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Primedia Q3 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) We'll take our first question from Michael Meltz - Bear Stearns.

Michael Meltz - Bear Stearns

Your guidance for full year EBITDA -- just so we're clear -- you're saying approximately flat. Are you guiding to down EBITDA for the full year? I just want to clarify that. Even if it's down a little bit, I just want to make sure I understand what you're saying.

Secondly, on NOLs, I think back in August, you talked about having a little bit over \$500 million was your estimate at the time. Can you talk about how that has been grossed up to this level and how much confidence you have in that number?

Third, on the net debt number, does that include all fees or is there a tail on Enthusiast Media fees, so that net debt number is actually probably a little bit higher than that \$206 million or \$207 million you were talking about?

Kim Payne

I'm going to try to tackle all of these. On the guidance question, we're saying flat and your question is could it potentially be down, even if a little bit?

Michael Meltz - Bear Stearns

I'm not saying potentially. When you're saying approximately flat, are you saying flat or down?

Kim Payne

Well, it could be down slightly to up slightly.

Michael Meltz - Bear Stearns

And that would incorporate better expense performance or better EBITDA performance in the fourth quarter?

Kim Payne

Right. On NOLs, the \$500 million was an estimate prior to selling Enthusiast Media. After the sale and through all the current evaluations and analysis, we're around \$700 million. We do feel confident that that is a good number based on all of the information that we have.

On the net debt, we do still have some items outstanding, specifically the taxes have not been paid on the gain yet. We're still working through that component. So, that's would be the biggest driver that would be impacting that net debt.

Michael Meltz - Bear Stearns

Roughly, what's that number?

Kim Payne

Roughly, as we outlined in the earnings release, it is around \$31 million, a little north of \$31 million, that estimate.

Michael Meltz - Bear Stearns

On Apartment Guides, you're saying you'll do better as you view it in Q4 than the \$52.4 million you did in Q3? Can you just tell us what the year-ago number was? So 4Q06, what the base number is?

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