

Bill Kuser

Thank you very much Tanya and welcome everyone to the first quarter 2008 American Vanguard earnings review. Our principal speaker today will be Mr. Eric Wintemute, President and CEO of the Company, and Mr. David Johnson, our CFO, will contribute on financial matters. Before beginning we should touch on the usual cautionary reminder. In today's call the Company may discuss forward looking information. Such information and statements are estimates by the Company's management and are subject to various risks and uncertainties that may cause the results to differ from managements current expectations. Such factors can include weather conditions, changes in regulatory policy and other risks as detailed in the Company's SEC report and filing. All forward looking statements represent the Company's best judgment as of the date of this call. With that said we will turn this call over to Eric.

Eric Wintemute

Thank you, Bill.

Good morning and good afternoon everyone. Thank you all for joining us today to discuss American Vanguard's first quarter 2008 performance. As we first indicated in our performance update on April 1st, we have faced some recent challenges due to weather conditions and rising raw material and transportation costs. We will discuss those items and further elaborate on the actions that we are taking to achieve solid performance for the remainder of the year.

First I would like to introduce Mr. David Johnson our new Chief Financial Officer to overview of our First Quarter financial performance.

David Johnson

Thank you, Eric. Good morning and good afternoon to everyone.

As detailed in our press announcement – net sales ended at \$40.9m, which is flat compared to the same period last year.

Driving this sales performance were strong sales from some of our recently acquired products and some of our established products. This includes:

- Our Herbicide products IMPACT and Avenge which are doing well;
- Our Fungicide products including PCNB which continues to grow; and
- Our newly acquired Orthene product line which had a strong first quarter.

Offsetting these performances:

- Our sales of mosquito product line Dibrom were down;
- Our Thimet insecticide product was slower than expected; and
- Weather in the Mid West Corn Belt affected sales of our corn soil insecticides.

Most of our other product groups, our soil fumigants, our plant growth regulators, our animal health and our broad spectrum insecticides, were at or marginally better than last year.

On a pleasing note, we can report that our international sales development continues to progress, which was up 42% compared to last year.

Our Gross Margin is down for Q1 2008 at 43.5% this compares with 45% for the same period last year. This includes increased raw material costs offset by well controlled manufacturing costs.

In raw materials we have seen escalation in some base raw material commodity pricing. Examples include Sulphur up 400% and Phosphorus up 100% since this time last year.

Our manufacturing costs overall have been well controlled. Although direct labor costs increased by 4.9%, total manufacturing costs are 3.7% lower than last year. This cost saving has been driven by:

- Various individual small cost saving initiatives including rental equipment, manufacturing supplies, use of outside services, use of temporary employees, and lower waste disposal costs, totaling \$228,000; and
- Maintenance costs were down in comparison to a higher than usual quarter in 2007, totaling \$96,000.

Operating expenses (which include distribution costs) increased by 7.3% to end at \$13.9m. This included:

- General & admin costs down \$136,000 (-3.4%);
- Product development, R&D and Regulatory up \$222,000 (+13.7%) mainly as a result of increased defense costs on our Vapam product line;
- Selling costs increased by \$262,000 (+5.7%) driven by increased advertizing costs; and
- Freight and warehousing costs have increased by \$598,000 (21%) driven by escalating fuel costs domestically and increased importance of international sales.

Overall we reported operating income of \$3.8m.

The Company's financial performance has been helped by significantly lower overall interest cost for the quarter. This has been caused by:

- Lower effective interest rate in Q1 2008 (5.26%) vs. Q1 2007 (7.95%)
- Lower average indebtedness for Q1 2008 of \$77.2m vs. Q1 of 2007 of \$95.2m.

These factors combined to result in a net interest expense of \$965,000 down \$909,000 compared to an expense of \$1.9m in the same period of the prior year.

