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Sohu.com Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions). The first question comes from Jason Brueschke from Citigroup. Please state your question.

Jason Brueschke – Citigroup

Great. Thank you. Good evening everyone, and congratulations on really a fantastic year. Carol and Belinda, the first question I have is on brand advertising and then I have one on the games. When I look at the guidance that you have given and I hear the prepared remarks, there seems to be a number of moving parts and I wonder if you could comment on, on the one hand, Q1 is seasonally the weakest quarter for advertising. But at the same time a year ago, you did not have as much Olympic related advertising, and yet as the year progressed in 2008, you had more and more Olympic advertising, and thus it seems like to me the comp, in terms of your year over growth, could get more challenging as 2009 goes on.

At the same time, Belinda mentioned that orders, and I think especially real estate advertising likely will be back end loaded, that may be offsetting some of the Olympic effect. And I guess the question is the year-on-year growth that you have got in Q1, is that going to be – do think that's going to be one of the strongest quarters of the year, is it going to be – or shall I say – it's going to be one of the weaker quarters and we expect the year over growth to actually accelerate as the year goes on? That's the first question.

Carol Yu

Jason, we're not giving our full-year guidance yet. I will just let Belinda take that question, but we're not giving out full-year guidance yet. Wait until we finish signing up our annual framework contract, when we do our Q1 call.

Jason Brueschke – Citigroup

Okay, fair enough.

Belinda Wang

Jason, as Carol explained, we are in the process of negotiating with the advertisers on the annual framework, so it is still too early to comment on the full year revenue growth. But talking about the first quarter revenue, I think because of the economic weakness, some companies will be cautious about the marketing budget spending for 2009. So this also reflects in first quarter. So especially

those companies in real estate, automobile, PC, housing apparatus, online games. However, I think what with our make efforts is that we will try to lead them to a bigger portion of their marketing budget online based on the bigger user base, based on the better user efficiency and cost effectiveness.

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