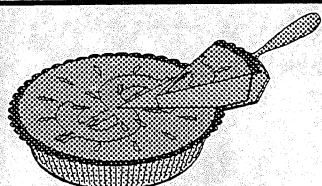


The President's Club Monthly

THE MONTHLY NEWSLETTER FOR THE RETAIL DIVISION OF THE
AMERICAN HOMESTAR CORPORATION

Been to Alaska? Want to Go? 95' President's Club Trip - Alaskan Cruise - Will Get You There!



Barry Park Takes Big Slice of 4th Qtr Contest Pie!

Barry Park, Burleson's bad to the bone sales pro, took down this quarter's big contest by exploding for 8 big new home sales! In total for the quarter, the big man took down 15 deals, 210 President's Club Points and \$2,000 in extra prize money! How's that for a Christmas Bonus?!! In second place was the Godfather of Manufactured Housing, **Vincent Cipollone**. His 151.8 "Presidential Points" earned him an extra \$1,500 this holiday season. Athen's Beacon of consistency, **David McMichael** took down \$1,000 for finishing third while Spring's **Ron Beachamp** took down \$750 for fourth. Granbury's **Tim White** rounded out the top five with a \$500 prize.

Make Sure You're on Board...

Company President's and qualifying General Managers, Business Managers and Salespeople will be embark-ing on an exciting cruise North to Alaska come July 27, 1995. The six day, seven night affair will begin in Vancouver, British Columbia and sail to ports of call in Juneau, Glacier Bay and Sitka.

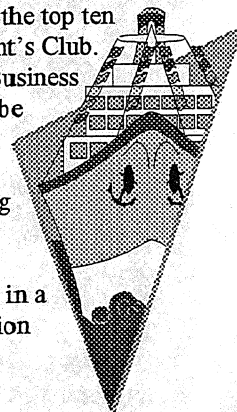
Named by many travel publications as the "World's Best Cruise Line," Holland America offers first class service, well appointed staterooms and the finest dining afloat. We will be sailing upon the m.s. Noordam, a 704 foot long vessel which features a large casino, library, health spa, movie theater and a duty free shop.

The ship will cruise along the coast, enabling all passengers to view Alaska's

beautiful mountains, glaciers and wildlife throughout the trip.

To be eligible, salespeople must finish in the top ten of the President's Club. Also the top Business Manager will be invited.

Start selling now, so you won't miss this once in a lifetime vacation opportunity!



Company Expands Eastward to Bossier City, Westward to Abilene

29th & 30th Locations to Open, Nationwide Grows to Include Fourth State

Nationwide Housing Systems, Inc. has expanded Eastward to include a fourth state, Louisiana. Located in Bossier City, a booming manufactured housing market close to Shreveport, the new sales center will be headed by industry veteran **Gary Hood**. A proven winner who has called the area home before, Gary will bring to the table a can-do attitude and an ability to get things done.

Located in Bossier City's

stretch of dealerships on "mobile home row" between I-20 and Hwy 80, the sales center resides on what was once a mobile home park. "This allows every home to be situated on a street," said Nationwide Housing Systems V.P., **Chuck Ladd**, "This makes for a more attractive and accessible display."

The North Louisiana market is extremely hot at

this time. A booming gambling industry and a new \$100 million refinery promises to bring continued prosperity to the area. "I think all of these economic

Continued on Next Page

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DECEMBER, 1994
MERRY CHRISTMAS!

President's Club Monthly

CORRECTION!

COMPANY BIRTHDAYS

Joe Cannon
January 1st
Mary Goodner
January 1st
Don Smith
January 2nd
Marianna Forsberg
January 2nd
Keith Munro
January 2nd
Cynthia Leal
January 5th
Rick Vaughan
January 6th
Donald Horton
January 8th
Edwin Sampson
January 8th
Mike Torres
January 10th
Karen Stevens
January 10th
Michael Mayer
January 12th
Patrice Halliburton
January 12th
James Morrison
January 13th
Carole Phillips
January 13th
Pablo Alcantaz
January 15th
Roberta Mikel
January 15th
Leslie Ford
January 17th
Kim Werner
January 17th
Mary Hohn
January 19th

