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## AAON, Inc. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions)

Our first question will come from Frank Magdlen of The Robins Group.

#### Frank Magdlen - The Robins Group

Good afternoon, Norman. Congratulations on a nice year.

#### Norman Asbjornson

Well, thank you.

#### Frank Magdlen - The Robins Group

Can you give us a little more color as to what your backlog looks like at this time?

#### Norman Asbjornson

Yes, I can. We always hit a higher point at the end of the year. By this time, we always work off backlog a little bit and our backlog is dependent upon two factors. Number one, how good the order input is, and number two, how well we're able to turn those orders out if the customer is asking the delivery fairly quickly.

So, it's not just totally dependent on order input. It is also dependent upon how fast we move it through the place and deliver the product. We're moving stuff through the factories. All of the factories right now are quite well, and so we're not gaining backlog because of our inability to bill.

The net result of what I've just given you is a summary, and then I will break it down, talk a little more, is that we've got more backlog at this time this year than we had in this time in 2006. We have less backlog, however, than we had a year ago at this time. And the backlog we have right now is in the low 50 millions. A year ago, at this time, we were close to 60 million. Two years ago, we were in the high 40 million.

So that kind of gives you some reference point. Well, what does that tell you? I've told you that we are moving stuff through the billing process very well right now. So it's not staying in here as long. Now, does that attribute all of it? Yes, indeed. If you look at the order input, we are at overseeing

respectable times. If you take the past six months we have taken in more orders than we did a year ago, in corresponding six months.

So order input is good. Does that mean it's strong? No, it does not and I know it sounds conflicting with what I am saying here. But we did very well, taking orders this year, in the past few months compared to a year ago, we moved them out very well, which is really good. But it's been much harder to get those orders in the past few months than it did a year ago.

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