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AHC - Q1 2013 A. H. Belo Corporation Earnings Conference Call

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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the first quarter 2013 financial results. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will be given at that time.

(Operator Instructions)

As a reminder, this conference is being recorded. I'd now like to turn the conference over to our host, chief financial officer of A. H. Belo Corporation, Ali Engel. Please go ahead.

Alison Engel - A. H. Belo Corporation - CFO

Thank you, Brad. Good afternoon, everyone. Welcome to A. H. Belo Corporation's first quarter 2013 conference call. Jim Moroney, Executive Vice President, and I will lead today's call, and our comments will be concise, leaving plenty of time for Q&A. Robert Decherd, our chief executive officer, and Dan Blizzard, Senior Vice President, are also available for Q&A.

After the market closed yesterday, we issued a press release announcing the first quarter results and a non-binding letter of intent to sell the company's office in Riverside, California. We have posted this release on our website under the Investor Relations section. Unless otherwise specified, comparisons used on today's call measure first quarter 2013 performance against first quarter 2012 performance.

For our discussion today, we will include forward-looking statements. Forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those statements. Additional information about these factors is detailed in the company's press releases and publicly available filings with the SEC.

Finally, today's discussion will include non-GAAP financial measures. We believe that non-GAAP financial measures provide useful, supplemental information to assist investors in determining performance comparisons to our peers. Reconciliations to the most directly comparable financial measures presented in accordance with GAAP are provided in our press release and on our website under the Investor Relations section.

A. H. Belo Corporation announced a first quarter net loss of \$0.37 per share. Adjusted EBITDA, or earnings before interest, taxes, depreciation, amortization and pension expense, was \$500,000 for the quarter. We are very pleased with the advertising and total revenue performance in Dallas,



which was on plan, despite a challenging start to the year. While adjusted EBITDA declined in the first quarter, this decline is in line with our expectations, and we do anticipate achieving the \$37 million to \$41 million full-year adjusted EBITDA outlined at our 2012 Investor Day last October.

As announced this morning, we've entered into a nonbinding letter of intent to sell the company's five-story office building in Riverside, California, to the county of Riverside for approximately \$30 million. The nonbinding letter of intent contemplates the closing in the third quarter of 2013. We are exploring relocation opportunities for the Press-Enterprise employees who currently office in this building.

The significant proceeds from this sale will provide additional opportunities for increasing shareholder return and diversifying our revenue streams. The board of directors' current priority is determining the best deployment of these real estate proceeds.

Total revenue in the first quarter of 2013 decreased 5%. Revenue from advertising and marketing services, including print and digital revenues, decreased 4% in the first quarter, the lowest year-over-year quarterly decline since the spin-off from Belo Corp in 2008. This improvement was driven by a 1% increase in advertising and marketing services revenue at the Dallas Morning News.

Improved advertising revenue performance in Dallas resulted from higher digital revenues, which includes continued growth in digital classified advertising revenues, most notably in the digital automotive category, and the new marketing services revenue generated by 508 digital and Speakeasy. Jim will provide more details about these initiatives in just a moment.

A. H. Belo's circulation revenue decreased 7% in the first quarter, due primarily to the continued home delivery and single copy sales decline at the Dallas Morning News. We expect this trend to improve throughout the remainder of 2013, as various circulation pricing and marketing initiatives are implemented, which Jim will expand upon.

Printing and distribution revenue decreased 7% to \$9.4 million in the first quarter as expansion in printing and distribution contracts at the Providence Journal and the Dallas Morning News were offset by the cessation of an unprofitable -- of unprofitable commercial printing products at the Press-Enterprise.

Total consolidated operating expense decreased 1% in the first quarter to \$106.5 million, excluding the effect of pension, as headcount-related expenses, newsprint, and depreciation expenses all decreased.

Now I will turn it over to Jim for more detail around our 508 digital and circulation initiatives.

