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Chart Industries, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Your first question comes from the line of James West from Barclays Capital. Your line is open.

James West – Barclays Capital

Hi, good morning Sam and Michael.

Michael Biehl

Good morning James.

Sam Thomas

Good morning.

James West – Barclays Capital

Sam last quarter in the Q&A we talked a little about of two of your major customers that recently either announced plans for new projects this will be Energy World Corporation and I believe, Bechtel that recently and won an award in Australia. So, I wondered if perhaps we could just start by talking about those two customers in light of the current economic if those programs are going forward, or there has been delays, any changes at all there?

Sam Thomas

The Bechtel projects are unchanged. There are large projects so there is some time period involved for them to go fully through the field studies but both Bechtel and their customer primarily ConocoPhillips seem to be saying that these projects will go forward and that they have the cash to do them. So at this point those are still very positive. In the case of Energy World they are similarly positive that the economics are still very attractive. What is unknown is in the credit environment is project financing. and what that means is how quickly projects will move forward. There has been a fair amount of general press about the coal bed methane projects in Queensland and I think the view is still very positive that the projects make economic sense. But certainly with the credit issues that is that question of will we go forward with final investment decisions right now as opposed to a few months down the road when credit markets open up again.

James West – Barclays Capital

Okay understood. Then Sam on the D&S business, it seems at least in my mind that this will be the most – or could be the most impacted by a recessionary environment in an environment where we see significant economic weakness given your exposure to some of the more emerging economies how do you think that that business would perform?

Sam Thomas

I think it will continue to perform very well. We have seen in distribution and storage there has been shifts in mix. We have been selling quite a few tanks for large projects at these emerging economies build out infrastructure but overall the view is very positive. Again when you have the credit environment and the macro news releases the tendency is for people – for our customers to pull back on capital expenditure but as things settle down for them to move forward because fundamentally these projects are economically sound. So we remain confident that activity is not going to stop. That the growth of these industrial economies will continue and that we continue to be very well positioned. Similarly in the United States there is plenty of uncertainty about U.S. economic activity levels but our customers continue to say, the industrial gas companies, that their gas volumes are rising, they're bringing new production online that will drive new tank sales.

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