

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

## Chart Industries, Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

(Operator Instructions) Your first question is from James C. West – Lehman Brothers.

#### James C. West – Lehman Brothers

Sam, we've obviously been tracking the Energy World news that's been coming out as well plus I've seen at least one award recently from Bechtel in Australia and it looks to me like first off your LNG orders could start to accelerate here in the next call it six months. First, is that an accurate statement? Secondly, do you need to or are you planning to add additional capacity in anticipation of this?

#### Samuel F. Thomas

There has certainly been an increase in LNG bidding activity and working through the details of bringing these projects to fruition, getting full funding for them which is exciting for us but we try not to get too excited before we actually close the deals. In response to your question about capacity we have added capacity in many areas and we're well set up for braised aluminum heat exchangers in particular, a key component. In terms of our fabrication areas, we have capacity. We also have plans ready to go forward for increasing our capacity both here in the US and in China to meet anticipated orders.

#### James C. West – Lehman Brothers

Sam, where would you say your utilization is currently?

#### Samuel F. Thomas

It varies by site but I would say in general we're in the 75% to 80% of installed capacity.

#### James C. West – Lehman Brothers

Michael, I had a question on the E&C business, obviously very impressive margins for the second quarter. I think Sam mentioned 1.5% was from an incident of awards related to some contracts but going forward do you think that margins could be maintained probably at a 30% or higher level.

#### Michael F. Biehl

We think for the year it will average probably in the 30% range but there's potential to go higher because there's potential for more change orders and more incentives out there.

**Operator**

Your next question is from Ole Slorer – Morgan Stanley.

**Ole Slorer – Morgan Stanley**

Sam, half a year ago you warned a little bit of a slowdown in the US domestic market, industrial market. Since then economists have turned maybe out to progress a little bit worse than we thought rather than better, so what is that's turned out so much better than what you thought back then?

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.