

Bill Kuser

Welcome everyone to the first quarter 2009 American Vanguard earnings review. Our principal speakers today will be Mr. Eric Wintemute, president and CEO of the company, Mr. Trevor Thorley, our COO, and Mr. David Johnson, our CFO, to contribute on financial matters.

Before beginning, we should touch on our cautionary reminder. In today's call, the Company may discuss forward looking information. Such information statements are estimates by the Company's management and are subject to various risks and uncertainties that may cause the results to differ from management's current expectations. Such factors can include weather conditions, changes in regulatory policy, and other risks as detailed in the Company's SEC reports and filings. 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 it over to Eric.

Eric Wintemute

Good day everyone. Thank you for joining us as we discuss the first quarter performance of American Vanguard Corporation. Hopefully you have had the opportunity this morning to review our published earnings report which was released before the opening of the public markets today.

That release highlighted two major components of our first quarter performance, namely, the continued sales growth of our product lines, and the fact that we have incurred costs in the quarter related to the evaluation of strategic opportunities.

Let me say a few words about each of these main topics and then I will ask David Johnson to elaborate on our financial performance in the quarter. Trevor Thorley will then provide an update on our sales and marketing efforts and I will conclude with a number of topics that I think will make an important contribution to having 2009 become a successful year for American Vanguard.

First, despite reports from distribution channels of industry-wide sluggish demand, I am pleased to report that our sales grew by 9% over the prior year without the benefit of new product introductions. Additionally, we were able to cover elevated raw material costs with selective price increases where necessary.

As mentioned in our press release, the other significant activity in the quarter, involved evaluating strategic business opportunities. The efforts made in the past quarter go far beyond the routine activities that accompany our usual exploration of expansion potential. These activities are entirely consistent with our stated strategic objective of strengthening our portfolio, expanding internationally and fully exploiting our intellectual property estate and our versatile manufacturing capabilities. We will only be able to elaborate further, when and if such possible transactions are concluded.

I will now turn the call over to David Johnson, for a review of our financial performance.

David Johnson

Thank you, Eric. Good morning and good afternoon to everyone. My comments today will highlight important issues for the Company as we report our trading results for the first quarter of 2009. We will be filing our 10Q for the quarter with the SEC by the end of this week. That document contains considerable additional detail on the Company's results of operations.

For the quarter ended March 31, 2009, we are pleased to report continued sales growth. Our sales are up 9%, including strong sales in our insecticides and our growth regulators. We were at target with our herbicides and our fungicides, though, as expected, for various reasons these were below the levels achieved in the same quarter of 2008. Our fumigant products were slower than expected, primarily because of a cold snap in our key northern markets that delayed application decisions. Our international sales were also down reflecting prudent credit control decisions. Trevor will comment shortly in more detail on our sales activities.

Cost of sales ended up 1% compared to the same period of last year. There were two drivers. First, we have increased our tolling activities which benefit the business by increased manufacturing asset utilization. However, in the start up of one of these products we have

experienced higher waste than expected. This is forecast to improve. Secondly, we had some mix changes that moved our profit percentage overall.

Gross profit improved by \$820k or 5% to end at \$18.6m and 42% of sales, as compared to \$17.7m and 43% for the same quarter of last year.

As far as our financial P&L performance is concerned, the most significant issue for the quarter is the fact that we have incurred approximately \$1.5m in costs associated with the diligence process, investigating potentially major acquisition related deal opportunities.

These opportunities are potentially transformational in nature and as such both the executive team and the board consider that a thorough investigation was a strategic imperative. These opportunities remain open items and as such are not something that we can detail at this stage. In accordance with US GAAP, as from January 2009, advisor and diligence costs of the kind we have incurred must be expensed to P&L in the period in which they are incurred. Previously, costs of this nature would have been capitalized at this point.

Going forward, the opportunities remain open and it is probable that some additional costs will occur in the second quarter, but at this time we are not incurring costs at the same rate as we did in the first quarter.

When looking at our results of operations for the quarter, it is important to appreciate that these costs impacted our net income by approximately 3.5 cents per share.

In addition to these costs, our operating expenses are up approximately \$1m compared to the same period of 2008. The main drivers are:

- Management decisions to spend more on advertising, promoting, and stewardship activities in support of our various product lines.
- Our product defense costs were up including spending on product lines acquired recently.
- As an offset, freight costs are down approximately 20% year on year, as a result of a concentrated effort to reduce these costs.