Jim Moroney - A. H. Belo Corporation - EVP

Thanks, Ali. As you all know, 508 digital is the Dallas Morning News' digital marketing solutions business, which is focused on serving the needs of digitally underserved small- and medium-sized businesses. It exemplifies the Morning News' effort to diversify sources of revenue by launching new businesses and new products and acquiring new customers.

We launched 508 digital in March of 2012, and we've generated \$900,000 of revenue in the first nine months of operation. More than 450 local advertisers signed on with 508 digital last year, and another 250 local advertisers have signed on since the beginning of this year. Most of these clients do not advertise in Dallas -- did not advertise in the Dallas Morning News prior to signing on with 508 digital.

508 digital's success with local advertisers reflect its appeal to advertisers in a wide range of categories, including restaurants, auto repair shops, doctors, lawyers, and many other types of local businesses, which are using 508 digital as their digital marketing platform.

We are seeing more success than we anticipated with medium-sized businesses, and we're pleasantly surprised by the traction and trajectory we've achieved with some larger regional businesses. In addition to providing \$300 to \$1,000 a month packages to smaller customers, we have a handful of customers that currently spend more than \$10,000 per month.

By the end of April, we expect 508 digital to have generated about as much revenue in 2013 as it did in all of last year. For the full-year 2013, 508 digital's projected revenue is \$4.5 million to \$5 million. This revised outlook reflects adjustments to our business model based on insights and lessons learned during the initial year of operation. We still believe that 508 digital will be a \$15 million to \$18 million revenue business by 2016. The revised target date for cash flow breakeven is early 2015, and we expect to recoup our full investment in late 2017.

Turning for a moment to circulation revenue, we are encouraged by the progress made on home delivery and single-copy sales initiatives that we were begun during the first quarter of 2013. During the first quarter, we tested the home delivery segmentation and pricing strategies that we developed at the end of last year with approximately 20,000 existing home delivery subscribers.

The results exceeded our expectations, and this pricing initiative is being implemented now across our full home delivery customer base as our customers' subscriptions come up for renewal. We expect that the price increases will mitigate the decline we saw in home delivery circulation revenue in the first quarter and will contribute to improved performance in the second half of this year and the first half of 2014.

We're also redoubling our efforts to retain existing home delivery customers through improvement in call center strategy and tactics and retention programs. In our call centers and marketing campaigns, our new chief marketing officer, Jason Dyer is revamping messages to subscribers and stressing value over price. And Jason is developing a new subscriber loyalty program, which will be rolled out in the third quarter, another value add for our loyal subscribers.

On the single copy sales front, we're working hand in hand with several national and regional grocers to increase sales, particularly Sunday sales throughout Dallas. Over the past four months, we upgraded old racks, moved racks to higher trafficked locations in front of the cash registers, and deployed other strategies to improve single copy sales.

We're only beginning to see the results from our retail single copy sales initiatives, and so far they are very promising. The successes that we experienced with these home delivery and single copy initiatives are due in part to our decision to add two new pages of county-by-county news to the Dallas Morning News metro section each day, which received strong customer support in follow-on research we conducted. Providing proprietary global content on a scale that other local news media organizations cannot duplicate remains the cornerstone of our strategy, and I want to make sure that this point was not missed in today's discussion.

Before I open up the call for questions, here is a brief update on our digital circulation strategy. As you know, we began evaluating metered models in the latter part of last year. We are going to move to a metered model in Dallas this year, probably in the late third or early fourth quarter timeframe. We are still working out the article thresholds, pricing, and other related details, and I will talk more about these details later this year.

Brad, we're ready for questions.

QUESTIONS AND ANSWERS

Operator

Thank you. (Operator Instructions). And our first question is going to come from Richard Diamond with Strait Lane Capital.

Richard Diamond - Strait Lane Capital - Analyst

Yes, I have a couple of questions. First, for Ali, did you buy back any stock during the quarter?

Alison Engel - A. H. Belo Corporation - CFO

Yes, we did. We continued modest sale buybacks during the quarter and bought back, I think, around 100,000 shares during the quarter.



