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Quanta Services, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Thank you sir, we will now begin the question and answer session. [Operator Instructions]. And our first question. Sir, one moment please. Okay, I do apologize. Our first question comes from Tahira Afzal with KeyBanc Capital Markets. Go ahead please.

Tahira Afzal - KeyBanc Capital Markets

Congratulations guys on a very good quarter and outlook.

John R. Colson - President and Chief Executive Officer

Thank you.

Tahira Afzal - KeyBanc Capital Markets

Just a couple of questions. It seems in terms of your third quarter guidance, the implied operating margins seem to be well above the 9.5... well closer to the 9.5% range which sort of enters into that 9 to 12% territory that you have always alluded to. And if you look... a year back from now and today, how do you feel about that 9 to 12% range.

James H. Haddox - Chief Financial Officer

I don't think we have changed our mind at all about the 9 to 12% operating range our core businesses, our electric power and telecom are typically closer in that range. The other... our challenges of course are the gas distribution business and our other businesses... the C&I business and ancillary businesses, getting those to acceptable to where they don't drag our core businesses down.

Tahira Afzal - KeyBanc Capital Markets

So given that we are sort of maybe six months closer versus where we were six months ago, would you say that 9 to 12% range is achievable over the next 12 months, i.e., should we see the continued momentum that's implied in third quarter to continue into '09 in terms of margins?

James H. Haddox - Chief Financial Officer

Yes we do, we think that's probably achievable.

Tahira Afzal - KeyBanc Capital Markets

Okay. Well that's pretty confident. That's a good thing.

James H. Haddox - Chief Financial Officer

Okay, I will try not to sound too confident.

Tahira Afzal - KeyBanc Capital Markets

No, no, I don't mind at all. In terms of... in terms of the timing and I am sure you've been getting a lot of questions on this, in terms of the timing of the CREZ award and any of the large other awards to the extent that you can comment, is there anything you can add?

James H. Haddox - Chief Financial Officer

John, you want to take that one?

John R. Colson - President and Chief Executive Officer

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