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The Shaw Group, Inc. F2Q09 (Qtr End 02/28/09) Earnings Call Transcript

Earnings Call Excerpt

The Shaw Group, Inc. (SGR)

F2Q09 Earnings Call

April 9, 2009 5:00 pm ET

Executives

Chris Sammons - VP of IR

Jim Bernhard - President and CEO

Brian Ferraioli - EVP and CFO

Analysts

Andy Kaplowitz - Barclays Capital

Jamie Cook - Credit Suisse

Martin Malloy – Johnson, Rice & Co.

Analyst for Barry Bannister - Stifel Nicolaus

David Yuschak - SMH Capital

Stephen Fisher – UBS

Joe Richie - Goldman Sachs

Brian Chin - Citigroup

Scott Levine – JP Morgan

Barry Bannister - Stifel Nicolaus

Presentation

Operator

Welcome to The Shaw Group, Inc. second quarter 2009 earnings conference call. (Operator Instructions) I will now turn the call over to Mr. Chris Sammons. Mr. Sammons, you may begin.

Chris Sammons

Thank you operator. Good afternoon everyone. Thank you for joining us today. We have posted a slide presentation on our website to accompany today's call. To access the slides our website is www.shawgrp.com and the slides are available on the link that takes you to the Investor Relations page. We will reference the slides by number as we proceed. Leading the call today are, Jim Bernhard, Chairman of the Board, President and Chief Executive Officer of Shaw and Brian Ferraioli, Executive Vice President and Chief Financial Officer.

Before we begin our remarks I would like to remind everyone to refer to slide two with regard to forward-looking statements and Regulation G reconciliations. Please consider this information appropriately with respect to today's presentation. There will be a question-and-answer period after our remarks and the operator will instruct you on how to proceed with the Q&A.

Now, I'll refer you to slide three and turn the call over to Brian Ferraioli.

Brian Ferraioli

Thank you, Chris. Good afternoon everyone. Our second quarter results were mixed with record earnings in our E&C group and continued strong earnings from our F&M and E&I group. However, increased construction labor costs on a fossil contract negatively impacted our quarterly results.

Turning to new awards and backlog we had record bookings for the quarter even after the removal of the Little Gypsy project from our backlog. It has been widely reported here in the Louisiana press that the client, Entergy, has requested a minimum three-year suspension in the project and accordingly we have removed it from our backlog.

During the quarter we booked the largest contract in our company's history, the EPC contract for two new nuclear reactors in Florida for Progress Energy as well as part of the nuclear contract in South Carolina for SCANA and Santee Cooper. The reason only part of that contract was booked while the whole contract was booked for Progress relates to differences between the two agreements we have with our clients.

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