

Bill Kuser

Thank you very much. Welcome everyone to American Vanguard's fourth quarter and full year 2008 earnings review. Our principal speaker today will be Mr. Eric Wintemute, President and CEO of the American Vanguard, Mr. Trevor Thorley our Chief Operating Officer and Mr. David Johnson, the Company's Chief Financial Officer.

Before beginning let's take a moment for our usual cautionary reminder. In today's call the Company may discuss forward looking information. Such information and statements are based on estimates and assumptions by the Company's management and are subject to various risks and uncertainties that may cause actual results to differ from managements current expectations. Such factors can include weather conditions, changes in regulatory policy, competitive pressures and various 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 and such information will not necessarily be updated by the Company.

With that said we will turn this call over to Eric.

Eric Wintemute

Thank you Bill and good day, everyone.

Thank you for joining us as we review our recent performance.

We are pleased to report a continuation of the steady improvement that has characterized our business over most of its history - and particularly during the last two years.

I am pleased to have with me today, Trevor Thorley, our new Chief Operating Officer who joined us recently from Valent USA Corporation, a subsidiary of Japan's Sumitomo Chemical Company. Trevor has a distinguished career in the agricultural chemicals sector and we are confident that his talent, energy and experience will contribute to American Vanguard's continued success. Trevor will tell you a bit more about his extensive background during this call and of course will participate in answering your questions after our prepared remarks.

As David Johnson, our CFO, will highlight, quarterly sales, operating profit and earnings per share all increased modestly over the fourth quarter of 2007, and our full year 2008 performance resulted in record revenue, record net income and earnings of 73 cents per share.

This was accomplished despite some significant obstacles in the form of higher raw material costs, increased logistics expenses and weather-related difficulties experienced during the corn planting season.

Our 2008 gross profit margin of 43% is a reflection of our branded product portfolio, our focus on specialized niche markets, and our ability to price our differentiated offerings for the value that they provide in enhancing grower productivity and insuring crop quality.

I will now turn the call over to David and when he is done, Trevor and I will comment on recent projects, our market segments, and some views regarding our industry and our company's prospects as we see them in this first quarter of 2009

David Johnson

Thank you Eric. Good morning and good afternoon to everyone. My comments today will deal with the highlights of the 4th quarter, the full-year 2008, and some topical issues for consideration as you analyze our future prospects.

We will be filing our 2008 10-K report with the SEC by the end of this week. That document will contain considerable additional detail on many of the topics that I will touch on today.

For the quarter ended December 31, 2008, our sales are up 3%. Eric has already briefed you on the details, but I will add a couple of points:

- Sales of our new product lines continue to perform very well. Furthermore, our international sales are also well ahead of last year.
- We recorded good sales performances in:
 - Impact® – which was ahead of last year
 - Our insecticides phorate and Counter® were strongly ahead
 - Our fumigant products also sold very strongly in the quarter
- The offset was primarily:
 - Sales of our corn insecticide Aztec® and our cotton insecticide Bidrin® were both somewhat lower than in Q4 of 2007.
 - Raw material price pressure on commodities and basic chemicals eased somewhat in Q4 though this will take some time to move through the supply chain.

- Overhead manufacturing costs have increased compared to the comparison quarter in 2007, mainly as a result of adding Hannibal and Marsing to our portfolio of manufacturing assets.

Gross margin for the quarter is at 44% in 2008, compared to 45% for 2007, demonstrating the robustness of our business model in turbulent times.

Operating expenses were down at 25% of sales compared to 26% of sales in Q4 of 2007.

- Costs associated with expanded product portfolio including intangible amortization, product defense and product development increased.
- The offset was a better performance on distribution, down from 9% to 8% of sales, and lower selling expenses, as a result of cost reduction actions and some mix effect on programs.

Our overall interest expense is in line with last year – a higher average borrowings level fueling our growing business compensated by a reduced LIBOR rate.

Now, I want to provide some perspective on our full year 2008 performance.

