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## Quanta Services, Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you, sir. [Operator Instructions]. Our first question comes from the line of Jamie Cook with Credit Suisse. Please go ahead.

#### Jamie Cook

Hi, good morning and congratulations on nice quarter. My first question relates to the fourth quarter guidance, I understand the fourth quarter is difficult of forecast given seasonality, it's the winter months but even if you exclude storm work, the mid point assumes about 6% top line growth, I am wondering if there is any one segment that's driving that and also and also it implies nice deterioration on the margin front. So, if you could just walk me through your thought process behind the guidance?

#### James H. Haddox

Sure I'll start and maybe James can follow in there with some margin discussion. But, the telecom business is down as we indicated in our conference call from Verizon and from AT&T. we think that's not strategic shift and direction for them but merely case out of casing situation with them. We think revenues will increase again in 2009. So, with that plus the difference between what we're forecasting for storm and what we realized in storm in the fourth quarter of last year, pretty much makes up for any shortfall.

#### John R. Colson

Same things applies to margins, Jamie, I mean margins, we expect margins to hold up on electric power and gas, but we are seeing a lower margins on the telecom and ancillary side than we did in the fourth quarter of last year.

#### Jamie Cook

So, you are still forecasting double-digit growth, top line growth on the electric power side?

#### James H. Haddox

Yes, we are and we are pretty entire company its for what I -- for my presentation earlier we believe that with spending returning from the telecom customers back in 2009 and along with extreme growth in the transmission business and the renewable business in ?09 as the whole company will have 10% internal growth in ?09.

**Jamie Cook**

Okay, so 10% internal growth in 2009. And then you know, its interesting to hear your positive commentary on the transmission spend but you know, at the same time we have had seen some CapEx reduction announcement from utilities you know, I think for a power in way you know, so they are going to cut their CapEx by 25% some of that was going to come from wind or an environment where financing is more difficult so, I mean what type when we think about your backlog growth in 2009, do you think you can see double-digit backlog growth, do you think that projects while the transmission set will happen at some point does it gets push to the right and does it become more of a 2010 story?

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