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## Building Materials Holding Corporation Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Steve Chercover – D.A. Davidson.

#### Steve Chercover – D.A. Davidson

First of all could you recap those sources of cash? Did you say \$40 million from real estate sales?

#### William M. Smartt

About \$3.5 million from the sale of excess vehicles and we have two auctions going on for vehicles this month, we expect that the net proceeds will be about \$3.5 million. We have about \$40 million of excess real estate that we expect to put on the market, the flow from that we're anticipating would be about \$1 million in the second half of this year, \$26 million in 2009 and \$13 million in 2010. We also believe that we can remove the restrictions on some marketable securities that we have that are related to workers' comp insurance and other types of insurance and that we should be able to generate about \$45 million in the second half of this year. We expect a tax refund probably in the second quarter of next year but if we move quickly we might get it right at the end of the first quarter of next year, that's about \$50 million and in the aggregate this year we'd be looking at somewhere around \$45 million to \$50 million and \$50 million to \$55 million next year and the balance of the real estate sales in 2010.

#### Steve Chercover – D.A. Davidson

Do you still have any unprofitable segments or what you closed in Florida and elsewhere is that the bulk of it?

#### Robert E. Mellor

That was a major piece of the challenge that we had. We continue to look at every one of our operating units very, very carefully at a level that is more granular than the six operating units that we have right now. We'll look inside of those to see where we believe that we have operations that are not EBITDA generating and to the extent that they are not doing that and they're not able to fix that in the very, very near term, they're candidates for consolidation, restructuring or shut down.

#### Steve Chercover – D.A. Davidson

I've been getting things from Leona, your union and they're making some pretty sordid allegations and can you just comment on that?

**William M. Smartt**

Those are sordid allegations. I think we'll let Mr. Mellor handle that.

**Robert E. Mellor**

They have approached of course our operations in Arizona and Las Vegas and also Southern California, but I think, Steve, you've known the company for a long time and we certainly an employer of choice and we certainly believe in that. Our employees all have healthcare coverage. 80% of those costs are covered by the company. We've got a 401k plan for all of our employees and our salaries are certainly competitive and I would say equal or greater than anyone else in the industry.

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