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## Xinhua Finance Media Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### **Operator**

(Operator Instructions) Your first question comes from the line of Imran Khan with JPMorgan.

#### **Imran Khan - JPMorgan**

Two questions; first, Fredy, you talked about that advertising cancellation due to the earthquake. Could you give us some color -- do you expect those advertising dollars to come back, and if so, when?

Secondly, Andrew talked about earn-out. Could you give us some sense how much earn-out you might have to pay during the second half of this year? Thank you.

#### **Fredy Bush**

Certainly. In terms of the ad dollars, I think it's fairly well-known in the market that the earthquake did have an impact in terms of the amount of money people were spending on specific advertising campaigns. What happened is that a number of the companies took some of their advertising dollars and donated to the earthquake endeavors.

We expect in the second half with that behind us that ad dollars will go back to normal. And then we're seeing just sort of on a macro level, I think it's important for me to say that we are seeing overall ad dollars increasing and coming into China as we expected. That's being driven by the Olympics, so the pie is very big and growing. So we are pretty optimistic about the second half as a result of what we are seeing in just overall dollars coming into the market.

And I'll turn it over to Andrew to give you the earn-out payments.

#### **Andrew Chang**

Sure. We spent about \$13 million in the second quarter for settlement of earn-out payments and we estimate for the second half of the year, we will spend between \$15 million to \$20 million in settling of certain earn-out payments in terms of cash, and another \$15 million to \$20 million in terms of share issuance.

#### **Imran Khan - JPMorgan**

Okay, great. Thank you.

**Operator**

Your next question comes from the line of Jason Helfstein with Oppenheimer.

**Jason Helfstein - Oppenheimer & Co.**

Four questions, the first just to tag on to Imran's -- so is it fair to say that you could have lost \$1 million or more in the broadcast segment because of the earthquake? That would be question one.

Then question number two -- so what drove the strength of print online as far as price? Was it more pricing or more number of contracts? And I know it's in your appendix but I haven't gotten a chance to look at it.

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