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Universal Forest Products Inc Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Steve Chercover of D.A. Davidson; please proceed.

Steve Chercover – D. A. Davidson & Co

Good morning everyone.

Michael Glenn

Good morning Steve.

Steve Chercover – D. A. Davidson & Co

Three quick questions I think. First of all, your sales allowances fell substantially either on a dollar value or percent value and does that reflect exposure to bad accounts or can you explain why that happened?

Michael Cole

No, it does have sales allowances in rebates and discounts, but it also has adjustments in it to take our cycled operations that use construction contract accounting and adjust sales to the proper number based on completed contract. So I wouldn't make into that; that the adjustment that's in there relates to discounts or rebates. I think it relates more to the construction contract accounting.

Steve Chercover – D. A. Davidson & Co

Okay, thank you for that Mike. Also wondering, should we anticipate any more write-downs going forward?

Michael Cole

Are you talking about impairments of assets?

Steve Chercover – D. A. Davidson & Co

Yes, or do you think you've right sized the business to the point where you've cut to the bone. You want to have facilities in the geographies where you are and you'll just hunker down?

Michael Glenn

Steve, we continue to evaluate our operations and we continue to right size based on market conditions. So I don't know if I can tell you that there won't be anymore; I can just tell you that we continue to look six to nine months out and try to right size our business based on what we see.

Steve Chercover – D. A. Davidson & Co

Okay and when you made the comment that there are big questions about manufactured housing going forward, I mean are you suggesting that that's just a category that could go away or that you would abandon; I mean you are the biggest?

Michael Glenn

Well, we certainly wouldn't abandon it. We're concerned that the lack of financing for that industry; we had 81,000 shipments last year and we think that we're going to be somewhere around 74,000 next year. It's just an industry that continues to shrink and it's an industry that hasn't opened up yet this year.

Steve Chercover – D. A. Davidson & Co

Okay, that was it. Thank you.

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