

LITHIA MOTORS INC  
Form 8-K  
July 26, 2005

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 26, 2005

**Lithia Motors, Inc.**

(Exact Name of Registrant as specified in its charter)

Oregon  
(State or other  
jurisdiction of  
incorporation)

0-21789  
(Commission File Number)

93 - 0572810  
(IRS Employer  
Identification  
No.)

360 E. Jackson Street  
Medford, Oregon 97501  
(Address of Principal Executive Office)

Registrant's telephone number including area code 541-776-6868

Not applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On July 26, 2005, Lithia Motors, Inc. issued a press release announcing financial results for the second quarter 2005. A copy of the press release is attached as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits.  
99.1 Earnings Press Release

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LITHIA MOTORS, INC.  
(Registrant)

Date: July 26, 2005

By: /s/ Kenneth E. Roberts  
Kenneth E. Roberts  
Assistant Secretary

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**EXHIBIT 99.1**

**LITHIA MOTORS Q2 NET INCOME FROM CONTINUING OPERATIONS INCREASES 18%**

**Lithia Motors' Second-quarter 2005 Highlights for Continuing Operations:**

|                            |       |
|----------------------------|-------|
| Total Revenues:            | +13%  |
| Total Same-Store Revenues: | +3.4% |
| Operating Profits:         | +27%  |
| Net Income:                | +18%  |

**MEDFORD, OREGON, JULY 26, 2005 (5:00 a.m. PDT)** - Lithia Motors, Inc. (NYSE: LAD) today announced that second quarter 2005 net income from continuing operations increased 18% to \$12.8 million from \$10.9 million in the second quarter of 2004. Earnings per share from continuing operations, excluding the dilutive effect of the change in accounting for convertible notes and discontinued operations, increased 14% to \$0.65 as compared to \$0.57 in the second quarter of 2004. Including the effect of the accounting change for convertible notes and discontinued operations, earnings per share increased 11% to \$0.60 per fully diluted share in the second quarter of 2005. Excluding discontinued operations, diluted earnings per share was \$0.61. This was on 6% more diluted shares outstanding.

Second quarter 2005 sales increased 13% to \$762.4 million as compared to \$677.0 million in the same period last year. New vehicle sales increased 12%, used vehicle sales increased 12%, finance/insurance sales increased 15% and parts/service sales increased 8%.

Sid DeBoer, Lithia's Chairman and CEO, commented, "The second quarter was marked by same-store sales growth across all business lines, cost savings and margin improvements in the used retail and parts and services businesses."

"The total gross profit margin for the quarter was 17.0%, the same as last year. However, sales general & administrative (SG&A) expense, as a percentage of gross profit, improved by 260 basis points as compared to last year. As a result, our operating margin improved by 40 basis points to 3.9% for the quarter," concluded Mr. DeBoer.

For the six-month period ending June 30, 2005, Lithia's net earnings from continuing operations rose 23% to \$22.8 million as compared to \$18.6 million in the same period last year. Earnings per share from continuing operations, excluding the dilutive effect of the change in accounting for convertible notes and discontinued operations, increased 21% to

\$1.17 as compared to \$0.97 in the first half of 2004. Including the effect of the accounting change for convertible notes and discontinued operations, earnings per share increased 16% to \$1.09 per fully diluted share. This was on 10% more diluted shares outstanding.

For the first six months, total sales increased 9% to \$1.43 billion from \$1.31 billion in the same period last year. New vehicle sales increased 8%, used vehicle sales increased 9%, finance/insurance sales increased 13%, and parts/service sales increased 10%.

Jeffrey B. DeBoer, Senior Vice President and CFO added, "We continue to reap the benefits of Lithia's operating model as it is implemented in new stores and strengthened throughout our existing store base. Year to date through the end of June, our gross margin improved 50 basis points, SG&A expense as a percentage of total gross profit improved 310 basis points and the operating margin improved 60 basis points from the same period last year. There is still a lot more that we can do as a company. Our operating model gets stronger each year and we continue to see good growth potential ahead."