Financial performance was further improved by a lower effective tax rate:

This quarter our effective tax rate was 38.65% which is consistent with our full year 2007 effective rate. The comparable effective rate was 40%.

Tax charge ended at \$1.1m down \$326,000 compared to last year.

Accordingly net income ended at \$1.7m (6c per diluted share) down \$393,000 compared to the same period of last year when net income was \$2.1m and \$0.08 per diluted share.

Our balance sheet shows some significant movements since December 2007:

Our inventory has increased by \$26.8m driven by the impact of new products, raw material cost increases and the normal seasonal flow of our business.

Receivables increased by \$8.4m – again, mainly a seasonal impact.

Indebtedness increased because of the movements in inventory and receivables.

- We ended with indebtedness of \$100.7m down \$5.3m compared to the same time last year. At December 2007 our total indebtedness was \$60.3m.
- This time of the year is the normal high water mark for the Company's debt position and we anticipate a gradual improvement as we move through the seasonal pattern.

During the quarter we invested \$11.8m on intangibles and fixed assets

Thank you. I will now hand the call back to Eric Wintemute

Eric Wintemute

Thank you, David.

Now, I would like to tell you about a number of significant accomplishments, and the status of several important initiatives which should allow us to achieve even better performance in the future.

As you recall, in the fourth quarter we acquired two fungicide product lines from Chemtura Corporation, and the Orthene® insecticide product line from Valent Corporation.

We already manufacture and market the PCNB fungicide products that we acquired from Chemtura, and we expect to gain a much stronger position in the turf & ornamental and international markets as a result of the purchase.

With Orthene, we will be strengthening our participation in soybeans, tobacco, vegetable and specialty markets, and broadening our existing product offering in the cotton market, in a way that may offset some of the declines that we have seen as a result of acreage shifting from cotton to other crops.

Both product lines had excellent performance in the first quarter and are expected to exceed planned forecasts over the next several quarters. These efforts demonstrate our ability to constantly strengthen and refresh our portfolio of high-value products designed to serve specialty niche markets.

As we have indicated in recent conference calls and presentations, American Vanguard has positioned itself to participate significantly in the dynamic U.S. corn market. In herbicides, insecticides, resistance management, and specialized applications equipment, we find ourselves with the right solutions to fulfill grower needs.

Our herbicide, Impact® has emerged as one of the most comprehensive products for combating “tough-to-control” weeds and grasses that have developed resistance to traditional glyphosate herbicide treatment. And just this last month, Monsanto Corporation received a label revision to its industry leading Roundup® brand of glyphosate products, citing Impact as a complementary herbicide to fortify the effectiveness of Roundup. Impact is a product that can achieve significant additional growth over the next several years and we are accelerating our sales and marketing efforts to capitalize on this opportunity.

As use of genetically modified corn seed becomes widespread, agricultural regulatory agencies and large genetic seed manufacturers are encouraging stricter compliance with “refuge acre” requirements to inhibit insect resistance. American Vanguard is in an ideal position to capture this non-GMO market through the use of our half dozen corn soil insecticides and our specialized SmartBox® application equipment. Even with efforts underway to moderate refuge requirements through the introduction of multiple-mode-of-action (stacked) trait seeds, it is our belief that the amount of acreage set aside as refuge will remain substantial in coming years, and serving it will be one of our important goals.

As you recall from our last conference call discussion, a series of 17 university sanctioned experimental field trials, conducted across the Corn Belt region in 2007, demonstrated that our granular soil insecticides, using efficient SmartBox® application equipment significantly enhanced corn yield. Given the high commodity value of this incremental output, and the modest additional input cost, the return on investment for using this convenient “dual” approach is substantial. In certain portions of corn acreage which have heavy insect “pressure”, the benefits experienced may even exceed the average of these early trials.