Richard Diamond - *Strait Lane Capital - Analyst*

Okay. Secondly, could you talk about your other initiatives at Digital and otherwise outside of 508? I recently received an e-mail saying that your One Day University had sold out, and I'd love to hear what's happening in [Homesnap], as well?

Unidentified Company Representative

Well, in addition to 508 digital, we have -- are you getting this back loop or not?

Alison Engel - *A. H. Belo Corporation - CFO*

Yes.

Unidentified Company Representative

Yes, we are.

Richard Diamond - *Strait Lane Capital - Analyst*

Okay. I'll go on to mute then. I'm now going the loop, but it may be me.

Unidentified Company Representative

Okay, thank you.

Operator

And our next question is going to come from...

Unidentified Company Representative

Hang on just a minute. We have to -- need to answer that question, yeah (inaudible)

Operator

Okay, sure. Sure.

Unidentified Company Representative

Jim, he dropped off. He's going to dial back in on a hard line.

Unidentified Company Representative

Okay, all right.



Unidentified Company Representative

Yes.

Unidentified Company Representative

Sorry.

Operator

Shall we move on to the next question then?

Unidentified Company Representative

Yes.

Operator

Okay. And that will come from [Dustin Hao] with Geosam Capital. Please go ahead.

Dustin Hao - Geosam Capital - Analyst

Hi, guys. Congratulations on selling the Press-Enterprise building. I just had a quick question about the sale of that building. I know that now it's kind of on a larger block of land, has a large parking lot, and I think there's some commercial space and a printing facility there somewhere. Did you guys just sell the building? Or did you sell the whole thing? Could you elaborate on that?

Unidentified Company Representative

Dustin, what we sold is the building, most of the parking lot behind it, and the property that fronts on 14th Street, which is a major thoroughfare there. We retained some of the parking behind the building, our production facility where we print the Press-Enterprise and other products.

We also have a currently vacant extension of that building for office space. It's been vacant for several years and some small pieces of property around it. So you can think of it as two separate and discrete pieces of real estate or developed real estate.

Dustin Hao - Geosam Capital - Analyst

Okay, thanks. Do you guys have any plans with that vacant stuff or with the printing facility, in terms of like a sale and lease-back or anything there?

Unidentified Company Representative

No, we're not contemplating that.

Dustin Hao - Geosam Capital - Analyst

Okay. All right. Thank you.



Unidentified Company Representative

Sure.

Operator

And our next question will come from Barry Lucas with Gabelli. Please go ahead.

Barry Lucas - Gabelli & Co. - Analyst

Thanks, and good afternoon.

Unidentified Company Representative

Hi, Barry.

Barry Lucas - Gabelli & Co. - Analyst

Hi. A couple of questions, getting back to first, real estate, any thoughts on -- that you can share on the tax basis of the building or what the proceeds, what the net proceeds might look like?

Alison Engel - A. H. Belo Corporation - CFO

Yes, Barry, we didn't include that yet, because we're still working through a lot of the details, and as we mentioned, it's -- you know, the sale is non-binding. We're working through a lengthy due diligence process with the county, et cetera.

But I think you can, you know, assume that the net proceeds probably are somewhere between \$25 million and \$28 million, and then, you know, out of that, we have to deal with, you know, moving, relocating our employees to a new facility and several things that come along with that. So I think by next -- obviously by the end of the second quarter, we'll be able to give you guys a more thorough update on book gain, tax gain, you know, where we think this'll end up, assuming everything continues on plan.

Barry Lucas - Gabelli & Co. - Analyst

Okay, great. And if I go back to the presentation from the investor meeting, you had pegged the Riverside real estate at about \$30.2 million, it's come in pretty close, and I'm just trying to flesh out that last answer that you had a moment ago, Robert. So is there anything else that's for sale at Riverside? Or this is essentially what we're looking at?

