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PRESENTATION

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

Good afternoon. I am Larry Beigelsen, the medical device analyst at Wells Fargo. And it is my pleasure to introduce the Cooper Companies today. With us we have Al White, who is the Vice President and Chief Strategy Officer. In terms of format, it is going to be fireside chat. And if anybody in the audience has questions, please feel free to raise your hand; we will try to come over with the microphone.

I will kick it off with just kind of a big-picture question for you, Al. What are your strategic priorities over the next, let's say, three years?

Al White

Well, clearly, one being MyDay -- the launch of MyDay. We are very early in that right now. I am sure we will touch on that as we go. But we launched that product in Europe and a few other select markets, and we are rolling that product out. And it is a pretty exciting field -- the [semi-use] silicone hydrogel space, and a good growth opportunity and a lot of growth for us. So that clearly being one of the core strategic objectives of the Company.

Now, if you move maybe a little bit more to the corporate level, a little bit higher up, it is still to deliver good, solid growth. Top-line growth greater than the markets that we compete in; take market share. Also continue to focus on delivering low double-digit EPS growth and generate some good cash flow.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

That's helpful. So you talked about good top-line growth, and I think your organic sales growth has been about 7% or 8% for the last few years. How sustainable do you see that?

Al White

Well, obviously, that is dependent on some degree on how the market itself does. The contact lens market is moving into that 5%, 6%, 7% growth range; let's call it 6% off the last few years where it was a little bit slower. So I think if the market is in that range, that is certainly sustainable. I mean, we have a very strong product set right now. And if MyDay rolls out like we are anticipating, to be growing at that level or faster is certainly something that I think we can do.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

And so if we look at second quarter and your 2014 guidance, you recently reported pretty solid (inaudible) Q2 numbers in terms of overall top- and bottom-line growth. Your CBI growth is in Europe and Asia-Pac. We're particularly strong versus the market. Can you talk about what is driving the faster growth there and how sustainable that is?

Al White

Yes. The three regions of the world are kind of three different stories. I mean, if we look at Europe, we have MyDay launched in Europe; and we launched that as a private label, initially, and now as a branded product. And you are starting to see the strength of MyDay show up in the numbers.

And although it is relatively small -- MyDay was about $5 million in sales this past quarter -- it is beneficial in a number of different ways. There is a kind of halo effect we talked about in the past of having a product like MyDay allows you to get into the doctor's office. It allows you to talk to them about other products, be it Proclear or be it Biofinity or Avaira for us. So MyDay is helping to drive success, certainly in Europe.

If you look at Asia-Pac, another market that we have been strong in for quite a few years here and continuing to show strength, two things I would highlight there, both in the Japanese market, really, is the success of Proclear, especially Proclear daily in Japan. And the other one would be Biofinity. And we launched Biofinity in Japan a couple of years ago; the Sphere came out, the Toric afterwards. But we didn't have anything, really, in the Japanese market other than in the single-use side. So putting a product -- Biofinity is one of the best products in the market -- and rolling it into a great market, being Japan, has given us a lot of growth opportunity there. And we have seen that; we should continue to see that for a little while longer.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

And so you're still relatively early in the launch of Biofinity in Japan, with Biofinity and Biofinity Toric. Do you have multifocal there, and is that a big opportunity in Japan?

Al White

No, it is not really a big opportunity in Japan. So, yes -- I wouldn't focus on that one.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

And then, your Americas growth decelerated in fiscal Q2 and lags the market, I think, or is similar to the market. So you talked about two factors: one being a major retailer buy-in in December ahead of a price increase, and the absence of MyDay in the US. So how much was each a factor, and how long do you think that will persist?

Al White

I think that if you look at the US market, that may cause a little confusion on the last call because of our fiscal year versus the calendar. The biggest driver that we end up having there was from a calendar-year perspective. We had a price increase. We had one of our larger US retailers order a decent amount of product in December. And, therefore, that was within our calendar -- I'm sorry, our fiscal Q1, and it didn't have that big of an impact because fiscal Q1 ends in January.

