

## Seeking Alpha $\alpha$

# Methode Electronics, Inc. F4Q09 (Qtr End 05/02/09) Earnings Call Transcript

## Question-and-Answer Session

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### Operator

(Operator Instructions) Your first question comes from the line of David Leiker – Robert W. Baird

### David Leiker – Robert W. Baird

Just for starters here, there was a restatement and amendment to the credit agreement earlier in the week, could you just provide a quick overview of what happened there and walk me through some of the details.

### Douglas Koman

Because of the significant impairment charges that we incurred this year, the bank facility is set up to be a function of EBITDA and under the agreement the impairment of goodwill and intangible assets, even though its noncash and is the equivalent of amortization, under the agreement, we weren't allowed to necessarily add that back to determine EBITDA.

So we had to amend the bank agreement to reflect those changes. So the genesis for the amendment basically is the significant impairment charges that we took this year.

### David Leiker – Robert W. Baird

Okay, if we look at the restructuring, the \$7 million in 2009, it looks like there's about \$9 to \$18 million that's going to occur in fiscal 2010. Is there any other actions that you would plan to take on top of that or any other actions that you're considering first and then secondly can you just provide a little bit of color on how you expect that \$9 to \$18 million to flow through the year.

### Donald Duda

We have no other action planned. We feel we've gone through most of our actions, they'll be going on for the next couple of quarters and would hope to have them done by the calendar year. Some of those actions could go into the third quarter and perhaps fourth but again most of it in the first half of the year here.

We know of no other actions we would be taking. We've taken some significant actions that, we rearranged our footprint but I think we're pretty much where we need to be or at least we've announced everything.

### Douglas Koman

I think Donald mentioned on the timing, while the expectation is that I think we said in the K that we'll complete it sometime during the fiscal year. The hope is that we get it done by the end of calendar year. Some of the initiatives, obviously depending on, we're still working with our customers and accommodating those issues for them for we may see more of it in the first half of the fiscal year but there may be some that bleeds into the second half of 2010.

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