To encourage the market to recognize this potential benefit, American Vanguard has sponsored a contest to provide an incentive for growers to test the “Best of Both Worlds” practice for themselves. We are finding that this promotion has significantly increased awareness of the dual technology approach and an increasing number of growers are indicating that they are inclined to do some limited experimentation in 2008. We expect that further university experimentation, expanded 2008 trials conducted by American Vanguard and others, plus the superior results achieved by “early adopters” of this methodology, will validate this practice.

So to recap, in corn we have one of the best available glyphosate-adjunct herbicides for filling the gap that exists for “tough-to-control” weeds; our corn soil insecticides and specialized application equipment, provide the best regime for managing the “refuge acre” and when it comes to maximizing corn output, we have demonstrated that our “dual” technology approach can substantially boost yields.

Despite all of this potential, the 2008 corn season is proving to be a challenging one. As a result of inclement early season weather, this year’s Midwest corn planting season has been both delayed and compressed. As of last Sunday, only 27% of the U.S. corn acres have been planted. This compares to the average of 60% at this point in prior years. In insecticides, our recent survey of growers suggests that many will use our products on acreage planted with non-GMO seeds; an increasing number will use them with SmartBox equipment to treat “refuge acres” adjacent to their GMO plantings; and a

number of growers will experiment with our “Best of Both Worlds” approach to facilitate yield enhancement, particularly in high infestation areas. And while sales of traditional corn soil insecticides have continued to decline with the steady advance of GMO usage, our 2008 corn soil insecticide business posted the same sales level as in the prior year. While this does not yet reflect the gains which we expect will come, it is reassuring that we are effectively gaining a preferred market share that will lead us to become the chemical solution in combination with genetic corn.

Counterbalancing this gradual progress in insecticides, there is reason to be relatively more optimistic concerning herbicide usage. As a result of poor early season weather, lighter pre-emergent herbicide treatments this season will foster the need for greater post-emergent herbicide use during the balance of the season, thereby benefiting our second quarter sales of IMPACT.

As mentioned in our press release, we are experiencing solid performance in many of our other market segments.

- In potatoes, vegetables, fruits, and the specialty turf, ornamental, and consumer markets, sales continue to improve and our market leadership positions remain sound. Products such as our Vapam fumigant, PCNB fungicide and Dacthal herbicide are important contributors to these segments.
- Avenge, a cereal herbicide for the control of undesirable wild oats in wheat, had excellent performance in the first quarter and has provided American Vanguard with its first significant participation in wheat crops.
- Orthene sales also included some initial entry into the soybean market which marks another new initiative for AMVAC in a crop that we have not had meaningful involvement in previously.
- In Cotton, while we continue to suffer from the decline in acreage, our Bidrin sales and our new Orthene product additions should grow our strong presence and market share for the longer term.
- 2006 & 2007 saw relatively dry Gulf Coast weather patterns which hampered our Dibrom mosquito adulticide franchise. We hope that recent forecasts of greater storm activity will provide solid growth in that segment during 2008 over our previous two years.
- International sales continue to expand in the first quarter and we will be pushing very hard in 2008 to extend our reach in the Central and South American region.

We have expanded our domestic manufacturing capability in ways that should allow us to better serve regional U.S. and overseas markets and permit an optimization of production scheduling and logistics.

- As previously announced we are creating a Metam fumigant production unit at our existing facility in Axis, Alabama to serve the demand for such products in the Eastern part of the United States. This project is on schedule and the unit is expected to be operational by the end of the third quarter of this year.
- We are scheduled to start production next month at the Hannibal, Missouri production unit of our important Counter® and Thimet® insecticide lines. This location, acquired from BASF, also provides a better logistical platform for our increasing presence in the Midwest grain markets.
- We commenced operations at the Marsing, Idaho facility, recently acquired from Bayer, which will both enhance our capacity to formulate flowable products, as well as better serve the Pacific Northwest and Western Canadian region.

Given the increasing cost structures, price volatility and sometimes variable quality of some offshore suppliers, these facility initiatives reflect our conviction that the establishment of high-quality, well-positioned manufacturing capabilities will be a distinctive advantage in remaining a premier supplier of crop protection chemicals in the years ahead.