Overall operating expenses excluding the diligence related expenses discussed above ended at 33.7% of sales as compared to 34.1% in 2008.

Our effective interest rate continues to benefit from lower average levels of LIBOR in comparison to the prior year and our tax rate continues to benefit from the level of domestic manufacturing we carry out. Net income ended at 3 cents per share compared to 6 cents per share last year.

Now, I want to turn to a discussion of our working capital and primarily inventory:

At the last call, discussing the 2008 financial year, we talked about inventory levels. It is typical for our inventory to increase as we reach the end of Q1 which coincides with the start of the main planting seasons across our markets in the US and internationally.

Since 12/31/08 our inventory level has increased. At 3/31/09 we ended at \$112.5m. This represents an increase of \$22m compared to an increase of \$27m recorded in the same quarter of 2008. There are a number of reasons for this increase. The biggest ones are:

- Continued growth in sales including more product lines.
- Some opportunistic buying of well priced raw materials internationally and domestically.
- Comparatively long positions in a couple of product lines.

We have spent time analyzing the pressures driving inventory levels on a product line by product line basis. We have established some detailed actions focused on reducing inventory by the end of this financial year, with a target of ending lower than December 2008.

As far as liquidity is concerned, you will see that our bank borrowings have increased as they usually do at this time of year. The cash flow statement reflects that we have increased the use of our revolving line by \$34.5m during the quarter, compared to an increase of \$41.5m for the same quarter of 2008.

I think that it is important to reflect momentarily on the absolute level of our borrowings and place that in context with what we have accomplished during the last two years.

At 3/31/09 our borrowings were \$116m. In comparison, at 12/31/06 our borrowings were \$100m an increase of \$16m. During the two years we have:

- Invested \$19m in our facilities.
- Invested \$17m in new product lines.
- Paid down our term loan by \$9m.
- Increased inventory by \$23m for the acquired product lines.

This is a total cash outflow of \$68m of which \$16m has come from our credit lines.

During that same period we have grown our business sales by 22% and that trend is continuing at the start of 2009.

The Company continues to closely manage our debt position with regular reviews. During Q2 of 2008 we reduced borrowings by approximately \$13m and for 2009 we expect to reduce by greater number than that. As always, we maintain a very close communication with our banking syndicate through face to face meeting and other regular contact.

I will now turn the call over to Trevor.

Trevor Thorley

Thank you, David.

As Eric mentioned at the beginning of this call, there has been a verifiable sluggishness to the demand for agricultural inputs in the first quarter of 2009. Since joining American Vanguard in January, I have had the opportunity to visit with many of the primary distribution channels that serve the US market. In addition to getting strong support for AMVAC's products and programs, I have been listening to distributors referring to sales being 10, 20 and in some cases, even 30% down from the selling pace of last year.

This year there has been reluctance to purchase due to economic and credit uncertainty and the continuing decline in the pricing of some inputs, such as fertilizer. This "let's wait till the last minute" order pattern just began to change at the end of March. I am happy to report that April

shipments are strong, as demand responds to the calendar and the crops have to get in the ground.

With that said, it is a pleasure to report that AMVAC's sales for the first quarter increased by 9%, with gains in both our crop and non-crop segments. During this first quarter of the year our sales performance has been closely in line with our target.

Our granular soil insecticides have started the year ahead of the same period of 2008.

We have test marketed the first new granular soil insecticide introduction for many years. This product is called "SmartChoice®" and is delivered in our SmartBox® technology. Early indications show good acceptance from distribution and growers.

In addition, we are actively promoting and believe that growers are increasingly seeing the benefit of applying corn soil insecticides in addition to traits. We had a successful webinar, March 31, 2009, promoting this new aspect of our soil insecticide product positioning, which can be viewed on our company website.

Impact, our corn herbicide, has started the year ahead of 2008 with strong feedback and support in the field.

Our fumigant products have started the year a little slow, but there are opportunities and we are forecasting another good year. I was in Plant City, Florida earlier this week where we participated in a technology and stewardship meeting with 60 customers. They were positive on Vapam® and K-Pam® and keen to see our commitment to these products on their strawberry operations.

Insecticide sales went as expected in Q1. We have inventory in expectation of the typical usage that occurs in Q2 and Q3. Current expectations are for a good year, but this is dependent upon insect pressures.