As Eric said in his opening remarks, we are pleased to be able to report that sales revenues rose 10% from last year's \$217 million to a level of \$238 in 2008 which has been achieved despite this extraordinary period for our country's economy. This is a record level of annual revenues for American Vanguard driven by gains in crop and non-crop products including our new product acquisitions and our international sales expansion in Canada and Latin America. Our 10-K will provide you with additional details.

We have reported on our sales dynamics during the various quarter conference calls, but to give the big picture summary for the year:

- We have had a great year with our mosquito adulticide product Dibrom®.
- Our fumigant product line continues to grow strongly.
- Our phorate and Counter product lines acquired in the last couple of years have been very stable.
- Our Mexican business continues to grow nicely and we have now added a business in Costa Rica modeled on that Mexican structure.
- Our new product line acquisitions have beaten first year expectations.

As we have reported through the year, we have had some challenges:

- With regard to our key herbicide Impact, while our field reports suggest that product on the ground in 2008 has been good and we did see stronger sales in Q4 of 2008, this was not sufficient to reach Full Year 2007 levels. We are anticipating improved sales in 2009 as distribution inventories are estimated to be lower than at the same time last year.
- Our corn soil insecticides had a pretty tough year, mainly associated with adverse weather conditions during the mid west corn planting season.

Our key raw materials, particularly those based on sulphur, phosphorus, petroleum and other base chemical commodities have been on a roller coaster ride in 2008. We have responded to these movements with inventory purchase decisions, long term purchase agreements and sometimes product line selling price increases.

Despite all these moving parts, our gross profit has remained stable at 43% compared to 44% last year. This is within our normal range of year to year movements over the last several years.

Overall our operating costs for 2008 ended at 27% of sales compared to 28% of sales in 2007. This is the result of a great deal of effort to control costs in this turbulent period while maintaining high standards in product stewardship and at the same time delivering great customer service.

Within operating costs we have:

- Increased field support for our patented delivery systems.
- Increased advertising.
- Increased our product line stewardship costs including intangible amortization, product defense and product development.
- Added to our resources, particularly in finance, supporting the control side of our growing business.

Our interest costs have been significantly lower in 2008 than in 2007. Although we have increased our average borrowing by \$8 million, the offset has been a much lower LIBOR rate, which drives all our interest rates. Overall cost savings was about \$1.4 million.

During the year we have also spent time looking closely at our tax positions and as a result have been able to reduce our tax rate

As reported in the earnings announcement, net income is up 7% to \$20m and EPS is up 7% at 73 cents per share. This strong continued earnings performance during 2008 allowed the Board of Directors to approve dividend payments of 8 cents per share during the year.

The Board has continued that performance with the announcement today of a first dividend in 2009 of 5 cents per share.

At the last conference call I made some comments about our relationship with our banking syndicate. I want to reiterate those comments here again today.

Since our last conference call I can report that the Company and Bank of the West have continued regular face to face meetings. These meetings are a long standing activity for the Company and are focused on maintaining an open dialogue between us. The Company believes that this is a critical relationship, never more so than during these times. We believe that the bank and its syndicate partners remain highly supportive of the company.

Furthermore, in recent periods, the Company has expanded its disclosure in our published financial statements regarding its debt structure and credit facility. We understand how important this is given all the discussion about credit crunch issues affecting the economy today. You will find quite a lot of information in the 10K, however, in summary our debt structure is as follows:

- A \$52 million term debt with repayments scheduled through December 2013.
- We have a working capital revolver debt with a balance at December 31, 2008 of \$24.5 million. The capacity on this line is up to \$75 million and it runs through to December 2011.
- We have additional facilities amounting to \$30 million for special product acquisition purposes.