"In the second quarter, we completed two acquisitions; a Chrysler and Dodge store in Eureka, California, and a Chrysler Dodge and Jeep store in Butte Montana. Year to date we have completed acquisitions with approximately \$200 million in annualized revenues, and we have additional acquisitions in the pipeline for the second half of the year."

"Our guidance for the third quarter and full-year 2005 is included in the table below. It includes the effect of the accounting pronouncements for convertible notes," concluded Jeffrey B. DeBoer.

|  | <b>Guidance</b> | Actual   | <b>Guidance</b> | Actual   |
|--|-----------------|----------|-----------------|----------|
|  | <b>3Q 2005</b>  | 3Q 2004  | <b>2005</b>     | 2004     |
| EPS excluding new accounting pronouncements: | \$0.80- \$0.82  | \$0.75   | \$2.46- \$2.51  | \$2.22   |
| Effect of Convertible Notes                  | (\$0.07)        | (\$0.06) | (\$0.17)        | (\$0.10) |
|  | <b>\$0.73-</b>  |          | <b>\$2.29-</b>  |          |
| <b>EPS - Reportable</b>                      | <b>\$0.75</b>   | \$0.69   | <b>\$2.34</b>   | \$2.12   |

In October of 2004, the Financial Accounting Standards Board's Emerging Issues Task Force (EITF) ratified Issue No. 04-8, requiring the company to include in its share count in determining diluted earnings per share, the shares potentially issuable to the holders of its \$85,000,000 in principal amount 2.875% Senior Subordinated Notes Due 2014, even though the holder of such notes cannot convert the notes into common stock except under certain limited circumstances and then only at a conversion price of approximately \$37.69 per share. Previously, the shares issuable would only have been included in the calculation of diluted EPS if the holders were then entitled to convert the notes. For purposes of calculating reported diluted EPS for the second quarter ended 2005, Lithia is required to increase its share count by the amount contingently issuable to the noteholders. This resulted in an additional 2.255 million shares for the first two quarters of 2005. Adoption of the accounting statement did not affect the cash flow of the company.

### **Conference Call Information**

Lithia Motors will be providing more detailed information on the results for the second quarter 2005 in its conference call scheduled for 11 a.m. PT today. The call can be accessed live by calling 973-582-2700. To listen to a live webcast or hear a replay, log-on to: [www.lithia.com](http://www.lithia.com) - go to Investor Relations - and click on the Live Webcast icon.

### **About Lithia**

Lithia Motors, Inc. is a Fortune 1000 and Russell 2000 Company that sells 25 brands of new vehicles and operates 88 stores and 174 franchises in 12 states in the Western United

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States and over the Internet through "Lithia.com-America's Car & Truck Store." Lithia also sells used vehicles; arranges finance, warranty, and credit insurance contracts; and provides vehicle parts, maintenance, and repair services at all of its locations. Lithia retailed 98,331 new and used vehicles and had \$2.7 billion in total revenue in 2004.

### **Forward Looking Statements**

This press release includes forward looking statements within the meaning of the "Safe-Harbor" provisions of the Private Securities Litigation Reform Act of 1995, which management believes are a benefit to shareholders. These statements are necessarily subject to risk and uncertainty and actual results could differ materially due to certain risk factors, including without limitation economic conditions, acquisition risk factors and others set forth from time to time in the company's filings with the SEC. Specific risks in this press release include the benefits and strength of Lithia's operating model, Lithia's growth potential, anticipated revenues of recently acquired stores and projected third quarter and full-year 2005 earnings per share guidance, and potential changes in accounting standards.

