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Media General Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). I am showing your first question comes from the line of David Clarke from Deutsche Bank. Please proceed.

David Clarke

Thank you good morning.

Marshall Morton

Hi David.

David Clarke

Circulation revenue was down about 6% in March, and I think it was down about 5% in January and February. I guess a bit more about why you're seeing accelerating decline in circulation revenue, as it relate to the economic trouble in Florida. And then also has that happened in past recession?

Marshall Morton

Reid, I thank you our better perspective on that against past recession and fluorescence you were there?

Reid Ashe

There is a couple of factors play there, one is that we have got note of some third party circulation you know, essentially in cost cutting move and also to clean up our circulation limited to that which is most especially for the advertisers. And also, during February and March we slowed down our subscription sales operation in a cost cutting move we feel tough that's only we could survived for a couple of months but we are back in the field this month selling subscriptions again. So, yes, first quarter circulation did take a larger jump than normal.

David Clarke

Okay. And then what has newspaper sales force turnover been like over the last year. I mean as the economy is weakened and we have seen these large drops in revenue for both you guys and other newspaper companies, has it been hard to attain sales talent. Has the turnover accelerated

noticeably, and have you had to change the compensation structure as a result in order to retain salesmen?

Marshall Morton

We have not noticed an increase in turnover now. That is an interesting angle. Our compensation is very heavily based on commission as opposed to any fixed component and so, it intends salesmen to move. We of course try to put revenue growth, so the more salesmen we have go on the field, the better.

David Clarke

Okay and I guess just one final question, how is TV pacing so far in the second quarter?

Marshall Morton

How is TV pacing so far in the ??

David Clarke

Yeah, have you seen a change in trend, you know in April and the May book relative to what (inaudible).

Reid Ashe

We are seeing some weakening in national advertising just about every where and we see that sentence applies not only to us but also to other broadcasters that our rep firms deal with.

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