

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

Speedway Motorsports, Inc. Q1 2008 Earnings Conference Call

Question-and-Answer Session

Operator

(Operator Instructions) Our first question comes from Timothy Conder - Wachovia.

Timothy Conder - Wachovia Capital Markets

On Motorsports Authentics, gentlemen could you talk about what your expectations are for the year and also in your 240 to 250 guidance as I read your press release correctly, I think you state in there that that excludes anything from Motorsports Authentics discontinued operations equity investments and so forth. So, just a little clarification on that and then markets maybe on your sponsorship renewals; can you talk about what your average escalators are on the ones that are renewing this year going forward and what that has been over the last couple of years.

Humpy Wheeler

Well, Tim we expect the Motorsports Authentics to be breakeven for the 2008 year. We hope that it will do better than that, but that is our expectation and you are correct that our estimate of 240 to 250 does not exclude some various items in particular discontinued operations and Motorsports Authentics.

Bill Brooks

Yes, Tim on the sponsorships, what we have been seeing, this year as well as in years past is that in the middle of the contract of the term and agreement, the escalators tend to be low single-digits and then when the contracts is up for renewal and it goes from one contract to the next it tends to be either from the high single-digits to low double digits and the low teens.

Timothy Conder - Wachovia Capital Markets

You are saying you are seeing an acceleration from the old contracts. From the new contracts you are seeing acceleration in the escalators or you're able to get in the new contract.

Bill Brooks

No, I am sorry. What happens is say if we just finished up a five year deal. Within this timeframe of those five years the escalator tends to be in the low single-digits; I guess low-to-mid.

Timothy Conder - Wachovia Capital Markets

This is all on a old contract that's just wrapping up.

Bill Brooks

Yes, so then when you renew that contract, it tends to be a step up that's higher to adjust for what today's prices might be as opposed to what was negotiated five years ago and then that new contract, it might be for another five year and the body of that will have those low-to-mid single-digits escalators for that five years.

Timothy Conder - Wachovia Capital Markets

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