However, on a calendar basis, pulling that order in December and taking it away from the calendar quarter makes the calendar quarter look bad. So in reality, your Americas growth in calendar Q1 was a little bit high because of that, and it was misleading -- or in calendar Q4. Calendar Q1 was low; it was a little misleading because of that.

So I wouldn't read too much into those numbers. I would probably look at it more on either on the fiscal basis or taking an average of the six-month calendar Q4, calendar Q1, in which case we grew a little bit faster in the market.

Now, we don't have MyDay in the US, so that is not a factor. But if you look at the US market, we are doing well in the US market. We are doing better and taking more share outside the US. And the US market, we are still doing fine. I still think, over the coming quarters here, we will do okay and we will take some market share. But we are not going to take market share as fast as we are taking it necessarily in other parts of the world until we get MyDay into the US. So I think we will hold our own and do fine for little while, but it will be a little bit more challenging in terms of taking market share than it has been over the last few years.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

So you've talked about ramping with MyDay from $25 million in 2014 to $75 million in 2015. When is the launch in the US, and what does that ramp look like?

Al White

We will start bringing the MyDay product line into the US market later this year. Now, as to whether that fits into the fiscal year or the calendar year, we will see how that plays out. But it is going to be relatively minimal, most likely, coming to key opinion leaders. The European market is a bigger single-use market. You get a lot of growth in the US single-use market, but the European market is still a bigger market and one that is well worth focusing on. So we will start getting into the market here and bringing it in at the end of this year, and you will see more as we move into next year.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

And while we are on MyDay, can you talk about the manufacturing ramp there, how that is going, where are you making it? Just remind us of what the plan is for that.

Al White

Yes. So the manufacturing is going fairly well there. We ramp up for a lot of product launches, and we always try to be a little bit conservative in terms of our expectations, and I think we were with what we communicated to the Street on that side. But I do think the manufacturing ramp-up there is going fairly well. The issue we have, if you will, that is not allowing us to increase sales faster is on the manufacturing side. It is not with respect to the existing lines and our ability to improve yields on those existing lines and get more product off those. It is more an issue of just having lines and getting new lines in the door to be able to produce enough product to be able to meet demand. Because, right now, we can't even come remotely close to meeting demand for the product in the marketplace.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

So in Q2, you grew four times the market in Europe. That is where you have MyDay, which is obviously very impressive.

Al White

Yes.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

Do you want people to think about that is what you can do once you have MyDay in the US, or is 4X the market a little unrealistic? Is it a positive leading indicator, but 4X is probably a little unrealistic?

Al White

Yes, I would probably say that. I mean, we can certainly put up some very strong quarters. And we have historically, and I believe we will in the future. Four times the market is pretty aggressive. I think, if I am remembering right, on a trailing 12-month basis, we grew about 2.5 times the market in Europe. That is probably a decent way to look at it. I mean, if we can get MyDay into the US market, and it is anywhere close to successful as it is being in Europe, then we will be back to take some pretty decent market share.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

And your goal is to deliver double-digit EPS growth through 2017. And MyDay is going to help drive top-line growth in 2015 if you triple capacity of sales to $75 million. But MyDay won't be profitable in fiscal 2015, from what you have said. So how should we think about where the leverage comes from in 2015?

Al White

Yes. That's true. I mean, MyDay -- just to touch on MyDay briefly on that -- it is in Europe, obviously. As we discussed, it is coming to the Americas. We will put a lot of dollars behind that. And then, if all goes well, we get regulatory approvals planned, we will move into Japan in 2016. That will create a situation where MyDay is an operating loss. Yes.

So when you look at 2015, basically, on a go-forward basis, we look at -- we strive to kind of get low double-digit EPS growth every year. Maybe we do; maybe we don't. Obviously, historically, we have exceeded that target.

So if we look at growth for next year, we have a couple of things. We have, one, the success of the business outside of MyDay. Biofinity is still a very, very strong product. It is still doing very well; grew 18% this last quarter. So we are continuing to see nice growth from Biofinity. Avaira grew 15%, so that is doing well. Proclear, our daily franchise, has grown. So I think you will continue to see growth in the parts of the business, excluding MyDay -- our core business, if you will. And some of those are very high product -- or very high-gross margins, including Biofinity.

