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Martha Stewart Living Omnimedia Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. The floor is now open for questions. (Operator Instructions). And your first question comes from the line of Richard Ingrassia, Roth Capital Partners.

Richard Ingrassia - Roth Capital Partners

Okay. Two questions if I can. Charles and Allison you both mentioned cuts in corporate overhead, but it actually show your corporate G&A excluding stock comp up 3% in '08. Can you give us some clarification there and maybe any update on efforts to otherwise reduce costs perhaps in marketing or in renegotiating any vendor agreement?

Charles Koppelman

Well first of all as it pertains to additional costs, we're always evaluating our cost structure and taking every effort that's available to bring those costs down. I think Dan you can speak to the numbers that we've booked.

Unidentified Analyst

Yes thanks. This is Dan Weinstein (ph). Our 2008 cost cutting initiatives, you're not going to see a full year benefit of until 2009, for example, we did reduce our headcounts by 12% which took 15% of our compensation cost out of the business. But you won't see that annualize savings until 2009. The same is true for our other operational cost savings that we've done continuously throughout 2008 and we plan to continue. But you won't see that full benefit in 2008.

Charles Koppelman

Does that answer it for you?

Richard Ingrassia - Roth Capital Partners

That's good enough for now. Thank you. And one more, if I may, and I know it's not an easy question, Charles to answer publicly but I'm going to ask it anyway. Given the severe discount you are getting to any reasonable private market value calculation on the brand and given that the discount is likely to persist as you wade through retail and ad recession in '09 may be 2010 as well and on top of that Martha's SEC restrictions to 2011, does it make any sense anymore for MSO to remain a public company?

Charles Koppelman

We are quite happy being a public company. We do look at all alternatives on a regular basis. And we remain confident in what we're doing and our strategy going forward.

Richard Ingrassia - Roth Capital Partners

Okay. Thanks.

Charles Koppelman

You're welcome.

Operator

Your next question comes from the line of Michael Kupinski.

Michael Kupinsky - Noble Financial Group

Thank you. I had a couple of quick questions. I would have thought that you would may have announced the Kmart garden furniture by now, the replacement for the garden furniture at Kmart, given the time lead that you need for that product to get through development and shifting all. Do you have any updates on that? And then I have a couple of quick other follow-up questions.

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