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TheStreet.com Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Colin Gillis - Canaccord.

Colin Gillis - Canaccord

Can you give us some color as to how the months in the quarter shook out and did you see a sharp uptake in cancellations around the September 15th period? And if you can give any color about what you've seen in October just in terms of acceleration of those trends, that would be helpful, too.

Thomas Clarke

Yes, Colin, we did see, as we got into September - I mean, it kind of exacerbated itself even more than what we had kind of seen in the beginning of September. So I would say that, as we got into the month, the latter part of September, certainly we saw more falloff, more cancellations of programs, all kinds of industry, .com advertising side for campaigns that were committed and also on the Promotions side, where you have large brand clients that had campaigns that were out there that they didn't pull going forward.

I can't say that we've seen that it's accelerated itself in October, but it's kind of kept the same level. I don't think it's gotten any worse, but I can also tell you it hasn't gotten any better. So I don't think it has thawed yet and I think that there's, you know, little visibility we have as this thing plays out. And I think part of it is the macroeconomic environment as these companies are trying to decipher, you know, whether they go out with campaigns or messages or not. As you can see with the auto industry and some of the financials, I mean, there's been significant pullback in those areas.

Colin Gillis - Canaccord

Are your clients giving you any color as to how they're thinking about their '09 budgets? Has the budget process been set? Is the expectation for budgets to be reduced across the board?

Thomas Clarke

I think that they don't have any color, to be honest with you. I mean, especially when a lot of these campaigns are going through agencies and then the agency goes out and buys and places, I mean, right now the agency says we don't know. We don't. You know, there is - they have a level, but they don't know what that level is and there's no clarity on the level. And I think you're not going to see that until you get much closer to the end of the year. I think that most companies are kind of reevaluating their budget process all the way.

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