A couple of other things that you get is the royalty rolls off. We've talked about that. We can't go into any detail on that, but we have the royalty. We also have amortization. Amortization will be about $28 million this year; be about $22 million next year. Then creeps, actually, down a little bit more from that. So that is an easy one, if you will, to help with -- get an EPS growth.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

Just to be clear, it is fiscal 2014. $28 million fiscal 2015, or were you talking about calendar-year numbers on amortization?

Al White

Fiscal. Fiscal numbers. So fiscal 2014 will be about $28 million. Fiscal 2015 will be go down to somewhere around $22 million.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

And then you said about $20 million?

Al White

About $21 million. We will have another $1 million or so drop off the following year.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

And the Street, I think, expects the (inaudible) royalty to go away when the patents expire, which is September 2014 in the US; March 2016 outside the US. You haven't talked about the specific numbers, as you mentioned. But should we expect to see an obvious bump in the margin when those expire?

Al White

It is a little bit of a challenge (inaudible). I would love to give you the numbers and walk through the specifics of it. We have a confidentiality agreement on that, so we can't address the details on that. We do pay a royalty that will roll off and you will see that come through the P&L. I won't comment on how much or the details around it, but that will be a P&L and a cash flow positive event.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

So it is meaningful. Well, okay. (laughter)

Al White

Your definition of meaningful and mine could be different. (laughter)

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

All right. So how do we think about the net effect of the headwinds? You know, if MyDay and the tailwinds -- the CIBA royalty ending on your gross and operating margin over the next couple of years.

Al White

Yes, and that is probably a better way to look at it. We talk about hitting 25% operating margin in 2018. Feel good about our chances to continue along that path. We are obviously moving in that direction right now.

You have some different factors there. I mean, when it comes to gross margins, you have things like Biofinity. It's continuing to grow; it's a pretty decent base right now, and it is continuing to get bigger. The gross margins on that are solidly north of 70%. So that product is performing very, very well. That is a help. Obviously, you have the royalty rolloff we are talking about helping.

Having said that, when you look at are looking at gross margins, I mean, MyDay is a challenge there. So right now, when you talk about $25 million in revenues this year in MyDay, you are talking mid single-digit gross margins, exiting the year in the upper single digits. And then, when we look at next year, and we are moving towards $75 million in revenues, now you are talking about probably midteens gross margin; exiting in the upper teens, again. So there is nothing to indicate that that is not going to be similar to other product launches that we have had, historically. I mean, things are moving in that direction, or everything is moving that line.

But you can do the math. If you take a look at next year, you just go from the $25 million that we have to $75 million, you layer on $50 million more at those kind of gross margins, it is a drag on gross margins. So the more successful that MyDay is here in the coming years, the more pressure that we will have on gross margins. Now, that does not bother us in the least. As a matter of fact, I hope it is hugely successful and that there is pressure on gross margins because, at the end of the day, what matters is the operating margin, the cash flow that we are generating.

When we look at operating margins, we obviously have the stuff we talked about like amortization. We should be able to get some leverage in operating expenses. I think, as you look, we will continue to grow faster than the market, and we will continue to invest behind that. So we will continue to have sales and marketing expenses growing faster than our revenue growth as we continue to invest in geographic expansion, market share gains, and so forth. But I think we can get some leverage outside of that.

When you look at OPEX, again, talked about amortization, you look at R&D -- we have invested pretty aggressively in R&D. That is vastly on the D side -- the developmental side of a lot of it linked to MyDay and so forth. We are not going to go start cutting R&D. I don't see that happening, but to say that we are going to leverage that because it is not going to increase as fast as it has been, the potential for leverage there is same once you get outside of sales and marketing. You know, we did some expansion on some distribution facilities, so we can get some leverage there. Net net, you roll that together, we should be able to continue to expand operating margins and certainly march toward that $25 million and hopefully go north of that in 2018.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

But gross margin, the ability to keep it flat, for example -- I mean, is there any color you are willing to give on that?