Robert Decherd - A. H. Belo Corporation - CEO

Barry, there is one other piece of property where we had the commercial printing operation that we shut down at the end of last year, that the operation was unprofitable. It is not in an easily accessible location. It's about three blocks from our main campus. It probably has uses -- specialty uses, and we're exploring. I mean, we have that property for sale and hope that we'll be able to do something with it fairly soon.



Alison Engel - *A. H. Belo Corporation - CFO*

Worth how much, do you know?

Robert Decherd - *A. H. Belo Corporation - CEO*

About \$2 million.

Alison Engel - *A. H. Belo Corporation - CFO*

It's all in the market for about \$2 million. It's in an industrial-type location, so -- and it actually -- it's two separate parcels with a street running through it. So it's a little complicated.

Barry Lucas - *Gabelli & Co. - Analyst*

Okay. Last question on the real estate side, any further update on either Dallas or Providence?

Unidentified Company Representative

Nothing on Dallas. Providence, we continue to have discussions with potential partners, purchasers, tenants, et cetera, of our headquarters facility on Fountain Street. We are optimistic that we'll have a clear strategy for that building within 6 or 12 months.

There's also a large piece of undeveloped property -- or has one small building on it -- that is on the market, but, really, until the real estate market generally improves in Providence, we're not likely to see that move, because it needs to be bought by someone who's going to develop that right away. I don't think you'll see investors buying it to hold.

Barry Lucas - *Gabelli & Co. - Analyst*

On the cash flow side, any contributions to the pension fund in the quarter?

Alison Engel - *A. H. Belo Corporation - CFO*

We just made the minimum contribution in the first quarter, which was about \$400,000.

Barry Lucas - *Gabelli & Co. - Analyst*

Okay. So we're still looking in total at about \$21 million for the year?

Unidentified Company Representative

Barry, we're looking at that question presently. That's what's in the plan. That rolls into the discussion and projections we gave you in October.

Realistically, given that the minimum required contribution is substantially lower than that and that our assets performed very well in 2012, we're taking a hard look at whether that makes sense. We're not going to put more money into the plans than we should. By the same token, we've been very successful with the strategy of making some voluntary contributions, which as you think about market performance, has served us well, because otherwise those funds would have been in cash earning nothing.



So we're looking at 15%-plus gains on those funds, benefiting the overall funding of the pension plan. But we're not -- we're not in this for market strategy. That just is a serendipitous result of having put those funds in. We're obviously making headway on the overall funding of the plans, which, again, we think gives us considerable flexibility to consider a lesser number this year.

We'll talk to our board about it at its meeting in May. That may spill over to September. In the meantime, as Ali noted, we're making lower contributions because we can make contributions at any time during the year in excess of the minimum required.

Barry Lucas - *Gabelli & Co. - Analyst*

Okay. Two quickies on the operating side, maybe for Jim. If you were to strip out 508 digital and the new initiatives from the Morning News, was advertising up?

Jim Moroney - *A. H. Belo Corporation - EVP*

Advertising in the print product, Barry, was offset almost dollar for dollar by those five new businesses that we started up or bought in 2012, so that would be about flat. And then rest of the -- up for that category came from like digital advertising, classified digital advertising, and so forth. So print was -- slightly was down, just the print core, offset by the new businesses up, and then getting to a plus 1.2% was from the remaining digital increases that we had, digital advertising.

Barry Lucas - *Gabelli & Co. - Analyst*

Right. But, Jim, your digital auto would have been part of your Morning News advertising?

Jim Moroney - *A. H. Belo Corporation - EVP*

Well, what I was doing was trying to -- yes, but I'm trying to break that out to say, if you look at only the print advertising component, it was, indeed, down and offset by these new businesses, revenue increases, so that would have put everything at about flat. And then the ability to have a report, a total advertising marketing services increase would be due to the digital advertising component separated out of the print advertising component.

Barry Lucas - *Gabelli & Co. - Analyst*

Got it, helpful. Yes.

Jim Moroney - *A. H. Belo Corporation - EVP*

Yes.

