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## Martha Stewart Living Omnimedia Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Richard Ingrassia of Roth Capital Partners.

#### Richard Ingrassia - Roth Capital Partners

Susan, would you say that your primary strategy for the balance of the year is execution on the Internet ad platform and other legacy businesses, as well as exploitation of Emeril versus finding additional acquisitions or short-term growth opportunities, as Howard put it?

#### Susan Lyne

I think that we've done a lot of work these past couple of years to put in place programs that can deliver short-term growth and more importantly significant long-term growth, so yes, we are very focused on executing on those programs, no question about that.

We do believe that there is a big upside to our Emeril business. It will be an immediate contributor but we have a lot of good ideas already about how we are going to grow that business.

And obviously the fact that we still have a strong balance sheet means that we are constantly looking for appropriate acquisitions. We started talking about acquisitions about 18 months ago. It took us more than a year to find the right acquisition. We are very disciplined investors, so I don't think you should be looking for us to necessarily make any quick new investments but it's an important part of our strategy long-term to continue diversifying our portfolio of brands, so yes, that is absolutely on the agenda.

#### Richard Ingrassia - Roth Capital Partners

Thanks. And would you say in the magazine segment, are we in middle innings of a rebound of CPMs and pages there? Or would you say we are now starting to approach the norms prior to Martha's legal issues?

#### Susan Lyne

I am going to toss that to Wenda since she's on the call with us. I think she is probably the right person to answer that question.

#### Wenda H. Millard

I think this sales team does an outstanding job of conveying the quality of our brands to the advertising community and I think the CPMs that they are garnering in the marketplace really speak to that. They do very, very well on an historical basis as well as a competitive basis now. So I think -- and particularly in this marketplace, so I think that right now you are seeing about as solid CPMs as you are going to see from anybody in the marketplace, so I'd say we are very much back and doing a great job vis-à-vis our competitors. But we are definitely -- those CPMs are definitely reflecting the quality of this brand.

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