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Advance America Cash Advance Centers Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Your first question comes from Dennis Telzrow - Stephens Inc.

Dennis Telzrow - Stephens Inc.

Good morning Ken and Patrick. Patrick a question on salaries and payroll, we've closed I guess over 200 during the year and I thought we'd get a little benefit in the fourth quarter from some of that, any comment and I guess we also had \$2.2 million in Pennsylvania, is that part of it I guess?

Patrick O'Shaughnessy

The \$2.2 million in Pennsylvania to be clear was what it cost us to operate those stores during the fourth quarter. In addition, we took severance charges during the fourth quarter for the closing of those centers as well and that's included in the \$1.7 million charge that we took.

Dennis Telzrow - Stephens Inc.

Okay.

Patrick O'Shaughnessy

Does that answer your question?

Dennis Telzrow - Stephens Inc.

Yes I think so, but we should see obviously that will be absent on a go forward basis, okay.

Patrick O'Shaughnessy

That's correct. I think the drag, obviously we stopped making revenue in Pennsylvania in July but our decision to continue to keep those centers open was an expense that we continued to incur through most of the rest of the year but we will not incur going forward.

Dennis Telzrow - Stephens Inc.

And Ken the 50 to 100 stores that you mentioned as a range for this year should I assume any feel for how that breaks out between the three countries?

Ken Compton

Probably Dennis at this point no. You know we've got, we probably have about half of those, let me answer it this way. We have about half of those on the rollout for the US. In Canada we have ten open now, we're I think I told you we're looking for 25. So that's 15 there. And what we don't know is how quickly our de novo will ramp up in the UK although we're beginning to get started there and we're pretty interested so it's probably equally spread with Canada being the lesser of the three areas.

Dennis Telzrow - Stephens Inc.

And I guess Canada you're really waiting more so for the final rate regulations before you get a little more aggressive, is that a fair assumption?

Ken Compton

Yes Dennis, you know this time last year I think if you probably looked at what we said in the script, we were expecting the setting of rates and everything to happen and so it's gone very slow so I think it's probably appropriate for us to be somewhat conservative until we get our rates structure in place.

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