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TETRA Technologies Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions) Our first question comes from Jim Rollyson with Raymond James; please proceed with your question.

Jim Rollyson - Raymond James

Good morning Geoff, guys.

Geoff Hertel

Good morning, Jim.

Joe Abell

Good morning.

Jim Rollyson - Raymond James

I guess Geoff, since you detailed a lot of the forward outlook a couple of weeks ago, a couple questions coming to mind; one on the write-downs. Obviously you kind of explained pretty detailed why the write-downs happened at year end. As you look at things today, given that your stock is kind of trending at least at the moment a little lower, and oil and gas prices have come down a bit since year end, do you run into any risk of having further, similar write-downs, non-cash charges going forward?

Joe Abell

142 is a quarter-to-quarter, essentially markdown to market more or less. So yes, you would have that implication I would think. From a Maritech side I'm not sure that we have any properties that are susceptible to that at this point in time. So, I would look for very little impact from the Maritech side. There is certainly could be some through the year; enough properties that we own that things could change, but clearly the 142 calculation is a quarter-by-quarter transaction.

Jim Rollyson - Raymond James

Understood. As it relates to the production testing business, in a last couple of weeks ago, last call you had your comments were expecting that to slowdown domestically, but I think you hadn't really seen much of that yet. Just wondering if that started the change given that the rig counts still falling

and kind of what everybody else is seeing. Just kind of curious what the current temperature is on that business?

Stu Brightman

That's clearly a business that over the last period of time since we last had our call, we've seen that deterioration as you would expect. Again, in that business we always thought that would be a question of timing, the timing has hit us. That's also a business where we've said we think we'll be very strong internationally and we're still continuing to do well outside the U.S. and expect that will continue.

Jim Rollyson - Raymond James

Remind me, Stu, how much of that's international today?

Stu Brightman

It's again the majority is still in the U.S, but the margins are significantly stronger internationally. So on a revenue basis, we probably have two thirds, 70% in the U.S., but margins disproportionately and much stronger outside the U.S.

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