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Select Comfort Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. (Operator Instructions) Joel Havard of Hilliard Lyons you may ask your question.

Joel K. Havard – J.J.B. Hilliard, W.L. Lyons, Inc.

First a question of - Bill I think you referenced a decline in average sale price. Do you have a sense of units in Q4 specifically?

William R. McLaughlin

Yeah, there was a decline in units as well as average selling price. Is that your question?

Joel K. Havard – J.J.B. Hilliard, W.L. Lyons, Inc.

Yeah, typically you add that commentary in your published reports, I just wondered if you had a handle on what it was yet?

William R. McLaughlin

Yeah, they did decline and we'll provide that when we file our [inaudible].

Joel K. Havard – J.J.B. Hilliard, W.L. Lyons, Inc.

We can wait for that. Secondly the commentary in the release and your color, the five dealers, 140 stores, the back page references 891 total. Was there an addition or did one of your surviving larger customers dramatically increase store count, the acquisition or something here in the last quarter or two?

William R. McLaughlin

Yes, Joel. First I would say that the reduction in the retail partner doors is not reflected at year end because those reductions will occur in the first quarter, but we did also have in addition to one of our partners in the Northwest where we added a number of doors.

Joel K. Havard – J.J.B. Hilliard, W.L. Lyons, Inc.

Jumping over to the remodel performance, that's exciting that you're still seeing double digit, year-over-year increases, I guess you mean on sales trends, where did that process begin? That's

now going back roughly two years, how does that tail extend on the strength of that positive comp performance?

William R. McLaughlin

The first test stores were introduced early in 2007 and rolled out about another five in the third and fourth quarter of 2007, so they're still within their first year of operations, Joel.

Joel K. Havard – J.J.B. Hilliard, W.L. Lyons, Inc.

To get a sense of 50 this year is the cap ex combination X the SAP implementation, is that pretty clean just down to those remodels plus the 30 or so new stores is that really all that's left in there?

William R. McLaughlin

Yes, the three biggest components are new stores, remodels, the SAP, there are a few minor other capital items, but those are by far and away the three largest components.

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