...from last month's
Ford article

The editor regrets that the following error was printed in **Gary Neuman's** cover story on improved communications with Ford Consumer Finance due to the recently held focus groups. Ford's new 10 year, 140% advance program was mistakenly compared to the average industry's 10 year note, instead of the average industry's 15 year note. The entire paragraph is reprinted correctly below:

Ford has many good products to offer, with one of the most exciting being our latest 10 year product with 140% advance, which is approximately 200 basis points below the average market rate. Did you know that the monthly payment is only \$30.00 higher on a 10 year term compared to the average industry's 15 year note (25k financed)? This means that in 5 years your customer has a strong equity position and can trade in the 1995 model with no additional cash down. This also means that in 5 years, the manufacturer builds another home, the lender finances another customer, and the retailer sells another home, keeping all the intricate parts of our industry in motion. This is just one example of our exceptional products, to help you sell more homes.

The President's Club Monthly thanks Ford for their contribution.

Get Ready for the Gridiron!

Sunday, January 1st, 8:00 C.S.T., E.S.P.N.

THE MOBILE HOME BOWL

(Not to be confused with the Mobil Cotton Bowl)

featuring these two nationally ranked opponents

Oak Creek University

(ranked #1 in Manufactured Housing Merchandiser)

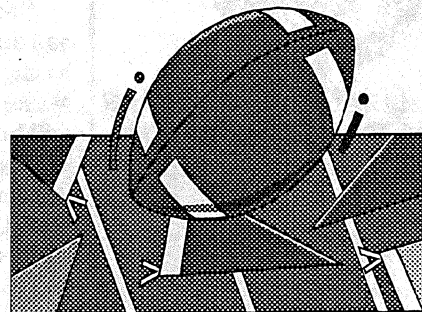
VS.

The College of Family Housing

(Dealer Poll #1)

"These guys make the pros look like a bunch of lily livered sissy boys!"... **John Madden.**

"Good luck to all Mobile Home Bowl participants.... break a leg!"...**Joe Theisman**



New Locations

Continued from Pg. 1...

factors could result in Bossier City being the number one location in the company next year," said Ladd.

The location will operate under the Nationwide Mobile Homes banner and will open the doors for business in late January or early February.

In Abilene, Texas, **Ray McKinney's** successful company, Nationwide of Fort Worth, Inc., has added its fourth location. Operating under the new DBA, Nationwide Housing Center, an existing location has been purchased from its new General Manager, **Randy**

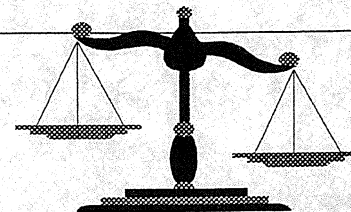
McCarver. Many of you will remember Randy as American Homestar in Burleson's first Sales Manager. He also has been a partner in Abilene Mobile Homes and a Redman sales representative.

McCarver is joined by salesperson **Bob Kirby** and longtime Fort Worth superstar, **Gary Robson.** "I'm excited by the opportunity in Abilene," said McKinney, "because I'm starting off with a good location and a great group of people." Abilene is now open for business.