Our non-crop business continues to progress well. We launched a Nuvan® infomercial and our new “bed-bug” registration should also ramp-up non-crop sales.

Our international sales were down compared to the prior year mainly driven by slower sales of one specific product into Canada and management decisions to hold tight on credit terms on two key international customers. Overall, international sales are down approximately 20% compared to the same period of 2008.

Our sales did include some tolling activity at our Axis facility.

Finally, we are very focused on our customers. We have cancelled some internal meetings to maintain external focus and we have directed marketing and management personnel to spend more time in the field. We have a renewed direction and effort, in all areas of the country, to strengthen our customer contact, and enhance our key distribution relationships and proactive business efforts. In addition, I am making an assessment of our sales and marketing organization to create further improvements that can build on this customer focused effort.

I am very encouraged by our potential and we will be working hard to realize that potential throughout 2009. I will now return the call to Eric.

Eric Wintemute

Thank you, Trevor. Let me spend just a few moments on some of the important organizational and strategic considerations that should positively influence our future performance.

It is great for American Vanguard to have additional talent join the organization to enhance our “field” presence with the distributors and retailers of crop protection chemicals. Trevor’s extensive visitation schedule, the assignment of a highly-experienced regional sales manager in the Midwest, and the addition of new selling tools like the corn rootworm webinar and the Nuvan® ProStrip infomercial presented by our in-house experts all add up to enhance our effort to “focus on the customer” and provide compelling reasons to purchase AMVAC offerings.

We recently announced the appointment of Dr. John Killmer as Head of Technology. As we pointed out at the time of his election to the Board, John has had a distinguished career in this industry, with extensive contributions to the R&D and marketing of biotech and agricultural chemical products at Monsanto and significant managerial experience internationally with regional responsibility in China for Monsanto and oversight of global operations with Arysta. John will guide our efforts to improve chemical manufacturing process technology, and contribute to our assessment of new product acquisition or licensing.

In the area of legal proceedings, there have been some significant developments in the Nicaraguan DBCP cases. As you may know from our public filings, the Company has been involved for many years as a defendant in various lawsuits, involving claims that a product which we sold in the late 70's, DBCP, caused injury to workers on banana plantations. Most of these matters arose in Nicaragua. Three suits were filed in the Los Angeles Superior Court.

Now for the news: In two cases, entitled Mejia and Rivera (which involved applicators), the court ordered two weeks ago, a dismissal with prejudice after finding that plaintiffs, certain local counsel and even members of the court in Nicaragua had fabricated the claims. The judge found "not just fraud on the court, but blatant extortion of defendants." The court found that this pervasive fraud had been running over many years with multiple plaintiffs posing as banana workers.

Beyond having a direct effect on Mejia and Rivera, this ruling, in our opinion, could have a chilling effect on similar Nicaragua claims in the future. It may also call into question the disposition of the Tellez case, which is currently on appeal. Further, it may influence other US courts faced with claims to enforce decisions made by Nicaraguan courts. We will, of course, be monitoring these matters closely. At this stage, we will say that the court's ruling in Mejia and Rivera is the most significant development for AMVAC since these cases were first filed.

And finally, in a world of increasing agricultural demand; in an industry undergoing continuous technological change; in a sector ripe for commercial consolidation, American Vanguard is ready to act! We produce crop protection products that are the grower's tools to achieve greater productivity and insure food quality. We are staffed with the expertise to provide the right

solutions to numerous infestation challenges. We are ready to capitalize on the right acquisition opportunities, at the right price, with the right strategic purpose.

In a time when our economy is filled with industry sectors and commercial enterprises that are deeply troubled, we are fortunate to be in an industry that has growing demand; and to be a company in that industry that can benefit significantly by taking advantage of its strong position.

We would now like to open the line to any questions you may have.

Caller Nick Genova (B. Riley & Co.)

<Q – Nick>: First, on the tolling aspect of your business, can you give us a sense of what the revenue impact was on this. Was tolling a significant portion and without the it would you guys have seen more revenue growth in the quarter?

<Eric>: It was approximately 5% of total revenue for the quarter.

<Q – Nick>: Ok, and did you guys do anything in Q4 from a tolling perspective?

<Eric>: Yes a little bit, but it was less than that.

<Q – Nick>: I am assuming that has a lower margin associated with it, do you have any sense of what the gross margin impact was from the tolling?

