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## Champion Enterprises Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from David Wells - Avondale Partners.

#### David Wells - Avondale Partners

First off, if you look at the inventory charge in the retail segment, what was that charge as a percent of total inventory in the segments?

#### Phyllis Knight

For the full year, it was about 35% of the beginning of the year inventory balance.

#### David Wells - Avondale Partners

And then, looking at the current capacity, I know you're not going to be discussing possible changes, but if we were to think about it from a regional breakout, could you kind of give us some color as to if you were to think about your plants, I guess the 25 that are still open, how those fall into the various geographic regions across the U.S.? And then, are there any variations across the different geographies in terms of utilization from the average?

#### Bill Griffiths

Generally, as I said specifically in the comments that California, Arizona, and Florida continue to be the low spots. It is reasonably consistent across the rest of the country, and is, I would say, above average in some of the areas where we have taken the most action with respect to capacity reduction, such as the Midwest.

#### David Wells - Avondale Partners

Okay, that's helpful. And just touching on the floor plan financing environment, I know we've seen some significant changes there, both on the parts of some of the national players and then, some of the more just industry-specific players. Just wondered if you could kind of give us an update in terms of who you are most exposed to from a national perspective, and then any steps that you're taking in terms of providing assistance to the retail channel with that floor planning?

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#### Bill Griffiths

We have first of all, historically, a little over 40% of our revenues, North American revenues, were handled through call it the national floor-plan lenders, GE, Textron, and 21st. Clearly, after the actions in the fourth quarter, those numbers have reduced somewhat. We are actively and have actively continued to encourage our dealers to work with local banks, where there do appear to be funds available, not specifically for floor planning, but with small-business loans and lines of credit.

So we keep steering people in that direction. We are aware of a number of our competitors that are offering special programs. We're still evaluating the whole landscape at this point in time. I don't think the dust has completely settled, and until it does, we're not going to make any announcements about any plans we may or may not have. We are still evaluating the situation.

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