President's Club Monthly

Laurie Lowery

Insurance Today



WHO'S WHO @ WESTERN

*profile: Lisa Smith
Dealer Service Rep*

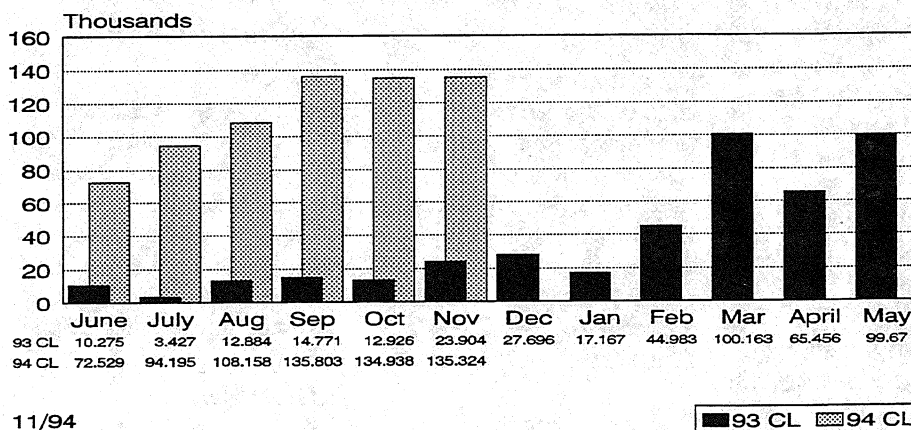
"Being able to assist and work with great people is the most rewarding part of my job." This is the ever-patient, friendly voice on the Western end of the line when a salesperson or Business Manager has an insurance question or needs a quote. Since February of 1994, Lisa Smith, has provided her own brand of VIP treatment to our growing division of retail stores, in addition to over 20 various ARG dealers and insurance brokers. She also manages to fit in the processing and underwriting of all the American Modern Home business (mobile home, homeowners, watercraft and extended service) and still keep a cool head. After graduating from Brazosport High School in 1987, Mrs. Smith went on to complete 3 years of college as a Chemistry/Pre-Med major. The need to be close to her family called her home where she began her career with Coastal Insurance in 1992. Since that time Lisa has worked hard and steadily moved through the ranks at Coastal/Western while managing to woo, wed and maintain newlywed status at home with husband, Herb. Mr. and Mrs. Smith have one baby, Snowflake the cat, who enjoys nothing more than destroying Christmas trees. They will celebrate their first anniversary on December 31, 1994.

Sit Down Your Rockin' The Boat

Penetration percentages have been somewhat rocky so far this year. Surprisingly the Company's second quarter penetration and volume averages show a decided improvement over those of the first quarter for credit life (up to 47% from 39%) and to a lesser degree, physical damage (up to 80% from 79%). This is especially amazing given the fact that each month there have been anywhere from three to a November high of ten locations that have not sold credit life insurance at all. Further, a majority of company stores jumped ship this quarter and substantially decreased their average monthly credit life penetration. The minority survivors that have continued to improve their margins through credit life sales from quarter to quarter, include: Nat. of Ft. Worth (+11%), Key-Bryan(+43%), Adv-Longview(+25%), Adv-Jacksonville(+37%), Nat.-Huntsville (+38%), AHO-Lancaster (+33%), Nat.-Okla City (+32%), Nat.-Albuquerque (+33%), and Instant Living-Albuquerque (+25%). However, the model for all locations continues to be Nationwide of Granbury for maintaining consistent penetration levels of 91% for PD and 75% for CL throughout the first and second quarters.

Premiums: Past and Present

Credit Life Insurance Sales Volume



The Bad Boys (and Girls) of Business Management

Who else could generate \$25,000 in insurance profits, sell 16 extended service policies, 8 cash policies, maintain 96% PD and 64% CL penetration and still have time to sell 2 new houses for an average of \$6,000 payable gross? Bruce Reynolds, Business Manager for Nationwide of Ft. Worth, Inc., of course! The man who has already made the Presidents Club Gold level only 6 months into the year, has also become the object of some fierce competition. In November, Business Managers, Cathy Jackson of Nationwide and American Homestar Lancaster and Jim Rea of Instant Living-Spring gave "Bionic Bruce" a run for his money. Both Cathy and Jim racked up 57+ Presidents Club points by maintaining high volume, high penetration and selling extended service and cash physical damage policies. Jim was also one of the first to utilize the Ford bonus point program for fundings. All in all, this is going to make for a very exciting race!

Misrated Policies On The Rise

They may be a product of more volume and less time, but misrated policies seem to be on the rise. This is a potentially serious problem because of Western's liability and additional time in processing, the extra work for home office and our accounting manager refunding or charging back money and in certain circumstances, the customer's inconvenience. In an effort to help everyone learn from their mistakes, we will be forwarding copies of misrated apps to whomever was responsible. Please take the opportunity to try to see what went wrong. We make mistakes, too and we have found this to work! Be sure and call if you need help with a tough quote. We are always happy to help!

PRESIDENTS CLUB UPDATE....

TOP 5 BUSINESS MGRS

1. Bruce Reynolds 264.9
2. Cathy Jackson 199.0
3. Jim Rea 176.9
4. Randy Wilson 167.1
5. Richard Fenley 154.6

Keep up the GREAT work!

President's Club Monthly

WHO'S HOT

Tulsa's Vaughan Does It Again!

You've seen his name consistently in this column for months... He was mentioned as a "superstar of tomorrow" in last month's "Etc." column. What does the P.C.M. have to say about Rick Vaughan this month? **We Told You So!**

In November, he took no prisoners, selling 8 big deals (6 of them new) for almost 30k in payable gross. Folks, this guy means business!

