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Brookfield Homes Corporation Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Our first question comes from Joel Locker of FBN Securities.

Joel Locker – FBN Securities

Hi guys, just on the – just a cash flow question in general. How are looking at cash flow? Are you trying to actively share [ph] more land, obviously that's harder [ph] than selling to that degree recently, but or are – or you're just focusing more on increasing cash flow from just home closings and try to generate it that way?

Paul Kerrigan

Yes, Joe. By and large, the cash flow target of the \$100 million does not assume any significant land sales raw or developed lots. But as we close, if we say we are going to close a similar number of homes as we did last year and we think we are well positioned to do that. That's where that cash flow comes from.

Joel Locker – FBN Securities

I understand the 100 million, but are you trying to maybe go over and beyond that and trying to sell some of the entitled lots that are partially finished lots just to generate some cash flow obviously because your land supplies – you have enough land for many years?

Ian Cockwell

In the markets, and it depends in where the lots are located. In the coastal areas, we certainly, we find that (inaudible) supply of lots and there is a greater interest in land opportunities in those areas. And we continually evaluate our assets as to a projected future returns balancing it against the alternatives of selling an asset.

Joel Locker – FBN Securities

Right. And just a follow-up, on your land sale on the \$4.5 million in revenues, what was the profit or loss on it?

Paul Kerrigan

It was a nominal profit.

Joel Locker – FBN Securities

\$0.1 million or \$0.2 million, or something like that?

Paul Kerrigan

Something in that range. Yes.

Joel Locker – FBN Securities

In that range. All right, thanks. I'll jump back in the queue.

Operator

Our next question comes from Peter Martin of Matthes Capital.

Peter Martin – Matthes Capital

Yes. I had a quick question on the other income expense. Would that be where you have that swap gain?

Paul Kerrigan

Yes. Including this quarter was \$8 million of income from the swap contracts. It was \$4 million last year. So, a net change of \$4 million, and if you recall in our first quarter we had a loss on our swap contracts of \$8 million. So, we are just marking it to market.

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