### **Additional Information**

For additional information on Lithia Motors, contact the Investor Relations Department: (541) 776-6591 or log-on to: [www.lithia.com](http://www.lithia.com) - go to Investor Relations

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**LITHIA MOTORS, INC.**

**(In Thousands except per share and unit data)**

| <u>Unaudited</u>  | <b>Three Months Ended</b> |                 | <b>\$Increase<br/>(Decrease)</b> | <b>% Increase<br/>(Decrease)</b> |
|---|---------------------------|-----------------|----------------------------------|----------------------------------|
|   | <b>June 30,</b>           |                 |                                  |                                  |
|   | <b>2005</b>               | <b>2004</b>     |                                  |                                  |
| New Vehicle Sales   | \$444,777                 | \$397,600       | \$47,177                         | 11.9%                            |
| Used Vehicle Sales  | 203,257                   | 182,251         | 21,006                           | 11.5                             |
| Finance & Insurance   | 28,195                    | 24,560          | 3,635                            | 14.8                             |
| Service, Body & Parts Sales   | 77,207                    | 71,228          | 5,979                            | 8.4                              |
| Fleet & Other Revenues  | 9,001                     | 1,365           | 7,636                            | 559.4                            |
| <b>Total Revenues</b>   | <b>762,437</b>            | <b>677,004</b>  | <b>85,433</b>                    | <b>12.6</b>                      |
| Cost of Sales   | 633,130                   | 561,794         | 71,336                           | 12.7                             |
| Gross Profit  | 129,307                   | 115,210         | 14,097                           | 12.2                             |
| SG&A Expense  | 95,778                    | 88,409          | 7,369                            | 8.3                              |
| Depreciation/Amortization   | 3,461                     | 3,050           | 411                              | 13.5                             |
| <b>Income from Operations</b>   | <b>30,068</b>             | <b>23,751</b>   | <b>6,317</b>                     | <b>26.6</b>                      |
| Flooring Interest Expense   | (6,144)                   | (4,086)         | 2,058                            | 50.4                             |
| Other Interest Expense  | (3,041)                   | (2,155)         | 886                              | 41.1                             |
| Other Expense, net  | 282                       | 281             | 1                                | 0.4                              |
| <b>Income from continuing operations before income taxes</b>                | <b>21,165</b>             | <b>17,791</b>   | <b>3,374</b>                     | <b>19.0</b>                      |
| Income Tax Expense  | 8,398                     | 6,938           | 1,460                            | 21.0                             |
| Income Tax Rate   | 39.7%                     | 39.0%           |                                  |                                  |
| <b>Net Income from continuing ops.</b>                                      | <b>12,767</b>             | <b>10,853</b>   | <b>1,914</b>                     | <b>17.6</b>                      |
| Income (Loss) from discontinued operations, net of income taxes             | (92)                      | (13)            | 79                               | 607.7                            |
| <b>Net Income</b>   | <b>\$12,675</b>           | <b>\$10,840</b> | <b>1,835</b>                     | <b>16.9%</b>                     |
| <b>Diluted Net Income per share including effect of convertibles notes:</b> |                           |                 |                                  |                                  |
| Continuing Operations   | <b>\$0.65</b>             | <b>\$0.57</b>   | <b>\$0.08</b>                    | <b>14.0%</b>                     |
| Effects of convertible senior sub. notes                                    | (0.04)                    | (0.03)          |                                  |                                  |
| Discontinued Operations   | (0.01)                    | -               |                                  |                                  |
| <b>Net Income per share</b>   | <b>\$0.60</b>             | <b>\$0.54</b>   | <b>0.06</b>                      | <b>11.1%</b>                     |
| Diluted Shares Outstanding  | 21,749                    | 20,549          | 1,200                            | 5.8%                             |
| <b>Diluted Net Income per share before effect of convertibles notes:</b>    |                           |                 |                                  |                                  |
| Continuing Operations   | <b>\$0.65</b>             | <b>\$0.57</b>   | <b>\$0.08</b>                    | <b>14.0%</b>                     |
| Discontinued Operations   | -                         | -               |                                  |                                  |
| <b>Net Income per share</b>   | <b>\$0.65</b>             | <b>\$0.57</b>   | <b>0.08</b>                      | <b>14.0%</b>                     |
| Diluted Shares Outstanding  | 19,494                    | 19,136          | 358                              | 1.9%                             |
| <b>Unit Sales:</b>  | <b>2005</b>               | <b>2004</b>     | <b>Increase<br/>(Decrease)</b>   | <b>Increase<br/>(Decrease)</b>   |

