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Walter Industries, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. At this time we'll begin the Question and Answer Session. [Operator Instructions]

Our first question comes from Michael Gaugler, Brean Murray Carret.

Michael Gaugler - Brean Murray Carret & Company, LLC.

Morning, everyone.

George, something in your comments caught my eye: Demurrage caps, can you provide any details, say a per ton range, at cost-wise?

George R. Richmond

Yes, at this time, I prefer not to when we fund the release. I still expect over a million tons contract pricing to be settled so I'm not quite finished. We will not see the \$100,000 a day number no more. We are going to share some of the risks with our customers. I'd rather wait until we finish our negotiations.

Michael Gaugler - Brean Murray Carret & Company, LLC.

Okay. One more question on the natural resource segment. You've got some longwall moves coming up, correct?

George R. Richmond

Correct.

Michael Gaugler - Brean Murray Carret & Company, LLC.

How's that looking in terms of getting set up and ready to go and what kind of timelines are you looking at?

George R. Richmond

The No. 4 Mine is that one longwall move but we added the longwall equipment pre-installed so we had no delay. The next longwall move, we got a new set of longwall shield to finally total the result the problem a few years ago. And provided the delivery is on schedule, we should also have the

longwall pre-installed and expect no longwall delay. The No. 7 longwall is in early in the third quarter and again, the development is in good shape so we should be a normal tight delay of 10-12 days.

Michael Gaugler - Brean Murray Carret & Company, LLC.

Okay, sorry, got another follow up. Should you mention longwall shields, the 7 East expansion, are those going to be shield that are to be rebuilt in your yard or are they going to be new shields?

George R. Richmond

The 7 East expansion, we'll have two sets of shields throughout operation and they're actually the shields that are operating at No. 4 now. And the second sent the shields out, we'll operate the 7, Southwest ?A? panel. Both sets of shields are being overall in the last year or so.

Michael Gaugler - Brean Murray Carret & Company, LLC.

Okay. I got a question on Home Building, but congrats George on the pricing. That was just phenomenal.

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