As mentioned earlier, first quarter earnings have been influenced by escalating raw material costs and rising transportation fuel surcharges. Among our key raw materials, as David mentioned, sulfur has risen approximately 5 fold and phosphorus has doubled over the last 12 months. Where possible, we are trying to curtail other costs and achieve improved operating efficiencies in manufacturing and logistics to offset the negative impact on our margins. When it is not possible to cover the impact on our profitability, it becomes necessary to pass these cost increases along and we will do that as necessary to maintain our profitability.

We offer growers a variety of solutions to enhance farm productivity, impede resistance development, and achieve high-quality crop output in a safe and efficient manner. Our manufacturing and service organizations continue to provide the quality assurance, technical assistance and regulatory diligence that our customers require to meet their goals. We will continue to add products that enhance our portfolio, fill the performance “gaps” that inevitably exist in newly introduced genetically modified defenses, and extend our productivity enhancing solutions to growers throughout the Americas and beyond”.

We will continue to keep you informed of our progress on these many programs. At this time, I would be happy to respond to any questions you may have.

Caller Mike Judd (Greenwich Constant)

<Q – Mike>: Good morning. My question is, I guess with the wet weather in the Midwest, does that create opportunities for you guys in the second quarter with fungicide sales. Can you try to flush that out for us?

<Eric>: We currently do not have fungicides sales in the grain market crops. Our fungicides participate with potatoes and in the turf or golf course market, which is pretty big. Obviously the snow fall might lead to some advantage there, but predominately what we were talking about as an opportunity in second quarter is with the late planting a number of pre-emergent applications that would go down as herbicides might be curtailed. As a result, they may rely more heavily on post-emergent application of herbicides, which would affect our IMPACT sales.

<Q – Mike>: Ok. What are the margins on IMPACT relative to the some of the pre-emergent herbicides?

<Eric>: When you say margins, do you mean our margins compared to others?

<Q – Mike>: I'm trying to get an understanding of what your sales could have been in the first quarter given normalized weather conditions. Whether those margins on pre-emergent herbicides are higher or lower than IMPACT sales in the second quarter.

<Eric>: First quarter sales that we were expecting that did not happen were more along the lines of our corn soil insecticides. As I mentioned earlier, we are probably going to wind up flat to last year. We do not anticipate a huge increase in our corn soil insecticides over last year. Our profit margins that we have in our product lines, we do not break out by product. Sometime we have indicated this is around or average of our margins, IMPACT certainly fits in that or slightly above.

<Q – Mike>: I'm just trying to get a sense of if the corn soil products are those above or below average profitability.

<Eric>: We have a couple that might be below our average and I think the rest are at or above.

< Q – Mike >: Ok, so it does not sound there is much of an impact here from the weather, basically.

<Eric>: Well, as it turns out as far as the corn soil insecticides, I think that one aspect of it is that the growers may be rushed and try to plant as fast as they can, again they almost a third of where they should be right now in planted acreage. That rush may lead for them to cut some of their activity and that might be putting down corn soil insecticides. That being said they also may feel rushed enough to not do their pre-emergent herbicide practice as they would do normally, which would have to lead to more post-emergent herbicide applications which would be our piece. So I think on the IMPACT side we are at this point expecting a pretty good year.

< Q – Mike >: So, if I could try to summarize this; I'm sorry to beat this to death. What you might have missed out perhaps on the first quarter you will make up in the second quarter. Is that a good way of looking at it? Although the mix and volumes may be different, but whatever you might have lost in terms of opportunity in the March quarter you should make up in the June quarter with a different product mix?

<Eric>: That is correct

I would like to thank everybody and I look forward to updating you at our shareholders meeting with us scheduled for June 6th out here in beautiful sunny Southern California. Thank you very much.