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## Interface, Inc. Q2 2008 Earnings Conference Call Transcript

### Question-and-Answer Session

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#### **Operator**

(Operator instructions) And our first question comes from the line of Keith Hughes with Sun Trust. Please proceed.

#### **Keith Hughes – Sun Trust**

Thank you. I just wanted to ask a question on raw materials real quick. What was the last price increase you implemented? Do you have any more that you anticipate coming in the third quarter and what are the input costs been doing in the last month or so?

#### **Dan Hendrix**

We had a price increase in June, Keith. We have raw material price increases announced by the yarn suppliers in June as well. We don't anticipate any other price increases on the horizon today but we are offsetting it, our raw material price increase and energy costs. We raised prices both in the Interface floor business, the modular business and Bentley Prince Street.

#### **Keith Hughes – Sun Trust**

Okay and the second question, we've had a couple of years of fantastic tile growth for yourself and for the industry. Has the competitive dynamic between yourself will all contain this change? Any major share shifts or is it pretty much the same competitive dynamic as a couple of years ago?

#### **Dan Hendrix**

It's pretty much the same competitive dynamic. I believe that we are taking share. I don't think the tile market is growing as much as we are. We had a great second quarter in the US kind of that you just outlined.

#### **Keith Hughes – Sun Trust**

All right. Thank you.

#### **Dan Hendrix**

Okay, thanks.

#### **Operator**

And our next question comes from the line of Sam Darkatsh with Raymond James. Please proceed.

**Sam Darkatsh – Raymond James**

Good morning, Dan. Good morning Patrick.

**Dan Hendrix**

Sam.

**Sam Darkatsh – Raymond James**

I want to again to get to the order, overall orders a little bit if I could Dan. The 311 is obviously a real robust number and absolute terms. What I'm getting at is accelerating or decelerating and whether we should take anything away from the 3% number, I mean as I recall in April you are up 13% in orders and then you ended up being up three in Q2 and I was going to first ask, what July look like and secondly was there a pre-buying in that number because you are raising prices in June with a lumpy comparisons, I mean how concerned or not concern should we be that the order growth is slowing?

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