



Gray Television, Inc. Q1 2008 Earnings Call Transcript

Earnings Call Excerpt

Gray Television, Inc. (GTN)

Q1 2008 Earnings Call

May 9, 2008 10:00 am ET

Executives

Robert S. Prather, Jr. – President, Chief Operating Officer, and Director

James C. Ryan – Chief Financial Officer

Analysts

Victor Miller – Bear Stearns

Marci Ryvicker – Wachovia

Brian Broadbent – Highland Capital

James Goss – Barrington Research

Larry [Schnomacher] – Oppenheimer & Co

Dan Wright – The Daily News Record

David Taicher – Lowe's

Presentation

Operator

Welcome to the Gray Television's first quarter earnings release conference call. (Operator Instructions) For opening remarks and introduction, I would like to turn the call over to Mr. Prather.

Robert S. Prather, Jr.

Welcome everybody to the Gray Television first quarter earnings call. I think we all know we're living in some pretty interesting times these days. I guess we've got overall basically mostly good news. We finished at the top end of our guidance for the first quarter.

Our guidance wasn't fantastic, but we did what we said we were going to do. We are feeling real good about the economy for most of the rest of the year especially in the second half. We think the political is going to be an all-time record spending. I think the Presidential was coming in a little slower than it did in 2004, but I think that was a unique situation and obviously this year is unique with the democratic primary still being contested, but the good news is we got big stations in Kentucky and West Virginia and we're hoping the two democrats will continue to spend money on those two states, but we were a little ahead of budget for the first quarter in political; the second quarter may be a little behind, but we normally get between 85% and 88% of our political in the third and fourth quarters.

That's has been our historical average over the years; so, we're expecting some big numbers coming in the third and fourth quarters. Also we're looking forward to the Olympics. Some of our biggest stations are NBCs and the Olympics in China should be big for us. I think we did \$3.5 million in the last Olympics, and we hope we can do better than that this time – we should be able to. We got 284 days until the digital transition. I think this is fantastic for our industry. I think it's great for Gray Television.

I think it's going to be great for the consumer, viewers, and the advertisers; and I wish it was here tomorrow and I think it may be a little bumpy those weeks or so during the transition, but I think we'll get through that pretty quickly. I don't know if most of you saw, but Wilmington, North Carolina, has been picked as a test market and they're going to try to test going forward digital there in September this year, I believe, it is. Here again, I think this is going to be great for our industry in the long run and I think it will be very good for us. We're in a great position with our 40 digital channels on air already. So, we're looking forward to going full digital.

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