<Eric>: There are three new tolling products that we picked up and will see the volume increasing over this year and margins on tolling products vary. They are not in line with our mid 40's range. I will not comment specifically, but they average certainly less than that.

<Q – Nick>: Ok, so if you guys are planning on doing that from a tolling perspective then should be building a little bit lower gross margins? I mean you guys are not going to bounce right back up to the 43-44 range?

<Eric>: Again, this quarter we were at 42 versus 43 last year. One of the more significant factors with our product lines would be recouping some of the margins that we might have been at when we had those huge spike of raws last year and when we were trying to play catch up to recoup those increases. I don't think you will see a material impact on our margin due to tolling.

<Q – Nick>: Looking another quarter or two out, do you still have some inventory on your balance sheet that is at a higher cost that will benefit you in the coming quarters?

<Eric>: We do not have much in the way of higher priced inventory. We have a couple of products where we purchased roughly a quarter year of sales at higher prices. As you say we should have some benefit as those move through.

<Q – Nick>: Can I read into your comments, on kind of opportunistically buying some of these raw materials, that you expect the outlook of some of these materials to bounce back in the coming quarter?

<Eric>: Actually, we had some raw materials that were going up and we were under agreement that allowed us to purchase volume of some of these in the first quarter. Of course we are pounding on those raw materials to come down. We have had some success, but we did purchase some raws at favorable positions to where the market is today.

<Q – Nick>: This final question is on some of the strategic opportunities you are working on. I'm assuming you have got a couple in the works. Would you see these as near turn, something that can develop in the next couple of weeks or months, or is it more of the end of this year - 2010 type event?

<Eric>: At present, I would say that this is probably more towards the tail end of the year.

Brad Evans (Heartland Advisors)

<Q – Brad>: Good morning and thanks for taking my question. I was hoping you could bring us up to speed in terms of your marketing efforts with respect to Counter, in terms of yield enhancement. I guess you should have about three years of university backed research in hand and I am curious how you will market for the 2010 planting season.

<Trevor>: Brad, this is Trevor. We have two full years of data and we have more work being done this year. I mentioned the webinar, which we actually posted on our website today, where you can see a summary of two years of data that we have shared with customers this year. We are getting quite a bit of traction with Counter linked to this yield data, nematodes opportunities and switching the attention away from corn root worm, a different positioning for the product. I was very pleased as I was traveling in Missouri, Iowa, and Minnesota two weeks ago. We were actually in the field seeing some of the suppliers and growers whose response was very positive. The leading growers that we are targeting are really getting the message on Counter.

<Q – Brad>: Do you see some sort of formal marketing relationship that might transpire out to 2010 that might provide further acceleration of this option for Counter?

<Trevor>: We are looking at some options, but I am actually very pleased at what we are doing ourselves with our sales people and new Regional Manager in the mid-west that has some

tremendous relationships. There are some possibilities, but I am still very confident of what we are doing ourselves in the marketing efforts, the new positioning, and clearer discussions with the customers.

<Q – Brad>: Do you have a debt target for the end of the year? I guess you said below the level of the fourth quarter 2008, but can you fine tune that a little bit for us. Anything directionally would be helpful.

<Eric>: We expect our inventory levels to be lower than where we were in 2008, and greater debt level reduction by the end of Q2.

<David>: We are expecting to be somewhere close to our 2008 level of debt.

<Eric>: Our focus right now, which is subject to change as acquisitions occur, but right now we are focusing on lowering our cap-ex this year over last year. We are obviously looking to lower our inventory position and we may see higher receivables, since we do expect sales to increase over the balance of the year. I would expect if those things all materialize, which is our plan right now, that we would be below our 2008 debt levels at the end of this year.

<David>: Actually our receivables are performing better than they did last year.

Jay Harris (Goldsmith & Harris)

<Q – Jay>: Good morning gentlemen. I guess there were several programs that at the beginning of the year were going to be the principal drivers for positive results this year. Would you go over them and tell us which ones are still on target, ahead of target, or slightly behind target and if you would change your expectation for any of these programs. This would include international, metam sodium, the two corn programs – one of which you have alluded to in your webinar, and your bed bug expectations.

