



## Lumber Liquidators shares fall

### Va.-based flooring firm makes debut on stock exchange

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Shares of Lumber Liquidators Inc. fell during their first day of trading on the New York Stock Exchange, a day after its initial public offering priced lower than expected.

The Toano-based hardwood-flooring company had hoped the IPO would price at \$12 to \$14 per share. Instead, shares priced at \$11 and the IPO raised \$110 million before expenses and fees. Only 10 million shares sold, also less than expected.

The stock, with the ticker "LL," opened yesterday at \$10.25 and traded between \$9.61 and \$10.49 before closing at \$9.76.

Analysts said the timing was unfortunate. "They could have waited and got more money at a later time," said Scott Sweet, managing director of research firm IPO Boutique, in an Associated Press report.

"Long term, this will be good for the company," said Thomas D. Sullivan, founder and chairman. "Everyone can be an owner now and they can participate and we can expand."

Lumber Liquidators, formerly in Colonial Heights, employs 550 people at 111 stores in 42 states. Revenue last year was \$330 million. It finishes and sells discounted flooring under Bellawood and other names.

Employees will get shares based on their time with the company and positions.

Jeffrey W. Griffiths, president and chief executive, said the company has great growth potential. "Long term, I think we will do really well," he said.

The plan is to open 30 to 40 stores a year, giving the company about 300 locations by 2011, he said. Lumber Liquidators has opened 20 stores across the U.S. this year with five more to open by year's end.

The hardwood-flooring business is fragmented, so the company has the ability to grow market share, Griffiths said.

Sullivan started the company outside Boston in 1993, while building decks. He stored discarded lumber, then began buying and selling it.

He opened his first store in 1996, then moved the company in 1999 to Colonial Heights. The company outgrew that location in 2004 and took over a former John Deere plant off Interstate 64 near Williamsburg.

The distribution center, call center and finishing plant also are in James City County.

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