You will see in the 10K that our total borrowings at December 2008 were \$84 million. This is compared to \$60 million at the end of December 2007. There are several important drivers of this increase:

Our capital spending has been slightly higher than in prior years. This includes:

- At Axis we have invested in a new Metam facility, upgraded some complex control equipment, improved our waste stream handling and put in place the capability to manufacture molecules as part of our tolling activities.
- At Hannibal we have updated our manufacturing control systems, which was critical to improve quality and safety.
- At Los Angeles we have invested in improved safety systems and some other essential items.

We have expanded our product portfolio at the start of the year and later in the year we have solidified our positions in other product lines with key bolt on investments.

We have opened a selling office in Costa Rica and started to build up that business following the tested model used in Mexico.

Having said that it is also important to acknowledge that our inventory levels have increased compared to last year. Some of that increase is associated with new or expanded product lines, some relates to new tolling agreements, but we also accept that inventory management is a key management focus going forward.

Looking forward I think that there are several items that investors need to consider:

- We are working hard on our inventory levels, however, as all Ag companies experience; inventories tend to go up at the start of each year ahead of the spring planting season.
- Our international sales and activities are growing. We have had a good performance on receivables historically and we are working hard to monitor the quality of our entire exposure to receivables.
- We expect that normal capital spending going forward will be somewhat higher than historical levels, which relates to now having four (4) manufacturing plants.
- As Eric will describe, we will continue to explore product acquisitions and regional expansion opportunities that are at the core of our successful business model. Cost associated with these activities is now required to be expensed in the period in which they are incurred, so you may see occasional variations in quarterly financial performance as a result of this change.

I will now hand back to Eric.

ERIC WINTEMUTE

Thank you, David.

Now, let me comment on a number of topics that give you some flavor for what we have been working on to continue our success.

As previously announced, we recently completed the construction of a Metam Sodium production unit at our Axis, Alabama facility. This project has experienced a smooth start up and we have been shipping product to our customers since November. It gives us an expanded operational platform to service our largest product line, the Vapam® and K-Pam® soil fumigant products, in the Southeast United States, where demand is expected to increase in the coming years.

We also recently introduced a pest control product called Nuvan® ProStrips which allows professional pest control operators to extend the effectiveness of their standard treatment services. By positioning these devices, within the confines of the treated area, pest control is maintained for several additional months, negating the necessity of an expensive full-scale re-treatment. In December of 2008 we received our registration for bed bug control. This is significant in that bed bugs and their control is an emerging opportunity for the hospitality, multi-unit residential, and single family residential market segment. Efficacy data for Nuvan ProStrips clearly demonstrates 100% effectiveness against both susceptible and non-susceptible strains of bed bugs and their eggs. Amvac is well positioned to obtain its share of this market valued at \$4 million in 2007 which grew to \$6 million in 2008. That may not sound like a large market, but the service level revenue generated from this in 2007 is \$180 million which grew to \$300 million in 2008. Customer response to this introduction has been excellent and we expect this product to grow into a significant part of our non-crop product portfolio for the next few years.

We have taken full advantage of the market opportunities for the two newest products that we acquired around the beginning of 2008. With the PCNB Terraclor® line, which we procured from Chemtura, we have been able to penetrate new markets, introduce a new formulation, expand internationally and price our entire product line to reflect the value that these three fungicides offer to users. With the Orthene® line acquired from Valent, we have broadened our insecticide offerings in cotton.

As mentioned in previous conversations, our international sales and marketing efforts are continuing to enjoy great success. As our 10-K filing will illustrate, Canada, Mexico and several Central American markets contributed to a 25% growth over last years excellent results in the international market. As we have indicated in prior conference calls, our intention is to continue this expansion with additional resources of our own and / or in conjunction with other companies that are positioned in various international markets and interested in mutually beneficial collaboration.

Now, let me ask Trevor to take a moment to give you a little background on his experience in our industry and make a few comments on the state of the market segments that we participate in.

TREVOR THORLEY

Thank you, Eric.

First, it is a pleasure to have this opportunity to introduce myself to all of you who are interested in American Vanguard.

I have been involved in agriculture my entire life, having grown up on a family farm in England and having pursued academic studies focused on this industry.