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|                       |        |        |       |       |
|-----------------------|--------|--------|-------|-------|
| New Vehicle           | 15,817 | 14,301 | 1,516 | 10.6% |
| Used - Retail Vehicle | 10,717 | 10,151 | 566   | 5.6   |
| Used - Wholesale      | 5,793  | 5,645  | 148   | 2.6   |
| Total Units Sold      | 32,327 | 30,097 | 2,230 | 7.4   |

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|                               | Three Months Ended |             | \$Increase<br>(Decrease) | % Increase<br>(Decrease) |
|-------------------------------|--------------------|-------------|--------------------------|--------------------------|
|                               | June 30,           |             |                          |                          |
| <b>Average Selling Price:</b> | <b>2005</b>        | <b>2004</b> |                          |                          |
| New Vehicle                   | \$28,120           | \$27,802    | \$318                    | 1.1%                     |
| Used - Retail Vehicle         | 15,682             | 14,975      | 707                      | 4.7                      |
| Used - Wholesale              | 6,075              | 5,356       | 719                      | 13.4                     |

**Key Financial Data:**

|                             |       |       |
|-----------------------------|-------|-------|
| Gross Profit Margin         | 17.0% | 17.0% |
| SG&A as a % of Gross Profit | 74.1% | 76.7% |
| Operating Margin            | 3.9%  | 3.5%  |
| Pre-Tax Margin              | 2.8%  | 2.6%  |

**Gross Margin/Profit Data**

|                                  | <b>2005</b> | <b>2004</b> |
|----------------------------------|-------------|-------------|
| New Vehicle Retail               | 7.9%        | 8.1%        |
| Used Vehicle Retail              | 15.7%       | 14.7%       |
| Used Vehicle Wholesale           | 3.8%        | 4.2%        |
| Service, Body & Parts            | 49.2%       | 48.7%       |
| New Retail Gross Profit/Unit     | \$2,212     | \$2,248     |
| Used Retail Gross Profit/Unit    | \$2,467     | \$2,196     |
| Used Wholesale Gross Profit/Unit | \$229       | \$223       |
| Finance & Insurance/Retail Unit  | \$1,061     | \$1,001     |

**Same Store Data**

|   | <b>2005</b> | <b>2004</b> |
|---|-------------|-------------|
| New Vehicle Retail Sales                | 3.8%        | -3.4%       |
| Used Vehicle Sales (includes Wholesale) | 3.7%        | -13.8%      |
| Total Vehicle Sales (excludes fleet)    | 3.8%        | -7.0%       |
| Finance & Insurance Sales               | 2.1%        | -1.2%       |
| Service, Body & Parts Sales             | 1.0%        | 3.5%        |
| Total Sales (Excluding Fleet)           | 3.4%        | -5.8%       |
| Total Gross Profit (Excluding Fleet)    | 2.7%        | 0.5%        |

**LITHIA MOTORS, INC.**

(In Thousands except per share and unit data)

Unaudited

|                    | Six Months Ended |             | \$Increase<br>(Decrease) | % Increase<br>(Decrease) |
|--------------------|------------------|-------------|--------------------------|--------------------------|
|                    | June 30,         |             |                          |                          |
|                    | <b>2005</b>      | <b>2004</b> |                          |                          |
| New Vehicle Sales  | \$810,424        | \$749,005   | \$61,419                 | 8.2%                     |
| Used Vehicle Sales | 403,791          | 370,107     | 33,684                   | 9.1                      |

