

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha (α) in orange, all on a dark red background.

Sohu Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) The first question comes from the line of Mr. Jason Brueschke from Citigroup. Please go ahead with your question, sir.

Jason Brueschke - Citigroup

Thank you very much. Good evening Charles, Carol, Belinda, Brandi and everyone and congratulations both on the successful spin-off of Changyou and also on the quarter.

Carol Yu

Jason, [Walter] and Alex are also around.

Jason Brueschke - Citigroup

Oh, well, congratulations for a second time to them as well, an hour-and-a-half later. Carol, I think this is probably a question more for Belinda but possibly also for you and Charles and it deals with the state of advertising demand, and there's a couple of sub-parts to it. Clearly advertising was challenged in the latter half of the first -- well, I'd say the beginning of the first quarter and at least the middle. But the underlying economy in China seems to have been, at least from the macro perspective, seems to have been improving, and I was wondering if first you could give a little bit of color as to why there is a reluctance on the part of advertisers to, in a sense, sense this improvement in the economy and go ahead and spend early in the year.

The second part of the question is to the extent that 70% of the framework agreements are signed and the expectation is the remainder will be signed in the next say six or eight weeks, should we be expecting the second half of the year to end up being materially stronger than the first half since the total budget allocation seems to be back-end loaded? And then finally, could you maybe comment on how and when you expect the total business to benefit from the branding campaign that you have undertaken? Is it primarily aimed at raising profile among the general Internet population or is it also intended to strengthen your brand awareness with advertisers going forward? Thanks.

Carol Yu

Jason, that's many questions. The first one is about the economy, right?

Jason Brueschke - Citigroup

Right.

Carol Yu

Okay. The second is whether the second half will be better than the first half being like more framework contracts being signed and more back-end loaded, and the third one is when do we expect the branding campaign will benefit the portal business?

Jason Brueschke - Citigroup

You'll much more succinct than I am, Carol, but yeah those are the three questions.

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.