Much of my early career was spent with Bayer where I had increasing management assignments including Midwest Regional Manager, leading Bayer non-crop business and becoming Senior Vice President, Sales & Marketing from 1998-2002.

I was able to assume considerable general management responsibility with my move to Valent USA, where from, 2002-2009, I was President & COO of Valent USA responsible for North and Latin America business. We accomplished significantly growth of sales, profit and dividend contribution to our parent company, Sumitomo Chemical. I also had the opportunity to become the first non-Japanese Executive Officer for a Tokyo-based multi-billion dollar corporation, Sumitomo Chemical.

I have gained a great deal of insight as a member of our industry trade associations such as CropLife America. Participation which affords one an understanding of this industry's complex regulatory environment, involved for many years. In the 90's involved with RISE, the non-crop segment, and recently on main executive board as vice chairman. We have a great industry that feeds the world as a result of our products. We need to be involved with our industry associations to reinforce the positive messages with all stakeholders. Visits to the Capitol in DC last week are one recent example.

Finally, I am often asked to describe my reasons for coming to American Vanguard. My main reason for joining Amvac is a belief in the Company's business model, its strategic direction, the leadership on the Board of Directors and in management, and most importantly, on the growth opportunities I see in this industry for Amvac to capitalize on in the future.

Now regarding some of our main areas of interest:

Corn – in 2009, we anticipate 85 or more million of acres of corn will be planted in US, largely using genetically modified seeds. We believe that this market will still require several years of 5+ million acres of resistance management “refuge” practices, which demand use of corn soil insecticides. We also presume that there will be a gradually, multi-year decline in the need for such set-aside acres with the introduction of multi-mode-of-action SmartStax & Optimum GM seeds.

More importantly for American Vanguard, we expect to see steadily increasing use of granular soil insecticides alongside GMO seed. Two years of independent university work and field trial validation, show that significant yield enhancement can result. This is particularly true in the 15 to 20 million acres of U.S. planted corn that suffer from moderate-to-high soil infestation. In many of these areas in eastern Iowa, and Illinois, this use of “dual technology” is gradually becoming a proven practice.

Our Impact® post-emergent corn herbicide had a strong 2008 with good field performance and excellent crop safety compared to many competitors. We see this trend continuing in 2009 and beyond.

Cotton – in 2009 will likely experience a modest additional decline from last year’s roughly 9 million acres. Never-the-less, we are well positioned with our branded insecticides Bidrin® and Orthene® and Folex® herbicide.

In our other market segments: vegetables, fruits etc. a variety of influences exist.

As usual, commodity prices will dictate some planting allocations and weather may complicate portions of the growing cycle. Some regional issues, such as a potential water shortage in the Central Valley of California, may cause temporary softness in the production of certain crops and thereby the use of some crop protection products. While peanut growers need to recover from recent product quality problems, our market position in insecticides for that segment is very strong. In general, assessing the pluses and minuses, our prospects in these many diverse markets remains quite solid.

I will now return the call to Eric.

ERIC WINTEMUTE

Thank you Trevor.

In this time of financial market uncertainty, many people wonder whether changes in farm sector credit policies and government subsidy programs may negatively influence grower economics and psychology over the next few years. It certainly could and we hope that the compelling worldwide need for greater agricultural output will influence / persuade legislators to enact programs that encourage, not discourage, expanded farm production.

Likewise, the regulatory climate in the EU and United States is a constant challenge as chemical re-registration requirements continue and sometimes the crop protection tools that farmers need to fight infestation and enhance productivity are put into jeopardy.

At American Vanguard, we have become accustomed to dealing with these variables and I think that our product platform, our manufacturing control and our marketing expertise are well suited to cope with the requirements of this industry.

Let me leave you with a final point that summarizes 2008 and serve as an investment rationale going forward.

American Vanguard's performance is the result of several important factors.

First, we have a diverse participation in many different segments of the North American Crop Protection business – in corn, cotton, and numerous fruits and vegetables.