<Trevor>: The first one we talked about, our corn soil insecticide, I have been very pleased with in the first quarter. In fact, corn planting is behind in Indiana and Illinois, still at this week it is only 4-5%, so we expect to see considerably more profit on that which will put us ahead of our plan on corn soil insecticides. The next big one is IMPACT on corn. Corn was planted 2-3 weeks ago in Iowa and we have a considerable effort going on this next 3-4 weeks to make sure we pull through on the resale and grower levels. I am optimistic, but we still have a lot of work to do on that particular one, however the independent results from the universities on that product have been very good and we have not had crop damage like some of our competitive products. Moving on to Metam, as I mentioned in my comments earlier, there are some good things happening in Florida. Potatoes: we are still on track with where we normally are, some of the

acreage is down slightly, but we are leading with our stewardship efforts there. There is a video link on our website for our SmartDrop Technology that our regional manager in the northwest along with some of our technical people developed. It is really looking to revolutionize how soil fumigants are applied moving forward and is going down very well with the growers. We presented some of that at the National Potato Council meeting earlier in the year, so there are some good things there, but overall I am looking for it to be on plan. International: of all the ones, (drivers) we are down as we are monitoring the credit situation. I don't believe in selling things if we don't get paid for them and we are watching that very closely. We do have some positive new opportunities down in Central America with banana companies to grow sales the end of this year and next year.

<Eric>: Today, we just received registration of our DDVP technical in Japan.

<Trevor>: Finally, 2-3 weeks ago there was a conference on bed bugs in Washington with a lot of focus on this issue and we are working very closely the regulatory agency, as we have the best solution to the problem. I actually have a conference call this afternoon with my non-crop people to plan how we can best take advantage of the momentum that we are seeing in the marketplace.

<Eric>: Jay, there were about 250 people that showed up for the bed bug conference, which I believe was called by EPA. At the conference there were people saying they need more products for this and EPA stood up and said we just approved a very good product for that, DDVP. We have received a lot of buzz out of this. We are looking at doing an application video so people can see how easy this is. We are also looking at maybe building some additional products, some aerosols, in addition to pest strips to be used for that purpose.

<Q – Jay>: So the only program you would be concerned with might be the international, but you have some offsets in the picture?

<Trevor>: Yes, we are working on it and that would be a fair comment from a sales position.

<Q – Jay>: Do you have an estimate of what the potential bed bug market looks like in the US?

<Eric>: This is a relatively new market. I believe last year there was \$3-4 million spent on products for bed bugs and this year we expect roughly \$6 million. But the application cost or what was being spent was \$180 million going to \$300 million. This is the first conference that was held and it was well attended by university and business people to work to find out how to address this increasingly growing problem. This conference was not something that we called.

<Q – Jay>: Do you plan to launch products into the distribution channels in a modest way this year and then plan to grow on the program next year?

<Eric>: We have the Nuvan pest strips going out all over the place right now. We know the product works well and in our estimation it is the best product on bed bugs today. We do not think we will have much delay in getting bed bugs approved and hope to have these labels before the end of the year, so we are in good position for next year.

<Q – Jay>: Are you going to go both over the counter as well as distribution channels that reach commercial institutions?

<Eric>: Nuvan really is more pushing toward the professional application market and probably that is where we are going to push our focus, which we believe is more of EPA's wish as well. Certainly our pest strips are alive and well and doing very well in the retail market today.

Jim Bartlett (Bartlett Investors)

<Q – Jim>: Would you give us the crop non-crop break out?

<David>: The crop sales were \$36.1 million and non-crop \$8.5 million.

<Q – Jim>: Just on the international, the 20% decline you mentioned two things. One was the sales to Canada and two was the competitive business with the customers.

<Trevor>: I don't think we can quantify the competitive issues that are in some of the markets and we are still working on some of those opportunities. The credit ones, I would prefer not to say which countries and which product areas, because there are still some on-going discussions with some of those customers.

<Q – Jim>: I realize that, but with regard to the 20% decline were those two an equal share of the decline?

<Trevor>: Canada was the biggest part of that and I actually have discussions with the Canadian people next week on that particular issue.

<Q – Jim>: Are you budgeting for international to increase for the year, what is your forecast?

<Trevor>: That is the current plan and our international people are working hard on it. We are trying to find some counter measures and new opportunities, which are there, to make up for some of these shortfalls by the end of the year.

<Q – Jim>: With regard to IMPACT do you feel you have gained market share for the product this year and do you see market share gain for the year as a whole?

<Trevor>: Yes, we have what is called the EDI data which shows movement of products further down the channel and we are ahead of last year. The season is just literally around the corner.

