

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

Media General, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Edward Atorino – Benchmark Capital.

Edward Atorino - Benchmark Capital

You ran through a little quickly the \$40 million annualized savings and how it breaks out this year and last year. 40% is in '08 and the rest comes in '09, is that right?

Marshall N. Morton

We're saying that we began the program in '07 so there was a little savings there. \$40 million is the total year-over-year but by the time we get it all implemented in '08, we'll recognize about 40% of that, so \$16 million --

.

Edward Atorino - Benchmark Capital

-- in '08.

Marshall N. Morton

And we'll say \$40 million in its entirety in '09.

Edward Atorino - Benchmark Capital

You'll get \$40 million in '09 plus the \$16 million?

Marshall N. Morton

We're saying that the total looking at '07 versus where we are on an annualized rate today, the drop is \$40 million, but we haven't implemented it all at the beginning of '08. Had we done that, it would have been \$40 million, but you'll see a full \$40 million relative to '07 in '09 and we expect to trap \$16 million of that this year.

Edward Atorino - Benchmark Capital

Any indication of forward bookings on television pacings at this level?

Marshall N. Morton

Let me point to Reid on that one.

O. Reid Ashe Jr.

Ed, no meaningful change in trends.

Edward Atorino - Benchmark Capital

Even with political starting to kick in? Or isn't it kicking in yet?

O. Reid Ashe Jr.

Political doesn't get booked this far in advance. It all just sort of comes in tomorrow.

Marshall N. Morton

It's also paid for in advance though.

O. Reid Ashe Jr.

Absolutely.

Edward Atorino - Benchmark Capital

This is I guess the \$80 million question. Any sign of any kind of bottom anywhere and the classified categories, number one, and in retail, is there a possibility that some of the decline is due to push back in spending given the summer months and maybe for the free school period of fourth quarter, or is it just simply cutting back? Or both?

Marshall N. Morton

Ed, I would like to hazard a guess but it would be only a guess and I really don't have anything to base it on, sorry.

Edward Atorino - Benchmark Capital

And lastly but not leastly, is there a bottom to the classified decline? Are you starting to reach a core base of advertising? If people are out of business, they've gone to zeroes.

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