Al White

Well, we will see how MyDay plays out. I mean, gross margins can certainly decline at the end of the day. If we did not have MyDay, and you look at our business and what it has done for the last several years, what you would see is gross margins continuing to increase. And you would see operating margins continuing to increase and everything else. All you're doing is taking an overlay, if you will, of MyDay and rolling that onto the P&L. And you have the numbers for that. I mean, we said the more successful that is, the more pressure that puts on gross margins to potentially have gross margins decline.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

But we don't have the royalty. (multiple speakers) offset.

Al White

Yes. That is correct. You have a number of factors. I don't want to lead anybody down the wrong road because you have a number of factors that offset that. But that is pressure on there. Now, if we can be as successful as we have been in the past and we can ramp these lines up, get them rolling, get the product out there, that obviously mitigates any gross margin shortfall, if you will.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

Let me scan the audience and see if there's any questions here.

Let me -- I wanted to ask you about the tax rate. And you have a -- I think it is about 9% to 10%. Can you talk about the sustainability of that?

Al White

Yes. Taxes have been in the news here with inversions and everything else. Our tax rate is structured where we have an offshore holding company, and we have our intellectual property for CooperVision offshore residing in that holding company. It is fairly straightforward. There is not a lot of complexity to that. And a lot of other companies have similar tax structures that we have. Not necessarily in healthcare or medical device space, say, but there are a number of technology companies and so forth. The detriment to a tax structure like ours ends up being similar to what you hear from like an Apple and some of the larger tech companies where we generate a significant portion of our cash flow offshore and it is, quote-unquote, trapped offshore.

Having said that, the tax structure itself is yielding -- the effective tax rate that you are talking about is pretty sustainable. Unless there is some change, some relatively significant probably change within the tax code, then that is a pretty sustainable tax structure.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

Let me go back to -- I wanted to go back to CooperVision. So the competitive dynamics. You have -- so if we start with silicone hydrogel dailies, you have three companies -- kind of rolling them out in the United States.

Al White

Yes.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

And then Bausch also has been kind of a share donor the last few years, and they are rolling out a few new products like ULTRA. So can you talk about the competitive dynamics, especially in the United States?

Al White

Yes. That is getting a lot of attention. And, certainly, as a US company, US investor, it is probably getting -- well, it is clearly getting more attention than other parts of the world. But, having said that, yes, we can kind of tick through those.

I mean, if you look at Bausch & Lomb, Bausch -- I think the investment community or a lot of people felt like Bausch had disappeared and donated market share for a long time when they were under Warburg. And that wasn't the case. I mean, I think investors didn't hear about them as much now that they are part of Valiant. Not that Valiant talks about them all the time, but they are certainly willing to talk about them and give some color and so forth to it.

So I think the investment community, at times, gets more focused on that and the impression that they are coming back. I mean, to us, they have been there for a while. You know, the Bausch rolled out Biotrue. And they have rolled out some different products and pushed some different things, and they have lost market share during that time.

What they are doing with ULTRA is basically an upgrade to PureVision, their monthly silicone hydrogel lens, right now. They are doing a couple of different things where they are setting that price point higher. And, frankly, by the way, when you talk about ULTRA or you talk about some of these competitors and you talk about price points and setting higher price points and so forth, in my mind, that is all good. When you are talking about these guys raising prices, that is a positive.

Now, it is not necessarily detrimental to us. If you look at -- we have been growing two times the market, and that is not our stated goal. That is an outcome of our successes, but it is not a stated goal. If you look at someone like Bausch & Lomb -- and let's say they trade up their existing PureVision wearer base. So just take the US PureVision wearer base, and they trade that up to ULTRA and get a 20%, 30% price trade up on that, good for them. That is fantastic. And that is a good strategy for them. It has been very successful in the industry for a number of players, and it should be successful for them. That is not necessarily detrimental to ourselves, to Alcon, or to J&J -- because if they are trading up their own wearer base that wasn't going to transition to another lens anyway, then that is fine. So I like that strategy. I think that is a good strategy and the way they are rolling out. But I would hesitate to say that they are going to start taking share because I don't see that.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

And [Salfon]?

