I would say in general is that we had a pretty solid quarter as it relates to card sales and in light of what's happening in general with retail we felt pretty good about that. I wouldn't get into specifics around channels. Obviously we are affected by traffic and so if you look at in general what's

happening with comp store sales, often you'll see some correlation to what's going on with comp store sales and traffic and therefore traffic and then card sales.

And that's probably the best guide that you might want to use as you look at what's happening in general.

**Steve Smith**

We are seeing geographically more strength in the North American market then we are seeing internationally particularly over in the UK.

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