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Holly Corp. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Jacques Rousseau, Back Bay Research; your line is open.

Jacques Rousseau - Back Bay Research

Thank you. Good quarter gentlemen. Question for you; it looks as though the asphalt business had a very strong quarter. I was wondering if you could give some color on the business and if you can put any amounts around what it earned in the quarter. That would be great. Thank you.

Matt Clifton

Well, I'll start Jacques, by just kind of the EBITDA and then I'll pass it on to Dave or to Matt to comment on the business. EBITDA for the quarter for the asphalt business was about \$9 million.

Matt Clifton

And you're right Jacques; we saw a substantial improvement in the second part of the year compared to the first. In particular asphalt prices strengthened quite a bit, by the time crude oil started to move in the opposite direction, so we saw a widening of spreads there that really helped us, in particular in the fourth quarter.

Jacques Rousseau - Back Bay Research

Were there any other non-refining businesses that put up earnings in the quarter that typically does not occur? I'm just trying to tie out my numbers. It seems as though there was something there.

Bruce Shaw

Not of any real significance Jacques. The asphalt piece is the most significant piece. As you know we had a good number of sulfur credit sales in '07 and that market just wasn't there in '08. So the most significant piece, the vast majority of it is the asphalt business.

Matt Clifton

We did have, Jacques. I think it was noted in our press release. We set up a data room early this summer on selling the little bit of E&P properties that Holly owned and awarded the bid process I

guess around the late summer and finally closed that in the end of October. So that was a \$6 million gain that was realized on the sale of those properties.

Jacques Rousseau - Back Bay Research

Thank you very much.

Operator

Your next question is from Jeff Dietert of Simmons; your line is open.

Jeff Dietert – Simmons & Co.

Good morning, Jeff Dietert with Simmons. Can you hear me okay.

Matt Clifton

Sure Jeff.

Jeff Dietert – Simmons & Co.

I was wondering if you could help us think about first quarter throughput at Navajo. With the maintenance activity that is underway, I'm sure you built some inventory in anticipation of the maintenance. What levels of throughput should we look for in the first quarter and did you build enough inventory to meet your sales contracts or would you expect to be buying product in the first quarter during the maintenance outage?

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