

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a yellow Greek letter alpha symbol to the right, all on a dark red background.

## Cox Radio Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

---

First question is coming from Jim Boyle from C.L. King.

**Jim Boyle - C.L. King**

What happened in Q2 to the NTR, other internet revenue? Was it timing or just the soft internet increase?

**Neil Johnston**

Really a question of timing. As we look and we go through the year, one of the things we are very focused on is our key events and what's happening on the event side of thing. Sometimes events happen and sometimes they don't. We've tended to eliminate those events that are not profitable.

**Jim Boyle - C.L. King**

If the radio industry has been lessened disciplined in its commercial unit inventory choices as you have repeatedly commented on, how do you think the industry will manage adding HD radio inventory?

**Robert Neil**

Good question, Jim. I think, one of the concerns about HD going into was what kind of commercial inventory was going to run most of the HD-2 stations launched with no commercials. I think in the short term the reality is those HD-2 channels don't have any audience to speak of. So until they do, they're not really capable of being used or monetized much of anything. So I guess any inventory that sits there sort of becomes a bit of a non-issue. In other words, there's a big difference between having the inventory on a station that doesn't have a lot of audience or no audience, and adding inventory against the station, that's again very powerful in a marketplace. So I think, it's a good long-term question but short term I don't think it really affects us at all.

**Jim Boyle - C.L. King**

Neil, the SOI year-to-date are 37.6%. In 2005, your SOI margins were 41.5% or about 400 bits higher. If you go back 2000 they were 40%, 1995, [pre-D Re, pre-cluster] consolidation, Cox Radio's SOI margins were 27.2%. If you take kind of a potential conservative economic projection and conservative radio industry forecast, can you see Cox's SOI margins at least holding the line in the high 30's or will mid-30s be prudent long-term thinking?

**Neil Johnston**

Jim it's very difficult to set a forecast exactly where the margins will go. We are constantly working on insuring them that we maintain the margins we've got. We are very focused on what expenses as we cut go, as Bob mentioned in his remarks and I did to. We are still investing in product and programming to make sure that we address the news of our listeners and provide a really strong product and maintain our audience.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.