Barry Park Nationwide in Burleson

As you read on the front page, Barry is the man of the moment in Texas manufactured housing sales. Not only did he sell eight houses last month, he also included a combined 30k in insurance premiums with his deals (with the help of bionic Business Manager **Bruce Reynolds**). Keep rocking, Barry!

Bascom Kemp Nationwide in Mesquite

Not a newcomer to this column, Bascom is an important reason for the resurgence of the amazing Mesquite team. In November, Bascom combined volume with excellent insurance penetration to take down an impressive 67.5 President's Club Points. Holy Cow!

Edwin Sampson Nationwide in Lancaster

Making his second appearance in a row in "Who's Hot", Edwin keeps doing what it takes to be a superstar! In December, he put together another barnburner... 4 deals, 20k in p.g., and (with the help of the amazing **Cathy Jackson**) over 16k in combined insurance premium. All in all, that was good for 54.6 President's Club Points. Way to go, Edwin. Keep your momentum!

Joe Woods Nationwide in Lancaster

He's tan, rested and ready! After a brief break from Nationwide, Joe Woods is back with a vengeance! In his first month, he rocked the Lancaster market to the tune of 4 big multi-sectional sales! Rumor has it, this is just the first of many big months that this pro has working. Nice to have you back, Joe! Great job!

George Johnson Instant Living in Spring

Instant-Spring's esteemed Mr. Johnson pulled out all of the stops in November, taking down 5 new home sales for 27k in payable gross and 50.1 President's Club Points. Holy Toledo, what a fabulous month! Keep going, George!

John Raine Nationwide in Lancaster

Like the Sun rising in the East and like the changing of the seasons, you can always count on John Raine to be making his important contribution month after month. This longtime gold member of the President's Club exploded in November, selling four big new home deals for 50.0 President's Club Points. Keep pace with this guy, and you too will end up on the year end, five star Alaskan Cruise!

A. Lamar Eaves Nationwide in Denton

A new name to this column, Lamar is making his presence known in a big way! In November he blew away the competition, selling 4 big deals (3 of them new!) for 18k in p.g. and 49 President's Club Points! Keep going, Lamar!

Cliff Kubicek Nationwide in Burleson

Part of Jack Maxey's powerhouse Burleson team, Cliff put together one heck of a November. His 4 deals, 22k in payable gross and 14k in combined insurance premiums helped earn him an impressive 48.6 President's Club Points!

William Hicks Nationwide in Granbury

What a fantastic month for the diligent Mr. Hicks! Five deals (3 of them new!), 19k in payable gross and great physical damage insurance penetration helped result in 41.2 President's Club Points. Job well done, William!

Randy Tappen Instant Living in Albuquerque

Thank God, he's a Homestar man! Albuquerque's singing cowboy sold 5 more homes in November, all in a months work for one of the company's top superstars. His production was good for 37.0 President's Club Points this month!

President's Club Monthly

WHO'S HOT

Beauchamp Wins Deposit Contest!

Spring's Ron Beauchamp placed first in November's deposit contest, edging out the second place finishers, Peggy Richardson and Randy Tappen. The winners in each of the two categories appear below:

Total Deposits:
Ron Beauchamp
Peggy Richardson
Randy Tappen

Highest Average:
(Eight Minimum)
Ron Beauchamp
Randy Tappen
A. Lamar Eaves

Congratulations!

Garland Gregory Nationwide in Tyler

Never one to be denied inclusion in this article, Garland has done what it takes once again! Tyler's one man mobile home wonder explored the outer limits of profitability once again., selling five big deals (3 of them new) for 20k in payable gross. Nice month, Garland!

Peggy Richardson Advantage in Longview

We told you she was going to be consistent! The amazing Peggy had another banner month in November, selling five deals for over 19k in payable gross and \$5,768 in physical damage insurance premium. Folks, with this kind of production, look for Peggy on one of the big end-of-year trips!

Ron Beauchamp Instant Living in Spring

Ron is quickly laying claim to being one of the Houston area's most consistent salespeople. An important part of Dave Schwartz's amazing Spring team, Ron does what it takes month after month to turn out the big numbers. In November, he sold 5 deals (four of them new) for 18k in payable gross and 29.4 President's Club Points. Great month, Ron!