Second, we have the ability to transfer our technology and expertise outside North America as we continue to expand internationally, particularly in Latin America.

Third, we have participation in a number of important and growing non-crop applications where our products offer unique solutions for a variety of pest control challenges.

And finally, we have the organizational capability necessary to handle all of the elements required for such a business model to succeed.

- The knowledge required to assess and acquire new product lines to complement our existing portfolio.

- The veteran sales & marketing expertise to re-position, rejuvenate, promote and capture sales opportunities in numerous sectors.
- The operational experience needed to manufacture high quality products, and deliver them to customers in an efficient, cost-efficient, and timely manner.
- The reputation earned for successfully handling the complexities inherent in complying with many regulatory registration requirements, in several different jurisdictions, for many different crops.

This is a skill set that is proven, a business model that is proven, and a record of financial success that is proven.

We intend to continue proving ourselves in the marketplace, expanding our footprint in this industry and earning the returns that our investors expect and deserve.

We will be happy now to turn to any of your questions.

Caller Mark Gulley (Soleil Securities)

<Q – Mark>: Good morning guys, good afternoon. I have a few questions if I may. First, Eric can you kind of size the overall participation in corn this year amongst Impact, Counter and other products? Maybe Trevor can comment on how much that can grow in 2009.

<Eric>: You are looking for sales which we typically don't give by product line and part of this is that Counter gets used in sugar beets and sugar cane as well. Let's say we are somewhere in the \$20 million range as opposed to the previous year where we were probably in the \$27-\$28 million.

<Q – Mark>: Is that corn overall or is this for Counter?

<Eric>: This is corn insecticide the Impact would be on top of that.

<Q – Mark>: How much could that be, I am trying to get an idea of the herbicide and insecticides.

<Eric>: Impact again was down some, I think we saw the actual pounds on the grew, but just because of positioning in third and fourth quarter last year verses what we positioned into the market this year. We were down approximately 25%, but that is mainly a positioning issue. Trevor, your thoughts on going forward and our new SmartChoice.

<Trevor>: Regarding the soil insecticide market. We are seeing a change here with the Commodity Classic in Dallas three weeks ago. I spoke with several leading corn growers and we are getting some positioning of these products for yield as opposed to the old positioning to do with corn root worm, the long interest is in nematodes. So there is some change going on and we are introducing a new corn soil insecticide called SmartChoice, which we are pre-launching this year for significant growth in the market next year. We literally just began marketing this in the last few weeks and I have been working

with our product management positioning and getting more definition of these products in the marketplace. We are losing a little in sugar beets due to new technology, but I think we are gaining in scenarios with this use message and use on the nematodes. That is the soil insecticide. With regard to Impact, I believe we lost some sales last year due to weather conditions just at planting time and after planting time. I would like to see normal weather conditions which would mean there should be solid on the ground performance. We are seeing some real ordering at the moment, because the inventories are lower in the channel, so that is a positive sign. We are also seeing a broader off-take into the lead geographies partly due to the changes we made in the sales organization, a new regional manager who really knows the herbicide market and corn which is what the Midwest is heavily working on at the moment.

<Q – Mark>: My second question is, would you expect cotton to be down 1 million acres, from about 9 to 8 million acres from 2008 to 2009?

<Trevor>: The first quarter is definitely going to be down, but that was not a big market for us. I see a little bit of softness there with one of our insecticides. The jury is still out in the mid-south I have spoken with some cotton growers about a few weeks ago, it looks like some of that may come back. There is interest in what happens with the peanut acreage in Georgia, we may see a little bit of a spring back on some cotton there. The commodity prices have many growers preparing to make their final decisions on planting shortly. I still think it will be down 1 million, which is the official number, but it may not be quite as much as that.

<Q – Mark>: Finally, a house keeping item. Can you comment on the impact of acquisitions on your sales growth private for the year or for the quarter?