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|   |                  |                  |                |              |
|---|------------------|------------------|----------------|--------------|
| Finance & Insurance   | 53,828           | 47,787           | 6,041          | 12.6         |
| Service, Body & Parts Sales                                     | 153,234          | 139,999          | 13,235         | 9.5          |
| Fleet & Other Revenues  | 11,965           | 2,896            | 9,069          | 313.2        |
| <b>Total Revenues</b>   | <b>1,433,242</b> | <b>1,309,794</b> | <b>123,448</b> | <b>9.4</b>   |
| Cost of Sales   | 1,184,663        | 1,089,096        | 95,567         | 8.8          |
| Gross Profit  | 248,579          | 220,698          | 27,881         | 12.6         |
| SG&A Expense  | 187,459          | 173,262          | 14,197         | 8.2          |
| Depreciation/Amortization                                       | 6,902            | 5,950            | 952            | 16.0         |
| <b>Income from Operations</b>                                   | <b>54,218</b>    | <b>41,486</b>    | <b>12,732</b>  | <b>30.7</b>  |
| Flooring Interest Expense                                       | (11,392)         | (7,668)          | 3,724          | 48.6         |
| Other Interest Expense  | (5,850)          | (3,889)          | 1,961          | 50.4         |
| Other Expense, net  | 599              | 502              | 97             | 19.3         |
| <b>Income from continuing operations</b>                        |                  |                  |                |              |
| <b>before income taxes</b>                                      | <b>37,575</b>    | <b>30,431</b>    | <b>7,144</b>   | <b>23.5</b>  |
| Income Tax Expense  | 14,748           | 11,868           | 2,880          | 24.3         |
| Income Tax Rate   | 39.2%            | 39.0%            |                |              |
| <b>Net Income from continuing ops.</b>                          | <b>22,827</b>    | <b>18,563</b>    | <b>4,264</b>   | <b>23.0%</b> |
| Income (Loss) from discontinued operations, net of income taxes | (162)            | (244)            | (82)           | (33.6)       |
| <b>Net Income</b>   | <b>\$22,665</b>  | <b>\$18,319</b>  | <b>4,346</b>   | <b>23.7%</b> |

**Diluted Net Income per share including effect of convertibles notes:**

|  |               |               |               |              |
|--|---------------|---------------|---------------|--------------|
| Continuing Operations                    | <b>\$1.17</b> | <b>\$0.97</b> | <b>\$0.20</b> | <b>20.6%</b> |
| Effects of convertible senior sub. notes | (0.07)        | (0.02)        |               |              |
| Discontinued Operations                  | (0.01)        | (0.01)        |               |              |
| <b>Net Income per share</b>              | <b>\$1.09</b> | <b>\$0.94</b> | <b>0.15</b>   | <b>16.0%</b> |
| Diluted Shares Outstanding               | 21,710        | 19,828        | 1,882         | 9.5%         |

**Diluted Net Income per share before effect of convertibles notes:**

|                             |               |               |               |              |
|-----------------------------|---------------|---------------|---------------|--------------|
| Continuing Operations       | <b>\$1.17</b> | <b>\$0.97</b> | <b>\$0.20</b> | <b>20.6%</b> |
| Discontinued Operations     | (0.01)        | (0.01)        |               |              |
| <b>Net Income per share</b> | <b>\$1.16</b> | <b>\$0.96</b> | <b>0.20</b>   | <b>20.8%</b> |
| Diluted Shares Outstanding  | 19,455        | 19,122        | 333           | 1.7%         |

| <b>Unit Sales:</b>    | <b>2005</b> | <b>2004</b> | <b>Increase (Decrease)</b> | <b>Increase (Decrease)</b> |
|-----------------------|-------------|-------------|----------------------------|----------------------------|
| New Vehicle           | 28,882      | 27,057      | 1,825                      | 6.7%                       |
| Used - Retail Vehicle | 21,682      | 20,809      | 873                        | 4.2                        |
| Used - Wholesale      | 11,484      | 11,652      | (168)                      | (1.4)                      |
| Total Units Sold      | 62,048      | 59,518      | 2,530                      | 4.3                        |

Six Months Ended

|                                      | <b>June 30</b> |             |                                  |                                  |
|--------------------------------------|----------------|-------------|----------------------------------|----------------------------------|
| <b><u>Average Selling Price:</u></b> | <b>2005</b>    | <b>2004</b> | <b>\$Increase<br/>(Decrease)</b> | <b>% Increase<br/>(Decrease)</b> |
| New Vehicle                          | \$28,060       | \$27,682    | \$378                            | 1.4%                             |
| Used - Retail Vehicle                | 15,441         | 14,801      | 640                              | 4.3                              |
| Used - Wholesale                     | 6,009          | 5,330       | 679                              | 12.7                             |

