

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Playboy Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) We will take our first question today from David Miller from Caris & Company. Please go ahead.

David Miller - Caris & Company

Linda, just a housekeeping item on the asset impairment charge of \$5.5 million -- is that sort of a twin charge related to the \$3.2 million restructuring charge as per the New York office closing, or are you impairing something else? And then I have a follow-up. Thanks.

Linda G. Havard

No, it's actually good will impairment, David, and it's the result of actually what's left over from some of the acquisitions that were related to digital, so when digital moved over to the print digital group, because that group is experiencing losses, the assets are immediately impaired.

David Miller - Caris & Company

Okay, great. And then Jerome, I know there's only so much you can telegraph and it sounds like you guys sort of have an announcement on this new CEO fairly sort of imminently, but there's some chatter going around that there's sort of some conflict in the company between say what Mr. Hefner wants and what the board wants -- you know, between an internal candidate and an outside candidate and so on and so forth and I am wondering if you can confirm that and/or speak to that. Thanks.

Jerome H. Kern

I am not going to really speak, David, to the process at all because I don't think it's appropriate. I will tell you that the board is diligently proceeding and going through the process to satisfy everyone with whomever they choose, and that's really all I am going to say on this call about the choice of the CEO.

David Miller - Caris & Company

Okay. Thank you.

Operator

And we'll take our next question today from David Bank from RBC Capital Markets. Please go ahead.

Analyst for David Bank - RBC Capital Markets

Thank you. This is Jason [Brenner] in for David. A few questions -- first, talking again about domestic TV, it looked to stabilize in 4Q --

Jerome H. Kern

Can you speak louder, Jason?

Analyst for David Bank - RBC Capital Markets

Sure. Can you hear me now?

Jerome H. Kern

Yeah.

Analyst for David Bank - RBC Capital Markets

Going back to domestic TV, can you talk about what you saw maybe in 4Q where the business looked to stabilize and then maybe more specifically why the drop-off in 1Q? Second, you mentioned in the press release \$18 million in personnel costs that you have taken out since October -- how much of that actually occurred in the first quarter? And then finally, following the relaunch of the website, do you expect the \$9.3 million in digital revenues to be at the trough quarter in 2009? Thank you very much.

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