<Eric>: Orthene® and PCNB combined were responsible for nearly half of our growth in the year.

<Q – Mark>: Thanks, Eric.

Caller Jay Harris (Goldsmith & Harris)

<Q – Jay:> Good morning. How much should we think of cash coming out of inventories during the course of 2009?

<Eric>: That's a Herb Kraft question.

<Q – Jay:> Well, he is my mentor.

<Eric>: I know. This is an area that we have clear directives from the top to work on. I am not comfortable discussing our target in the public forum at this time. However we expect to make strong progress this year. Part of this is a function of traditionally we wanted to make sure we never left an opportunity hanging and so we want to temper that with managing our inventory more prudently. We have started different processes to do that and I think with Trevor's help as well and more financial direction we will get a bit of a handle on moving that down into a position where we turn over inventory more rapidly than we are.

<Q – Jay:> What was the capital spending in 2008 and what do you think it will look like in 2009?

<David>: \$14.3 million in 2008 and we are anticipating somewhere in the region of \$10-\$11 million in 2009?

<Q – Jay:> Ok. I will get back in line. Thank you.

Caller Nick Genova (B. Riley & Company)

<Q – Nick:> I have a couple questions on revenues. First, it looks like the revenue growth was more need in Q4 vs. Q3 in year over year. I was wondering if you could quantify to some degree the effect of Aztec's weakness and Bidrin being lower?

<Eric>: I think what we did see in 4Q was a number of farmers delaying and who will probably respond more in season. We expect over the next couple of weeks for things to get a loft at a pretty good clip. As such I think distribution has some concerns as well, as far as inventory positions. I think a number of people out there, not just distribution but retailers, have some concerns with their fertilizer inventory. Fertilizers have come down dramatically, as have some of the key intermediates that we have talked about in the past. As those move down farmers are taking a "let's see how far things can go" approach. Chemicals seem relatively stable, but on the other hand they did not jump up dramatically in price to the farmers as did fertilizers. I think we feel good about the position we are in, the fourth quarter we basically let the chips fall where they may and as you pointed out it did not result in the significant increase in sales for the quarter. Our feeling is the outlook going forward look cautiously optimistic.

<Q – Nick:> I know you do not give specific guidance, but looking ahead to Q1 can you go over what dynamics may be in play there. To your point you just made of people looking to purchases closer to the actual growing season is that going to cause a delay again in Q1 or would you expect sales to be up in Q1?

<Eric>: I could. Again people are talking about March 15, the bell goes off and everyone is going to be scrambling on how to get materials logistically out of their barn before planting and application time. We will have to see how that plays out. We still have a couple of key weeks in the quarter ahead of us.

<Q – Nick:> Ok, moving on to the revenue growth in the Metam product line, can you break down the drivers between price increases and what the revenue growth from that was versus volume increases?

<Eric>: Yes, we were up in volume by maybe 5% the rest is driven by the cost increases we received and the necessity to pass those cost increases through.

<Q – Nick:> Overall is that product up about 10%? Is that reasonable?

<Eric>: For the year overall we were up about 25%.

<Q – Nick:> The volume increase, is just a rough term, when you break that out was it driven more by the United States or was it more driven by international growth?

<Eric>: We did have some increases in Mexico, but largely the United States.

<Q – Nick:> Final question, is there any reason that those price increases wont stick, or are you pretty comfortable with where you are on that?

<Eric>: We have not seen any erosion of that yet, and do not expect erosion. I think pricing in the marketplace today reflect the current raw materials price.

<Q – Nick:> OK, thanks.

Caller Jay Harris (Goldsmith & Harris)

<Q – Jay:> Could we get a distribution of sales, percentage of sales non-crop and percentage international even though they overlap? As well as the revenues from corn and the other principal crops?

<Eric>: I don't think we have all of that broken out, but they will be in the 10k.

<Q – Jay:> Isn't that filed today?

<Eric>: We are talking about filing Friday. So non-crop percentage is about 19% and international is about 17%.

