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URS Corp. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first audio question is from the line of Jamie Cook with Credit Suisse.

Chase Becker - Credit Suisse

Hi, good morning. It's actually Chase Becker in for Jamie. How are you?

Thomas Hicks

Hi Chase.

Martin Koffel

Good morning Chase.

Chase Becker - Credit Suisse

The question is pertaining to your expectation for MIBRAG in the guidance. Any color you can provide? I know you said its contingent upon when you're selling it, but what is your current assumption?

Martin Koffel

Well we're assuming that will close in the second quarter Chase and a couple of points to be made. There are a multiple number of variables related to what the impact will be on our performance in '09, including the actual interest rate that we avoid by paying down some of our debt, the final proceeds which will vary pretty significantly depending on issues like exchange rate and also some of the terms of the agreement.

The important thing to know is that, the guidance we've given you, the 280 to 295, encompasses the range of results there. So, what you've been guided to for next year, includes the impact of MIBRAG.

Chase Becker - Credit Suisse

Okay and then going to the Qatar gas project in the Washington Division, do we assume that carries into 2009 or are there any other projects that we should be aware of that are kind of dragging on into the beginning of the year?

Martin Koffel

Tom Zarges, the President of the Washington Division is very close to that project; if you can just speak to that.

Tom Zarges

Yes, with respect to Qatar of course, that's a sulfur removal and handling program that we have in the Middle East. That program will substantially complete in mid-year and we in fact are in the final stages, the opening stages of commissioning of that program and so we believe that we are entirely and adequately reserved for that program going into 2009, and we obviously haven't reflected our seen any other cause for reserves or issues on any other projects at the moment. So we are we believe adequately covered for that job for the balance of the year.

Martin Koffel

So as you know we have a huge portfolio of projects and at any given time we assess what our potential profitability is so on all those projects and they're all over the place and as I said they are hundreds of those, but your question was, is there any lingering large material issues and the Qatar gas is the one that we've disclosed and that's the one that Tom just reported on. Beyond that, you can review what we've told you in the K, but there's nothing new that's emerged that we haven't disclosed now.

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