Al White

Salfon, nice company; European company; private company. They have mainly a silicone hydrogel single use that they focus on. They have Toric and a multifocal, which puts them in front of other people in terms of products -- product availability or the full suite of products. Nice product. They have been in Europe here for a number of years. I think they rolled that product out about five years ago. Coming into the US now. You can see how we compete against them in Europe. We have done fine in Europe and take market share. I think there is plenty of room for a few different competitors in the single-use silicone space. Ours is priced and positioned a little bit more on that higher end. It is positioned like the total one that Alcon has out there in terms of pricing. And you see them being sold as more premium-based lenses versus where soft line is, which would be a little bit more a mass-market kind of, if you will. But, good company; doing well; good products.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

What do you think about the new pricing strategy as being employed by Alcon and J&J? Both of them are employing these new pricing strategies to generate more prescriptions from optometrists, which have been Cooper's stronghold. Are there strategies that they are employing that you can emulate? And are these pricing strategies of threat to you?

Al White

Yes, I think -- you know, if you look at it, one of the things that the independent optometrist doesn't like is that they prescribe, for instance, a J&J lens -- you don't want your patient walking out the door and going and buying that lens from Walmart. You want them buying that lens from you. Now, why are they walking out the door and buying it from Walmart? Because they can get it cheaper from Walmart at the end of the day. So J&J turned around and raising prices on the retailers or the mass merchants and making that a positive to the independents.

And then setting a price point and you see that with Total One. I mean, J&J hasn't done that yet, but setting a higher price point and saying, okay, everyone has to hit that price point. To me, again, goes back to the marketplace and saying, okay, if we are talking about increasing prices and things that we can make better for the independent optician or to the retailer -- because, by the way, when J&J rises prices raises and everyone wants to talk about the impact it does on the independent, there is also an opportunity over here when it comes to the retailers to go after them and try to gain more business there. So I wouldn't say that it is a positive or negative with respect to us. I do like the fact that you are seeing price increases. Yes, we had a price increase in January. That is part of pulled business in December. J&J's, I believe, went in April 1, which brought some channel fill for them into calendar Q1. That is all good.

Now, if you look at it from a product launch standpoint, it is challenging to put some of these fixed prices in there on existing products. Because you have to be careful around price-fixing laws and so forth that you are not putting pricing out there and then allowing people to sell underneath that. So it is easier to do when it comes to new product launches. If you look at TOTAL1, as an example, very nice product; very good product, and Alcon is doing well with that product. To set a price point on that makes sense because they are capacity constrained. So if somebody doesn't sell it at the price point, they can pull it and move it to somebody else.

Would we do that on MyDay? We will see. Because we are in the same boat on MyDay. We bring MyDay in, we're clearly capacity constrained. You have a lot of demand for the product. We will evaluate that. If that makes sense, we will probably mimic that.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

To break down your growth, it is a price volume mix. The price component, your net positive for price in CooperVision?

Al White

Price. So the industry is basically driven by trade up. Right? Driving people -- trading people up to silicone hydrogel, getting that 20%t, 30% trade-up. Trading people up to a single-use lens. If you look at core pricing on products, yes, you haven't seen a lot of pricing increases there for quite a while. Now, maybe you're starting to see a little bit about right now. Maybe you are starting to see some of that price increases start creeping into the market a little bit. That would certainly be a positive, obviously.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

I wanted to transition to CooperSurgical, which grew -- first let me see if there are any questions in the audience.

So CooperSurgical, Al, grew 8% in the second quarter. How sustainable is that?

Al White

I don't think 8% is the right number. And I am sure you see it, people see it in our guidance that we gave for the year. A third of that business is on the IVF side. We did the Origio acquisition a few years ago and combined that with our existing IVF business. That is a very nice of business, and we are doing very well there. And we have a lot of potential there to continue to grow that business and improve margins there. We have -- it is a relatively small business for a relatively -- I shouldn't say large, but an infrastructure that we have. So there is a lot of regions where we can increase volume, increase sales without increasing infrastructure. So we have some opportunities there to continue to grow that business nicely and to continue to improve margins. As a matter of fact, you are starting to see some of that through the operating margin improvements and so forth in that business now. And not that you're going to see significant gross margin improvements there, but I think we have the opportunity to do some there.

If you look at the other 2/3 of the business, you are on the OB/GYN side. I mean, that is a tough area. And we have seen that from whether it is J&J's women's health business, Boston Scientific, Hologic, some of the other companies out there who have shown flat growth or declining growth.

