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Q4 2008 Primedia Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. And ladies and gentlemen at this time we will conduct a question-and-answer session. (Operator instructions) Our first question comes from Michael Meltz - J.P. Morgan.

Michael Meltz - J.P. Morgan

I think I have three questions. At Apartment Guide, it sounds like you're expecting momentum to persist there. What are you seeing on vacancy rates in your markets? Has there been any change of late that would change your outlook on that business and then I have a couple of follow-ups?

Charles Stubbs

As far as the vacancy rates, it really varies by customer, by market, even by section of town as you know, but I think that the data that we are seeing in the industry shows that vacancy rates are increasing, obviously occupancy rates are dropping in the current market.

Michael Meltz - J.P. Morgan

Okay. But that's not making you more cautious on your business?

Charles Stubbs

We are not giving guidance beyond what we enclosed in the earnings release for Q4.

Michael Meltz - J.P. Morgan

The language in your press release and on this call sounded like you expect customer count and I don't know what you said, market share to improve in Apartment Guide's. I would think that means you expect revenues to grow at Apartment Guide's. Am I misreading that?

Charles Stubbs

I think we feel good about our strategies, tactics and plans in place during the current economic condition.

Michael Meltz - J.P. Morgan

Am I misreading it or am I making it up?

Charles Stubbs

I think the earnings release, it really focuses on Q4 and that's the way that it should be interpreted. We don't really give guidance. We feel really good about a lot of the plans. We are doing a lot of market level kind of tactics and strategy with our competition and we feel good that we have a very solid plan and are moving the business.

Michael Meltz - J.P. Morgan

Okay. Just as an aside, if you're going to give guidance for the two tiny businesses, it probably makes sense to give it for the business that matters in my view. On the cost side, Kim, are you saying \$15 million of cost takeouts; is that an '09 number or is that a run-rate number. And are you saying take the \$240 million of pre-DNA costs that you did in '08 and just deduct 15 and that's how we should be thinking about the run- rate of expenses?

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