Bill Hopkins Instant Living on the Gulf Freeway

Bill, making his usual

appearance in the Who's Hot column, is proving himself to be a very consistent producer. In November, he took down four big, new home deals for 26.2 President's Club Points.

Bryan Grace Nationwide in Albuquerque

Nationwide's sales manager extraordinaire had another bang-up month in November.. 4 deals, 21k in payable gross and 23.3 President's Club Points. Nice month, Bryan!

Mary N. Goodner Nationwide in OKC

Holy Moley! 6 deals from this new star from North of the Texas border! Keep moving those houses, Mary, you're doing great!

Louis Murray Instant Living on the Gulf Freeway

He's a great sales manager, a great family man, and, as this article proves month after month, he still makes time to put up the big numbers consistently. In November, Louis, otherwise known to his peers as "King of the Free World," did it again to the tune of five deals! Nice month, Louis

Tom Threadgill Instant Living in Albuquerque

Four deals for the distinguished sales manager from New Mexico. Well done, Mr. Threadgill!

401(k) Retirement Savings Plan Enrollment Update

Don't forget that now is the time to enroll in American Homestar Corporation's 401(k) plan. Some of the plan's key features are:

** Employer matches 33% of each dollar you contribute up to 3%.*

** Reduces your current income taxes.*

** Helps you build a secure retirement*

** Works through convenient payroll deduction.*

Everyone wants a secure retirement and this plan can help pave the way. We all need to supplement Social Security as it was never meant to be our only retirement plan - this plan makes it easy. Not only will the tax savings "Free-up" additional dollars for you, but the company match will allow you to build your retirement faster.

Eligibility Update

All current employees are eligible to participate in the company retirement savings plan with only 6 months of employment. New employees starting with the company in 1995 will be required to be employed for one year to be eligible. The 6 month eligibility requirement is great news since it was originally reported one year of employment was required to enroll. Don't miss the opportunity!

President's Club Monthly

Company Birthdays (Continued)

David Cuellar
January 19th
Linda Smith
January 20th
Elizabeth McCoy
January 21st
Dave Crocker
January 25th
Roy Felker
January 25th
Rufino Munoz
January 27th
Monica Rideaux
January 27th
Dave Snyder
January 28th
Craig Reynolds
January 28th
Daysha Alexander
January 28th
Sam Hill
January 28th
Lisa Smith
January 28th
Edwardo Delbrey
January 29th
Clarence Way
January 29th
David Farris
January 30th
James Karrh
January 30th
Rene Nino
January 31st
Sheri Duay
January 31st
Jackie Patrick
January 31st

Traffic Slow? Let Tracker Ver. 2.0 Jump Start Your Business

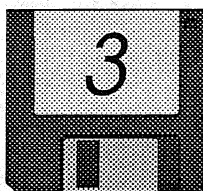
A Three Step Plan

Having a lull in your traffic is unavoidable... without fail, there are certain times of year that you can't bribe a person to come onto your location. For those of you who are having one of these recesses right now, try this three step plan for turning existing prospects into buyers using the tools in Tracker ver. 2.0.

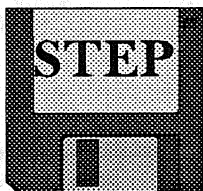
1) **Give your salespeople a list of everyone who said that they would buy this time of year.** When a customer is logged onto Tracker, a "target sale date" is noted. You can pull your customers out of the database by this criteria using the report called "Prospects by Target Sale Date." To do so, follow these steps... 1) enter tracker, 2) Click the button marked "Prospects" 3) Click the button marked "Prospects by Target Sale Date" 4) Press enter when it asks you for name of salesperson, and type in the target sale date range. Distribute these lists to your salespeople and ask for updated information on all of these prospects.

2) **Prepare an easy, form letter mail out on your three newest pieces of inventory.** Let's use the new 859 Burselon MVP home as an example... Firstly, prepare a form letter that informs the customers about this new home. One example is written to the right. Then, make a number of copies of the floor plan of the home to accompany the letter.

The next move is to print up a focused set of mailing labels using the Tracker mailing label filter. To do this, you must return to the Prospect Report Menu, accessing it the same way you did in step one. Then click, the button marked "Tracker Mailing Label Filter."