<Q – Jay:> Do you have a number from total revenues of corn activities?

<Eric>: I don't, but on one of the earlier questions from Mark I gave some perimeters on that.

<Q – Jay:> Are you going to make available at some point an end use profile of revenues?

<Eric>: Yes, you are talking about a wheel that shows cotton and corn...

<Q – Jay:> Yes, something like that.

<Eric>: Probably we would like to do something like that in an investor presentation coming shortly.

<Q – Jay:> Does it appear that the planting of corn this year would be more closer to historical seasonal than the delayed experience we had in 2008?

<Trevor>: There is some planting of corn in Louisiana last week with another cold spell going through the mid-west this will be totally related to the weather conditions. Growers want to get back to the normal, but it will be driven by these fronts that keep going through the mid-west and the middle part of the country at the moment.

<Q – Jay:> Let's assume that it goes back to normal. What would that do to your business activity? Will that mean more revenues in the March quarter and/or much more revenues in the June quarter?

<Trevor>: I think it will be the second quarter.

<Q – Jay:> Thank you.

Caller Bruce Winter (Independent Investor)

<Q – Bruce:> I want to drill down into soil fumigants, specifically volume only, not sales dollars, and specifically 4Q 2008 versus 1Q 2009. I know that you can pull volume between either one of the quarters because of weather conditions, promotional activities, etc. etc. I also know the story of the

plant in the northeast and you have also increased in Mexico. Can you go through all those factors and try to compare them with the previous first quarter versus fourth quarter comparable?

<Eric>: Historically, the first and second quarters are our weakest quarters. There is really no movement from fourth quarter into first quarter. Fourth quarter really ramped up, largely driven by the potato acreage, getting fumigant down before snows hit. There is really not movement of position per say of fourth quarter for first quarter sales. The only markets, California and the southeast, are active in the first quarter, but as you can imagine in the northern parts of the United States, it is cold and snowy, so there is very limited applications of Metam. With Mexico, we participate in a market and are cautious of credit and the devaluation that has occurred there. I think we have been prudent about what sales we are making, not only in Mexico, but in a number of countries. Again, we have a long record of not having bad debt positions and it is something that we want to maintain.

<Q – Bruce:> What is the Mexico model that you referred to under the Costa Rica expansion?

<Eric>: We started slow in Mexico and built a person at a time, we did not take unnecessary credit risks, and we made sure the companies we were selling to understood that they needed to pay on time. I would say we kind of earned our percentage in the market through quality service and so that is the model we are following in Costa Rica. We have people on the ground there that we are looking at growing through sustainable and strong stewardship leadership that we will provide for our products. This will make sure that the people who use our products do so in a safe manner in which they are intended.

<Q – Bruce:> What portion of the accrued program costs of \$16 million and change do you expect to amortize in 2009?

<David>: That is the effect liability for program payments as they relate to sales in 2008 that have not yet been paid. As we go through the year they have a process of accruing programs and paying programs. Different product lines have different seasons so the program payments come at different times of the year.

<Q – Bruce:> How much of that \$16 million and change do you expect to amortize in 2009?

<David>: It will all be paid out in 2009 and it will be replaced by accruals that relate to sales in 2009.

<Q – Bruce:> So your approved program costs really decreased quite a bit year over year, 2007 versus 2008?

<David>: There were a couple of main aspects to that. First of all, the particular sales that we have during the year, some are based on net payments and some sales are based on programs, so there was a different mix in sales during that later part of the year. That means that there is an entirely different sort of cross section of product lines represented in the \$16 million. Secondly, we decided to make sure that we paid promptly in the later part of 2008 and did not hold over payments into the start of 2009. That was received very well by our major, key customers.

<Q – Bruce:> I thought you guys did a very good job in managing costs given your increased footprint. Thank you very much.

Eric Wintemute

Thank you very much operator and thank you all for joining us here today. We look forward to sharing additional developments as they occur. Again, thank you very much for participating.