Barry Lucas - *Gabelli & Co. - Analyst*

Yes. Last one from me, Jim, on the circulation side, there were a number of initiatives that took place, including an advertising and a marketing program, and some other things that you've been doing on the circ side, but don't seem to have really gotten a lot of traction there. So what happened? And I know you've talked about some pricing initiatives, but, you know, what else can you do to at least stabilize circulation revenues?



Jim Moroney - A. H. Belo Corporation - EVP

Well, I do think we're going to be able to stabilize circulation revenues for the balance of the year, based on the success we had with our test pricing that we did in the first quarter before we rolled it out to the full subscriber base. We experienced virtually no cancellations when we implemented our segmented pricing strategy, so we feel very good about how that's going to be received, as it goes out across the full subscriber base.

We're also, as I've said, having some good success with some single copy volume initiatives in four grocers -- Fiesta, Krogers, Sprouts, and Albertson's is that -- it's early, and we've had some real good successes. I want to see, you know, weeks strung along to be able to talk more explicitly about it.

And then I think while we didn't do as well on the volume side at home delivery as I would have liked to in the first quarter, given all the marketing that we've done, I think we're going to continue to market. We're going to refine our messaging. And as I mentioned -- and I think really what we need to do is be putting a lot more investment and emphasis on retention. Unlike so many other newspapers, we spend much more of our dollars on acquisition, and we're going -- we're working on a very robust and I'd even say somewhat sophisticated membership loyalty program to roll out, I hope, by the late third quarter.

Barry Lucas - Gabelli & Co. - Analyst

Great, thanks very much, Jim.

Operator

And our next question is going to come from Dennis Leibowitz with Act II Partners. Please go ahead.

Dennis Leibowitz - Act II Partners - Analyst

I had a couple of questions. One, in terms of the comment that the proceeds from the building -- and maybe what you said about the pension contribution being less than you might have thought before, with the \$21 million, can you be more specific, when you're talking about increasing shareholder returns, the alternatives? In other words, does that include dividend increase, I guess, and/or a share repurchase increase?

Unidentified Company Representative

Dennis, we're looking at both of those. Obviously, the share repurchase program in place is a very modest one. It is constrained by daily volume limitations and so forth.

But, you know, in that program, we're acquiring as many shares each day as we are permitted to acquire. We have not seen any block purchase opportunities, though we would certainly welcome that, if the market brought forward those opportunities.

And beyond that, you know, we'd have to look at something that's either a different approach or, you know, a little perhaps more aggressive to bring in more shares. But we feel good about the modest success we've had in -- in acquiring our own shares and would do more of it under favorable conditions, and those conditions would appear to be with us at this point.

Dividend increase, we've talked about that consistently. We're going to, again, review that and share repurchase and investments in new products like the ones Jim has launched in Dallas. All of those things will be discussed with the board at its next two meetings. The May and September meetings are where we really focus on those policies and overall strategies.

So I would simply say that it'll be very prominent in those discussions, and we're anxious to close this transaction in Riverside so that we have the flexibility that that cash will afford the board in making a decision.



Alison Engel - *A. H. Belo Corporation - CFO*

And I'll just add onto that, just for Richard, I have the exact number of shares repurchased during the quarter. It's 112,000 shares that we repurchased in the first quarter.

Dennis Leibowitz - *Act II Partners - Analyst*

I also wanted to ask -- I think, as I recall, the business throughout the quarter got better, and I wondered if you could update us at all as to what April or what the -- you know, is the tone continuing to improve or staying the same -- or how's business, I guess?

Unidentified Company Representative

Dennis -- and I'll let Jim talk about Dallas -- on the two coasts, we have, as always, fairly different storage, because of market circumstances. On the West Coast, we have had a hard time replacing the decline in legal advertising that the Press-Enterprise and all of California papers enjoyed for the past several years.

They've changed the regulations in California as to what the owners or interim owners of repossessed homes have to do, in terms of public notice and the number of steps, in hopes of getting these homes sold more quickly and also giving relief to certain homeowners who otherwise would have gone into foreclosure.