For this example, you would filter by contact date (leave the date of one year ago alone), NUR (mark it as new), # of sections (type in 2 to just pull up multi-sectional customers), since this is a four bedroom model, isolate these buyers by choosing 4 from the # of bedrooms category. Print the requested labels by salesperson by choosing their names one at a time and clicking on the button at the bottom of the window marked with the appropriate label's size. Voila!



You now have all the ingredients to a good mail out. Send out the letters and floor plans and have each salesperson follow-up on the customer using the summary sheet that is printed up after the labels.

3) **Pull up all call back sheets that are out of "the loop."** At any given time, there are probably a number of prospects who have "next call back dates" before yesterday's date. These are those who pollute your important "Quality Control Reports" with bad numbers. To get these updated, click on the button marked "Print Call Back Sheets" on the Prospect main menu, for dates from two years ago through yesterday, for all salespeople. Distribute these call back sheets and re-enter the updated data.

A Sample Letter...

Dear Valued Customer,

I was writing to inform you of our newest home, the American Homestar Model 859. This 28x62, 4 bedroom MVP series multi-sectional features all of the elegant, residential amenities of our other American Homestar Homes, yet at a substantial savings. There is no other home on the market that offers such extraordinary features as fully taped and textured walls, one piece tub/showers, and deluxe door casings for a price this low.

As a special introductory offer, we are offering free skirting to all who purchase this home in the next 14 days. To view this special house, please call me at the number below to arrange for an appointment and, please, mention this letter.

I look forward to hearing from you!

Sincerely,

Nationwide Mobile Homes
Mesquite, TX
(214)613-HOME

President's Club Monthly

Lancaster News From the Homestar Team

Holiday Shutdown

The Lancaster facility will be closing for the Christmas Holidays. The production staff will not be working December 26th through Jan. 2nd. Although production will not be building homes during this time, our office staff and sales department will be working December 27th through December 29th and January 2nd.

All of us at Lancaster would like to wish you a merry Christmas and a prosperous new year!

Happy New Year from the team at Burleson. We hope 1995 brings you much happiness and prosperity.

From all indications, 1995 will be a banner year in the manufactured housing industry in general and at American Homestar in particular. We are entering this year with the finest quality and largest selection of products ever! As the year progresses, plans are being made for even better products, new and exciting programs and greater assistance to help you sell more home and make more money.

Our goal this year is to become the premier upscale home

builder in the markets we serve. When prospects

think of quality of lifestyle, we want them to think of American Homestar in Burleson.

When you, as our retail partner, think of sale-ability, quality and profitability, we want you to think of American Homestar of Burleson. In turn, we will make every possible effort to justify your faith and support by supplying you with the best products available.

We truly appreciate the business you have shared with us in 1994 and look forward to an increasingly important role in your sales performance for 1995.

Captain Zuni Awards Presented

With much fanfare the first Captain Zuni awards were presented to Nationwide of Fort Worth President **Ray McKinney** and Nationwide in Lancaster's V.P., **Don Simonson**. Both Ray and Don were recognized for their leadership in new product development. Ray also has been a major factor in the product, quality effort at Burleson. As the

award states, each earned these for the following:

For meritorius service above and beyond the common place and dull world of non-creative thinkers, for laughing in the face of conventional wisdom and daring to go where no sane person



has gone before.

New Decors Get Rave Reviews

The new Meridian Residence decors have received rave reviews since their recent announcement. The black "Onyx" decor is expected to set the stage for a new international trend for interior design color combinations. "Lapis" decor is also an excitingly different look featuring blue as the base color. The "Emerald" green decor has been a real winner and will continue to be a popular selection.

New decor boards for the Meridian Residence are expected to be completed by year end and will be forwarded as soon as available.

Burleson in Guinness Book

The new Meridian MVP series

PREFERRED PRODUCT FOR PRESIDENT'S CLUB POINTS

American Homestar of
Burleson is proud to present a
Presidential-style home with
Presidential appeal,
Presidential amenities,
Presidential quality,
that even earns
Presidential Club Points
now through February 25, 1995.
All at less than Presidential
Residential prices.

Hey, maybe we should have called it
the Meridian President Series instead of
Residence Series!