**Key Financial Data:**

|                             |       |       |
|-----------------------------|-------|-------|
| Gross Profit Margin         | 17.3% | 16.8% |
| SG&A as a % of Gross Profit | 75.4% | 78.5% |
| Operating Margin            | 3.8%  | 3.2%  |
| Pre-Tax Margin              | 2.6%  | 2.3%  |

**Gross Margin/Profit Data**

|                                  | <b>2005</b> | <b>2004</b> |
|----------------------------------|-------------|-------------|
| New Vehicle Retail               | 8.0%        | 7.8%        |
| Used Vehicle Retail              | 15.5%       | 14.4%       |
| Used Vehicle Wholesale           | 4.1%        | 3.6%        |
| Service, Body & Parts            | 48.9%       | 48.1%       |
| New Retail Gross Profit/Unit     | \$2,237     | \$2,163     |
| Used Retail Gross Profit/Unit    | \$2,392     | \$2,138     |
| Used Wholesale Gross Profit/Unit | \$244       | \$191       |
| Finance & Insurance/Retail Unit  | \$1,063     | \$993       |

**Same Store Data**

|   | <b>2005</b> | <b>2004</b> |
|---|-------------|-------------|
| New Vehicle Retail Sales                | -1.0%       | -1.2%       |
| Used Vehicle Sales (includes Wholesale) | 0.9%        | -7.9%       |
| Total Vehicle Sales (excludes fleet)    | -0.4%       | -3.5%       |
| Finance & Insurance Sales               | 0.2%        | 0.6%        |
| Service, Body & Parts Sales             | 0.5%        | 5.7%        |
| Total Sales (Excluding Fleet)           | -0.3%       | -2.5%       |
| Total Gross Profit (Excluding Fleet)    | 1.9%        | 3.5%        |

**Balance Sheet Highlights (Dollars in Thousands)**

|                             | <b>June 30, 2005</b> | <b>December 31, 2004</b> |
|-----------------------------|----------------------|--------------------------|
|                             | <b>Unaudited</b>     |                          |
| Cash & Cash Equivalents     | \$29,842             | \$29,264                 |
| Trade Receivables*          | 106,270              | 84,489                   |
| Inventory                   | 659,060              | 536,653                  |
| Assets Held for Sale        | -                    | 135                      |
| Other Current Assets        | 11,859               | 12,334                   |
| <b>Total Current Assets</b> | <b>807,031</b>       | <b>662,875</b>           |
| Real Estate, net            | 242,998              | 226,357                  |
| Equipment & Leases, net     | 76,405               | 73,274                   |



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|   |                    |                    |
|---|--------------------|--------------------|
| Goodwill, net                                       | 251,377            | 244,532            |
| Other Assets  | 51,544             | 49,866             |
| <b>Total Assets</b>                                 | <b>\$1,429,355</b> | <b>\$1,256,904</b> |
| Floorplan Notes Payable                             | \$554,994          | \$450,859          |
| Other Current Liabilities                           | 93,449             | 85,839             |
| <b>Total Current Liabilities</b>                    | <b>648,443</b>     | <b>536,698</b>     |
| <hr/>   |                    |                    |
| Used Vehicle Flooring                               | 20,000             | -                  |
| Real Estate Debt                                    | 143,050            | 139,703            |
| Other Long-Term Debt                                | 136,717            | 127,608            |
| Other Liabilities                                   | 49,810             | 46,949             |
| <b>Total Liabilities</b>                            | <b>998,020</b>     | <b>850,958</b>     |
| Shareholders' Equity                                | 431,335            | 405,946            |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>\$1,429,355</b> | <b>\$1,256,904</b> |

\* Includes contracts-in-transit of \$51,612 and \$41,576 for 2005 and 2004.

**Other Balance Sheet Data (Dollars in Thousands)**

|  |           |           |
|--|-----------|-----------|
| Current Ratio  | 1.2x      | 1.2x      |
| LT Debt/Total Cap.<br>(Excludes Used -Vehicle Flooring<br>and Real Estate) | 24%       | 24%       |
| Working Capital  | \$158,588 | \$126,177 |
| Book Value per Basic Share   | \$22.55   | \$21.62   |