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Hollywood Media Q2 2006 Earnings Conference Call Transcript (HOLL)

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Jeff Shelton of Bleichroeder.

Jeff Shelton – Bleichroeder

Thanks. A couple questions. I was hoping you could talk a little bit more about the strong Broadway numbers. How much of that came from the West End? Could you break out how much of the growth was in the group sales versus the online/phone?

Second question: G&A saw a nice sequential decrease. Is that where the one-time warrant was booked, or is that a good base to go off from there? I'll leave it at that. Thanks.

Mitchell Rubenstein

Thanks for the question. On the G&A, the decrease was not related to the one time warrant that you mentioned. So that's an actual drop in G&A.

In terms of our Broadway revenue increase, we did experience very strong increases in both individual sales and group sales. Groups has really come back strong for us. We're really defeating the competition in groups. It was about a 47% increase in our Broadway group ticket sales from Q205 to Q206. Individuals were about 14%, so still strong because the dollar amounts, it was almost a \$2 million increase in individual sales, and about a \$3.4 million increase in group sales, which is how you get to it.

Hotels were up about 26%, hotel sales. But those are coming in net, so we had almost \$455,000 in revenue, which doesn't sound like a lot but when it's net, it's really nice because it goes right to the bottom line.

I don't have London figures to update everyone with just yet. It's tracking nicely. It takes about nine months approximately from launch earlier this year until it gets picked up by the search engines organically, without having to pay for it. We think with the rich content and all that, that will drive growth. So that should start to take effect prior to the Christmas holiday season in London.

So we've been managing very carefully our other marketing expenses, our per click costs and so on, and not driving sales just for the sake of showing revenue growth, but managing the costs on that side. So we can step up the revenue growth virtually at will, once the organic search begins to kick in.

Jeff Shelton – Bleichroeder

Thank you.

Mitchell Rubenstein

Thank you.

Operator

(Operator instructions) Your next question comes from Andrew Mead of Corsair.

Andrew Mead - Corsair

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