Some of the corn in northern Iowa will be starting to be applied in the next 2-3 weeks. Hopefully Indiana and Illinois will begin planting next week and will be coming in the middle of June. At the moment I am quite pleased with what we have and we have to make sure we follow up on every opportunity.

<Q – Jim>: You also said in regards to IMPACT, it shows good university results without the damage some other products have. Can you expand on that?

<Trevor>: In the last two years we have had next to no complaints from customers, we have had very good customer satisfaction. Almost every grower that has used it has been a repeat user, which is not always the case with herbicides. We are seeing that two of our competitive products did have more product claims linked to some damage that we ourselves have not seen. Our distribution partners are saying that is one of the reasons they are supporting us. We are working very closely with our distribution partners on mixtures with glyphosate and in the last 2-3 days I have received feedback that I am very pleased with. We are also working on some different retail outlets and some new sell promotion sheets.

<Q – Jim>: Finally, would you share with us your outlook for both the corn and cotton crop this year?

<Eric>: 84-85 million acres on corn, which from our stand point, that seems about right. However, there are a lot of opinions out there and my opinion is that the issues that we addressed last year, that caused movement of that price up are still there. Certainly speculators are not going into a frenzy, because the speculation market I believe is still stained from the past. The factors, however, are there and just as we saw oil prices spike and then come down and start to stabilize, I think that is what we will see in these commodities. The demand for corn is definitely strong going forward and I think you will see the price of corn increase steadily. With cotton we are at 9-9.5 million acres.

<Trevor>: Cotton was a little weak earlier in the year, but I think from talking to some people in the peanut areas that there will be some significantly lower acreage of peanuts, linked to some of the issues that were going on there. This may help increase some acreage of cotton. I am hearing this in Georgia, which has had some very good rain which they did not have a year ago. I think it is as good as last year from what we are hearing, compared to some early indications of it being slightly down.

Bruce Winter (Private Investor)

<Q – Bruce>: I am on your web site and I can find a SmartDrop video and a Counter ad. What other things are new to your web site? I thought there was something on the bed bugs and a webinar or something?

<Trevor>: I am chasing down getting a link to our corn soil insecticide webinar and I will follow up on that to make sure it is posted.

<Q – Bruce>: Is there any thing on bed bugs?

<Trevor>: No, not on our website.

<Q – Bruce>: Anything about spraying metam sodium into the ground through water?

<Trevor>: There is a "click here" to view SmartDrop video which is the work we have been doing on the application of our Vapam and K-Pam.

Brad Evans (Heartland Associates)

<Q – Brad>: In terms of expectation for growth margins for the full year, do you expect growth margins to be improved versus 2008 for the full year?

<Eric>: Good question. Again there are reasons to think our margins could be up and reasons to think that margins could be down. Consistently, we have not had wide ranges on growth margins, a couple percent here and there over that past 7-8 years. I do not think we see anything on the channel that will materially change that.

<Q – Brad>: So it may be flat, meaning you expect to pick up the ground you lost in the first quarter, with margins being down year over year.

<Trevor>: I believe the key to this will be the insecticides in the 2nd and mostly 3rd quarter, and a good IMPACT season this spring time. We will also need some mosquitoes, we had a very good year last year and we are well placed. Those things will give us a positive growth margin to similar levels to what we have been doing.

<Q – Brad>: Shouldn't the moisture in the southeast provide for easy comparison for mosquitoes in the southeast for you?

<Trevor>: You are exactly right. Unfortunately, Georgia is looking good; it is the opposite of last year. I was in Atlanta and Tampa earlier this week and they have had no rain for a month and they desperately need rain. They need it for the growers on the crop side and we need some moisture for mosquitoes. However, it is still very early in the season; the main usage is a little later in the year.

<Q – Brad>: If you exclude the due diligence cost would you still expect to grow sales at a faster rate than you grow SG&A for the full year?

<Eric>: Yes.

Eric Wintemute

In a few days you will be receiving your 2008 annual reports. This year we “wrapped” a modest theme around our 10-K filing and saved a considerable expense in so doing.

We will be holding our annual shareholders meeting and luncheon on Friday, June 5th at the Fairmont Hotel in Newport Beach, which is right across from our headquarters. We invite all shareholders of record to attend.

We look forward to discussing our second quarter results with you in early August. Again, if you can attend our shareholders meeting and we would love to see you.

Thank you and have a nice day!