President's Club Monthly

Star Notes, Continued

model 858 has been recognized by the Guinness Book of World Records for its incredible turn rate. The award was presented after it was verified that 2 model 858's were retail sold before the prototype model was completed.

You can be part of the Guinness Book of World Records by displaying the 858 or the four bedroom 859 on your sales center.

Gas Upflow Furnaces Available

American Homestar in Burleson will now be offering upflow gas furnaces on certain models. Schult and Palm Harbor are offering these and your customers may be asking for them. Please contact the Burleson plant for further information.

Under the Oaks Rick Joseph, Guest Columnist

*Oak Creek University....
Listen to What the Critics
are Saying...*

*"Powerful! Moving! I
couldn't stop learning!"*

N/W in Corpus

*I couldn't believe what you
did to that chicken!"*

N/W in Albuquerque

*"Humiliating, rude,
offensive and controversial
- please ask us back!" -*

N/W in Mesquite

"Outrageous! Definitely

*worth the long Drive!" N/W
in Burleson*

*"I didn't know we made
chewing tobacco!"*

- Brand X

*"Is it legal to do that with
that chicken?"*

- N/W in Huntsville

The first Oak Creek University session was a huge success. We had 68 sales associates receive their Oak Creek diplomas. A great time was had by all and I'm pretty sure somebody accidentally learned something. Fantastic gifts were given to all the winners of the World Famous but not yet legendary Oak Creek Trivia contest. The laser light show was also incredible. Not a single person left the session uninspired!

Carpet Shipping Loose

January 3, 1995 starts the new Oak Creek carpet (ship loose) program. This will affect all multi-section homes only. The retail sold homes will not kick in until January 30, 1995. Please refer back to the complete memo of 12/5/94. We all feel that this program is going to help ensure that the major complaint of retail customers is all but eliminated.

All of us at Oak Creek want to thank all of you for a great 1994 and we are looking forward to an even better relationship in the new year (1995).

UNTIL NEXT TIME,

AMERICAN HOMESTAR ANNOUNCES SECOND QUARTER, FISCAL 1995 RESULTS

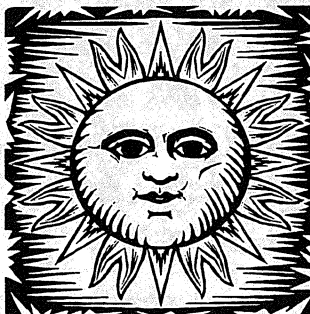
HOUSTON, TEXAS, December 21, 1994 - American Homestar Corporation (NASDAQ - HSTR), today announced the results of operations for its second fiscal quarter ended November 30, 1994. Revenues for the quarter were \$45.1 million, an increase of 50% over revenues of \$30.1 million in the second quarter of last year. Net income for the quarter was \$1.8 million or 30 cents per share compared to net income of \$718,000 or 18 cents per share in the second quarter of last year.

Revenues for the first six months of fiscal year 1995 were \$86.3 million, an increase of 53% over comparable (pro forma) revenues of \$56.3 million in the first six months of last fiscal year. Net income for the first half was \$3.2 million or 57 cents per share compared to pro forma net income before an accounting change for income taxes of \$1.2 million or 31 cents per share in the first half of last year.

Craig Reynolds, the Company's Chief Financial Officer, added that these results reflect the continuing implementation of the Company's vertical integration plan and growth strategy as well as continued strong demand for manufactured housing in the region. With three new retail centers opened in the first half of this fiscal year and a 42% increase in new home sales per retail center, total new home sales at retail were 61% higher than in the first half of last year. Total homes manufactured during the first half of this year were 58% higher than in the first half of last year due primarily to increased production from the new Lancaster and Burleson plants.

American Homestar produces manufactured homes from its three plants in the Dallas - Ft. Worth area and retails its products through 28 company-owned and 101 independently-owned retail locations in Texas, New Mexico, Oklahoma, Arizona, Colorado, Missouri, Arkansas, Louisiana and Kansas. The Company also provides transportation and insurance services to its customers.

*GREAT SELLING....
AND GREAT TIMES
AHEAD.*



About this Newsletter What about it?

This newsletter is thrown together at the retail home office in Houston by its editor, Dwayne Teeter with regular articles by **Ronnie Richards** and **Laurie Lowery**. Contributions should be faxed to Dwayne at (713)333-5614. Happy holidays!