

Q4 2006 American Science and Engineering Earnings Conference Call - Final

Fair Disclosure Wire; 5/19/2006

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OPERATOR: Welcome to the American Science and Engineering fourth quarter and fiscal year 2006 results conference call. [OPERATOR INSTRUCTIONS] At this time I would like to inform you that this conference is being recorded and that all participants are in a listen only mode. At the request of the Company, we will open the conference up for questions and answers after the presentation. Mr.

Anthony Fabiano, President and Chief Executive Officer will now begin the conference. Please go ahead, sir.

<Questions deleted.>

OPERATOR: And our last question comes from the line of Brian Vessini with Smith Barney. Please proceed.

BRIAN VESSINI, ANALYST, SMITH BARNEY: Hi, guys. Hey, Anthony, you talked about sales per employee. How high does that have to -- is there a trigger point of what point you actually go to more than one shift?

ANTHONY FABIANO: Good question. I never looked at it that way. Brian, that's really an efficiency metric that companies use and with our business model, our goal was to get to the \$500,000 per employee range when we set out, so we're delighted that we've exceeded that, okay? So that's -- but as far as how it effects shift differentials, it's really not a direct correlation. Whether we increase in shift will be a function of mix, product mix, and the types of products and the lead times that we sell them at. As we continue to drive down lead times and increase the throughput of our factory, I don't know if you remember a book called **The Goal many years ago, by Eliyahu Goldratt**, said the whole goal is to make money by driving down your operating costs and increasing your throughput, nothing has changed.

It's still valid today. And that's what we're trying to do and I don't see us going to multiple shifts until we have to and there's a lot of room before we get there. The way I see it.