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Spanish Broadcasting System Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions). Our first question comes from John Blackledge of JPMorgan.

John Blackledge - JPMorgan

On the cost side just wondering what drew the radio costs up in the fourth quarter and TV OpEx was a little bit higher than we thought. So just wondering, I know TV OpEx was down on a year-over-year basis. But it was a little bit higher, just wondering, what's going on there and then for the mid single digit revenue decline in the first quarter, just wondering what radio is pacing out and what TV is pacing out? Thanks.

Joseph Garcia

I would like to address the agenda, I would like to address your fourth quarter operating expenses overall approximately 3% up, they were basically related to marketing to our brands in New York and our new morning show in Puerto Rico. And an increasing compensation to the new morning show in Puerto Rico, so related to programming initiatives that we had made regarding the sales.

Raúl Alarcón, Jr.

Regarding the first quarter revenue decline John, I could safely say that we see a softening in all of our markets, I think with the possible exception of Puerto Rico, it's just that the radio environment out there is soft and that's why we want to be conservative in projecting this mid single digit lowering of revenue for the quarter.

John Blackledge - JPMorgan

So that mid single digit pacing down is that -- that's just radio, what's TV pacing?

Raúl Alarcón, Jr.

No, that's consolidated.

John Blackledge - JPMorgan

That's total, okay.

Raúl Alarcón, Jr.

That's a consolidated; we're giving you consolidated guidance.

John Blackledge - JPMorgan

Is radio worse than I guess; is radio down like more than mid single?

Raúl Alarcón, Jr.

Radio is down a little worse than that and of course television although it's a smaller division for us, is up significantly.

John Blackledge - JPMorgan

Okay.

Raúl Alarcón, Jr.

Okay.

John Blackledge - JPMorgan

That's great. Just wondering what CapEx expectation in '08 is?

Joseph Garcia

CapEx expectation for the first quarter of '08 is in the range of approximately \$5 million to \$6 million.

John Blackledge - JPMorgan

Thank you.

Raúl Alarcón, Jr.

Thank you, sir.

Operator

Our next question comes from David Joyce of Miller Tabak Company.

David Joyce - Miller Tabak & Co

I was wondering if you could comment on any political ad spending in the first quarter with some of the primaries, you had that in Florida and what the outlook could be later in the year with respect to that as well?

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