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Dish Network Corp. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Your first question comes from Benjamin Swinburne from Morgan Stanley.

Benjamin Swinburne - Morgan Stanley

Hey guys, its Ben Swinburne, good morning. A couple of questions, I wondered if you would comment on over the air transition benefited gross ads in the quarter. I don't know if there is a way to quantify that or even a qualitative comment would be interesting on our end and then second on the cost side, SAC was down quite a bit or is relatively whether you thought it would come in.

Just wondering if there were any changes to your agreements with EchoStar, I think you renewed your agreement for another year, but whether changes to the price points, you are paying or the margin that they're getting, or for how much the year-on-year box cost may have declined on a like-for-like basis, which is the comment that was in the 10-Q? Any quantification or comment there would also be helpful.

Charlie Ergen

Okay. This is Charlie. Yes, we can't really quantify over the year transition. I'd say it was a material to the quarter, when the last in terms of. We did sale set top boxes, that the dish that, our free TV, but there is no ongoing revenue there.

Obviously, on the March we probably got some customers. Obviously in June 13th we will have a better idea, but that's certainly one-time shot, kind of thing, but I don't think, that will make us a big part for quarter. Bernie Han, will take the second part.

Bernie Han

Then with respect to the SAC question, there was no change in our agreement between DISH and SATS with respect to the terms under which we buy equipment. The bigger drivers of SAC, I think we alluded to in the 10-Q filings, first and foremost was that, because we had a slightly different shift in mix in distribution channels for the quarter, a little bit more being sold through direct means versus third-party means.

Our third-party incentives were down quite a bit from a year ago. Secondly, the amount of marketing dollars that we spent in ARPU were actually down a bit from last year first quarter, even though it was higher than our typical run rate last year first quarter we have spent quite a bit in marketing SAC.

Benjamin Swinburne - Morgan Stanley

Maybe as just a follow-up Charlie, just generally how would you grade the company this quarter and you've made some management changes and you guys are positioned in the marketplace from a value perspective and you think you're executing now better than you have been over the last 12 months, any comments there would be helpful.

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