

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.

Hill International, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Our first question comes from Arnie Ursaner with CJS Securities.

Arnie Ursaner - CJS Securities

I think you said very little about your JVs. Could you expand a little bit about what is the status and what we should expect on a go-forward basis with these JVs?

David Richter

They are somewhat of a mixed basis, and we've had a lot of success with some. We expect a lot of success with some. Some others have been very slow in getting organized and off the ground. Probably the most successful has been the joint venture with the Talaat Moustafa Group in Egypt. It was one of the later ones and had the most immediate impact on us. We received about \$96 million worth of work from TMG in I think the end of the second quarter on about nine different projects that a few months later grew to 11 different projects, about \$4 billion worth of construction work. And we are staffing up those projects. They are in and outside of Egypt. We did see significant earnings from that in the third quarter, and we expect that to continue to grow.

We have a joint venture that we established in September in Philadelphia, a development joint venture called "Hill International Real Estate Partners" that we believe has a very high likelihood of getting their first project off the ground and are continuing to push on that front.

Of some of the others, the Egyptian Ministry of Petroleum has been very slow in getting off the ground. We have a bureaucratic government agency as a partner, and while we expected it to be slow, it's been slower than expected, but we anticipate that being functional and operating going forward in the first quarter of 2009.

The joint venture with Mecon Hill, which was intending to raise a significant fund has found that, as you can imagine in this market, extremely slow going, and we're reevaluating whether we'll have the fund or we'll fund projects on a project-by-project basis, and that's where that stands.

Arnie Ursaner - CJS Securities

The other question I wanted to go down the path on is you mentioned in your prepared remarks you're reevaluating acquisitions, you're maybe considering lowering your offered price or not move forward, so I have a couple of questions related to that. Are you still completely focused on

acquisitions that would be accretive, because given where your stock is you'd have to buy these incredibly well forward to be accretive?

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