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Westlake Chemical Corporation. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from the line of Kevin McCarthy with Banc of America Securities. Please proceed.

Kevin McCarthy - Banc of America Securities

Yes, good morning. The volume numbers on PVC resin at least for the segment came in fairly strong at positive 12.5%. Just wondered if you could comment on your utilization rate in that business and whether or not you feel as though you gained any market share from competitors?

Albert Chao

Well, our second quarter was a strong volume quarter for our Vinyls business and we have been running at a operating rate somewhat higher than what we read industry reported from, there is trade journals and we participate also somewhat in the export market even though at a somewhat lower rate than industry average.

Kevin McCarthy - Banc of America Securities

Albert, do you believe that second quarter volume is benefited at all from the late winter and perhaps the furlough of business from 1Q?

Albert Chao

Definitely, yes. The 1Q was a very slow month because of the bad weather and seasonal slowdown and we had really improved in second quarter.

Kevin McCarthy - Banc of America Securities

Okay. Then on the ethylene side, feedstocks as of yesterday anyway look like you are actually down versus June 30th levels for ethane and propane. Can you comment on the realizations of the announcements that you made, in other words overall \$0.07 in for July and what is your expectation for August on an industry wide basis?

Albert Chao

Yes. I think some of the trade journals reported that \$0.07 in July, the third quarter number, we implemented \$0.08 well. As you know, the feedstock volatility has been quite difficult to predict and it

takes time to implement price increases in the PE business. So, I think the \$0.08 announcement is in line with recent price increase we have seen in the ethane and propane costs.

Kevin McCarthy - Bank of America Securities

Okay, great. Then finally if I may for Steve, what was the magnitude of the FIFO accounting related benefit in the quarter, please?

Steve Bender

Yes, I would estimate the effect to be somewhere in the range of \$0.33 to \$0.36.

Kevin McCarthy - Bank of America Securities

Okay. Thank you very much.

Operator

Your next question comes from the line of Mark Connelly with Credit Suisse. Please proceed.

Nils Wallin - Credit Suisse

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