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Scripps Networks Interactive, Inc., Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Our first question comes from the line of John Janedis - Wachovia Capital Markets.

John Janedis - Wachovia Capital Markets

You guys bought GAC a few years ago for what I think was a pretty good price, and so I'm wondering with \$56 million subs revenue out in the maybe \$25, \$30 million and modest EBITDA, would you consider flipping to another format to something more related to food or shelter?

Kenneth W. Lowe

No, not at this time; I think we've been pleased with the progress that we've made especially under Ed Hardy's leadership and his crew at GAC; they really have done a great job of getting themselves embedded in the national community and who now has got a direct competitor with CMC, so it's always a bit different; but at this time, we're pleased with GAC and we're looking for improvement throughout 2009.

John Janedis - Wachovia Capital Markets

One quick one for Joe, on uSwitch, have you guys pulled back somewhat on investment due to some of the issues you discussed?

Joseph G. NeCastro

Indeed we have; we do have a couple of modest investments underway, one, we're looking at expansion into Spain, we've got something underway there and as we look at new product launches there, we're looking at either white label or very low cost launches, but we have pulled back on any significant diversification efforts there.

Operator

Our next question comes from the line Alexia Quadrani - J.P. Morgan.

Alexia Quadrani - J.P. Morgan

A couple of questions, first, just to clarify Joe on a comment you made earlier when you said that scatter was selling at about 10% to 12% discount year-over-year early in the quarter and then

improving, were you talking about early in Q1 or is that what you saw at the beginning of the second quarter? And then, any color you could give on how scatter is currently selling right now in the market.

Joseph G. NeCastro

I'll clarify and then I'll turn it over to John and he could talk about the current color; I was talking about quarter 1 when I talked about the 10 to 12.

John F. Lansing

It started off as Joe described and then modestly was improving throughout the first quarter and we're seeing some additional improvement in pricing in April and looking ahead into the second quarter, and at this point, we're seeing our scatter pricing actually coming in a little better than last year's upfront.

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