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The McClatchy Company Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Alexia Quadrani. You have the floor, ma'am.

Alexia Quadrani - JPMorgan

Thank you. A question on your comments on the January revenue trends. Is it really just the classified that continues to deteriorate or is it across the board? Then second question is, could you give us your thought process on any potential strategic options to help pay down the debt, potentially sale of some properties? Thank you.

Gary Pruitt

Okay. In January, we have seen further weakness in employment and retail. Those are the two categories where we have seen weakness increase. The other categories more or less were to their current trend. We have sold non-core assets in the past year, including real estate and other non-core businesses, a newsprint company. We will continue to look at that and evaluate that.

The market for the sale of many assets is weak. So we need to keep that in mind as we evaluate steps we take as well. So we continue to look at that and evaluate that as a possible step in strengthening our financial position. So we will continue to do that.

Operator

Your next question comes from the line of Matthew Dundon with Miller Tabak Roberts Securities. You have the floor, sir.

Matthew Dundon - Miller Tabak Roberts Securities

Thanks. Two related questions. The first is, what do you think you are doing right online and potentially what are other newspapers doing wrong? What do they have to learn from you? Secondly, we talked about auto dealerships and so forth; you say you do not have visibility. However, if you do not see the major trends, what are people telling their sales force about just the near-term? Aare you thinking about changing sales force headcount, outsourcing sales, doing anything to maybe shakeup the approach to advertising revenues instead of just waiting for the economy to raise all boats?

Gary Pruitt

Okay. Thank you. Well, first of all, I do not want to speak about other companies and their efforts online. I can speak to McClatchy. At McClatchy, we do recognize that our future is with a hybrid company, print and online, and we have more opportunity for growth online than we do in print.

So we have put a great deal of emphasis there in terms of training the sales force across the company, in terms of changing the incentive structure, in terms of allocating resources there, and in terms of partnerships with other internet companies. We have an ownership stake in cars.com. We own a quarter of that company in apartments.com, and our approximately 14% stake in CareerBuilder. So, we feel we have best of breed classified products.

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