And you look at us, we have had some quarters where that business has declined a little bit. We have had some quarters where this quarter, it was up 4%. Net net, I still think that if you look at that business on a combined basis, you are talking something about the mid-single digits, is kind of where that is going to grow. Now, if we get improvements, obviously, in office visits and so forth, that is going to help that core part of the business. But I think what you see is decent growth in that business with the potential for a little bit of improvement in some margins.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

So your M&A strategy. You talk about what we focus on: CooperVision and CooperSurgical. But nine out 10 of your acquisitions are in CooperSurgical. I can only think of one major CooperVision acquisition, which was Ocular, and that was a long time ago.

Al White

Yes.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

And maybe you could count [Iony]. Is it still the right way to think about it, that the acquisition M&A is mostly focused on CooperSurgical?

Al White

Yes. Well, CooperSurgical, by its very nature, was basically a roll-up strategy of products within the OB/GYN space. And it has expanded a little bit out into some of the surgical spaces with like a -- we have a laparoscopic closure device and so forth. So we are continuing to look at deals, clearly, in that space. We have been active there, trying to find acquisition opportunities. We haven't been successful, obviously, as you know. But we have looked at them. We have made offers out there. We try to be aggressive. We just haven't won the acquisitions.

And I still firmly believe that acquisitions make sense, but acquisitions need to be completed at the right price. We are not going to go do acquisitions just for the sake of doing acquisitions. But we will do them. So if we can find deals, if they can make sense, we will do them. We will roll them in. It is especially true, as you say, at CooperSurgical where, if we can acquire product lines, especially growth-type product lines, roll those into our infrastructure and accelerate that growth, that is really positive for us. I would add on that, I think -- because there were a few questions from people had about going out and doing a CooperSurgical deal that could be a bigger deal or one that is not growing and so forth. I mean, that is -- our focus continues to be on growth opportunities and driving growth in that business, not to look to harvest margin expansion or anything.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

What are you saying about size?

Al White

Well, size -- when you look at most of these deals, the very nature of these is you are buying independent products. So some of them could get bigger because it is a product and -- I mean, if you think about it, some of them can get really big. Conceptus is a good example that went for a very large price as an individual product line. But the vast majority -- as a matter of fact, the only stuff I can think of right now would be smaller product lines and so forth. So those aren't that big of acquisitions in the grand scheme of things.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

Al, you have an analyst day coming up, I think, in September.

Al White

Yes.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

Can you give us a sneak preview of the analyst day? What should we expect?

Al White

We will cover -- like we did a couple of years ago, we had a great meeting. We will cover a whole variety of things and try to give people a better understanding of the marketplace, including the single-use marketplace and single-use silicones. More color on probably geographic expansion; places like China, Russia, and so forth. Where we are seeing growth; where we are seeing opportunities. Probably spend, as I was saying, more time on MyDay and that part of the market and where we are seeing that go over time. Give some more color on CooperSurgical and update people so that they know.

And then, the other thing is, Dan McBride took over as our Chief Operating Officer and President of CooperVision. I can't remember now -- six months ago or somewhere in that kind of timeframe. So this will be the first opportunity, really, for Dan to stand up and talk about what has been going on in his world and how he is thinking about the business. So it will be a good opportunity for people to meet and hear from him.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

I want to try to sneak in one more question. China used to come up a lot.

Al White

Yes.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

Your growth strategy in China. Where are we with that?

Al White

Yes. We have invested a lot there. We put a lot of infrastructure in China. We are doing very well in China. That marketplace has probably grown 20%-ish, in that kind of range. We have been growing decently faster than that. Continue to feel optimistic about China and growth potential there, no doubt. The only thing is it is relatively small. It is relatively small for us. So we are gaining share; we are doing well. We will get that operating profitable here in the near future. And all positive -- all positive on that. Just, I guess, MyDay, and some of the other stuff is kind of taking center stage over China.

Larry Beigelsen - *Wells Fargo Securities, LLC - Analyst*

Great. Thank you very much, Al. Thanks for coming to the conference.

Al White

Sure.
