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## AmeriCredit Corp. F3Q09 (Qtr End 03/31/09) Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from the line of John Hecht – JMP Securities

#### John Hecht – JMP Securities

Congratulations on a I guess a successful quarter in many ways, first question, it looked like you had a pretty high tax provision rate, I'm wondering what derived that.

#### Chris Choate

Our normal tax rate is going to be 37% to 38%, but in any quarter we're going to have some sort of routine normal adjustments to valuations and so on, that if we have a higher amount of pre-tax earnings really don't reflect, you don't really see them.

This quarter we had those routine kind of mostly state level valuation adjustments and because pre-tax income was modest, those really added up to make the tax rate sort of abnormally high.

#### John Hecht – JMP Securities

And only because I've never seen this any more, maybe you guys are blazing in the trails of new accounting definitions, is weighted average and assumed incremental shares the same as fully diluted shares?

#### Chris Choate

Yes.

#### John Hecht – JMP Securities

The third question is, you highlighted you're comfortable with your current cash balance and you talked about paying off the Canadian facility in the coming months, maybe can you step us through kind of sources and uses of cash over the next couple of quarters. I know that you did have kind of a working capital drain on cash flows and a funding drain this quarter, but maybe can you highlight the primary components of that over the next few quarters.

#### Chris Choate

Yes, the primary components really are as the portfolio continues to amortize down we have a pretty significant amount, say 10% to 15% of credit enhancement being released as the portfolio plays

down. Its going to go from \$12 billion now to \$9 billion by the end of the calendar year. That's going to release a pretty significant amount of cash.

**John Hecht – JMP Securities**

And that 10% to 15% is what dollar level.

**Chris Choate**

Well 10% to 15%, maybe slightly higher of that \$3 billion runoff. Over time its obviously that's not all in a month, that's for the next nine months. That's really one of the key adds to liquidity. Obviously the uses are new loan originations at the lower level we are at, even with the higher enhancement we're having to deck against those loan originations on the amended warehouse lines, that's not as significant a drain.

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