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## Furniture Brands International Inc. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from the line of Budd Bugatch from Raymond James. You may proceed.

#### Budd Bugatch – Raymond James

The question really goes to the guidance as in terms of the revenue guidance, your sales down 14% in the first quarter and the guidance is down less than that in terms of revenue; could you lead us through the rest of the year how you get to that \$1.9 to \$2 billion? Typically historically there has been a seasonality pattern to revenues where the second and third quarter had been weakest although recently there is a more sequentially than seasonality as we gone through this difficult period. I just -- may be you could give us a little help on that, maybe also comment a little bit about Thomasville and the comp sale because we haven't had that number before?

#### Ralph Scozzafava

Yeah. But, I will take on the top-line piece. I think, certainly if you lay it out in a linear fashion it doesn't get you to the \$1.9 billion to \$2 billion. We have got a number of commercial interventions that are going to really take hold and begin to show their fruits in the second more importantly third and fourth quarters and we expect that to come under the heading of improved sales programs with some of our largest and some of the larger retailers in our portfolio. The other piece is we have the pricing action that we're moving forward against and it's being executed quite well; that should provide some points particularly in Q3 and Q4. So, we feel comfortable with our guidance on the top-line at this point in time even though the first quarter numbers are being down 14%, we certainly -- have you asked that question -- it's good one. As far as that the comp store sales on Thomasville, I guess what I would say is that and I put it under the umbrella of -- I was trying to be more transparent. We heard loud and clear from a number of our investors, certainly from you that more inside into the numbers particularly in critical pieces that underpin our plan to give you all more confidence in what we are doing was important. So, we felt like the comp store sales for Thomasville, to let you all know that we can execute as a retailer and then once we get a hold of stores, we can manage them very well. Teplitz and his team are very good retail operators and we thought it was important for us to share that with you. With that said, it's a small piece of our business. We are not at a point where it's material, where we would segment retail and wholesale, but certainly as we approach that scale we will report that way, as well.

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