As a result, our legal advertising is down significantly, as is legal advertising with all other Californian papers. And there's no obvious substitute for that, so that's put a lot of pressure on ad revenues for the quarter and will be a problem for most, if not all of the remainder of the year. Some of that could come back, but not to the degree we would have hoped or planned for.

Local advertising at the Press-Enterprise has been fairly consistent and across categories. That would be the one bright spot. National advertising for a paper of that size, particularly in a large, complicated market like Los Angeles and the inland empire is very unpredictable, so we've had good weeks, good months, and some not so good. We would expect those conditions to continue there for the rest of this year.

In Providence, we got off to a bumpy start for a variety of reasons. We had put a lot of effort into planning for a good launch. Two or three of our most important promotions happened to coincide with weekends that were disrupted by all the storms that came through Rhode Island and New England. Now, that's not a weather excuse; that's just a comment. But things have firmed up there, and we have some very promising developments with respect to -- for commercial printing and distribution in providence that should help ourselves.

So local advertising, again, doing okay there, national, unpredictable, and production and distribution, or printing and distribution, looking promising in Providence. We think they'll make up a substantial part of the shortfall to plan from the first quarter through the remainder of the year.

Jim, you want to talk about Dallas?

Jim Moroney - *A. H. Belo Corporation - EVP*

Sure. The first quarter and the second quarter are very similar in this regard. We lose a Sunday in the first month, and we gained it back in the third month of both quarters. We started off January just down very low single-digit year-over-year in ad revenue, despite the loss of Sunday. We were a little bit softer in February, and then we came back in March, when we picked up a Sunday and were actually quite strong into the mid-single-digit increase area.

And April was starting off with a loss of something very similar to what we saw in January, with a low single-digit kind of forecast. As to what's going to happen in May and June, I wish that I could tell you that this business has provided us with a crystal ball, but it has been so unpredictable,

as all of you know, that I just can't, you know, tell you what I think's going to happen in May and June. If it would be like the first quarter and we'd have a second quarter like that, I'd be quite pleased.

Dennis Leibowitz - *Act II Partners - Analyst*

If I could just throw in one more, if you don't mind, I don't remember what the release talks about whether the first quarter overall results were on budget, but since you're keeping the estimates for EBITDA for the year, is something offsetting a first quarter that was worse than expected? Or was the first quarter what you expected?

Alison Engel - *A. H. Belo Corporation - CFO*

It was basically on plan, maybe a little bit worse than we expected, but we don't foresee at this point that we can't achieve the expected EBITDA range we've talked about previously. We feel -- still feel very comfortable with that.

Unidentified Company Representative

And the front-end expense of the investments in Dallas all rolled into the first quarter on a year-to-year comparative basis, so that's one reason that our plan was at a lower level. And as Ali said, we were able to be -- I'll say, within sight, maybe not near sight, but within sight of our plan for the quarter, and we think we can make that up in EBITDA.

Dennis Leibowitz - *Act II Partners - Analyst*

Good. Thank you.

Operator

(Operator Instructions). Our next question will come from Richard Diamond, Strait Lane Capital. Please go ahead.

Richard Diamond - *Strait Lane Capital - Analyst*

Hey, it's Richard again. I just want to ask the same question, and then I'll listen. But if you could talk about your other initiatives beyond 508, from the success of One Day University to Homesnap, I'd be interested in learning about your progress?

Unidentified Company Representative

Sure. So just to remind everybody, there were five businesses we either started up, partnered, or purchased in 2012. We've talked about 508 digital. Another one that we partnered with a local advertising agency to form a media -- I mean, a social media marketing services company that's found a lot of strength in content marketing that's kind of developed now. It finished.

That's called Speakeasy. It finished the first quarter with over 25 clients. We only started in September, so we feel very good about that. And I would say the average range for those customers is in \$3,000 to \$4,000 a month. It's more customized, more sort of white-glove treatment, though it does do some of the same things that 508 digital does, but at a -- for a more sophisticated, larger sized business.

Then we acquired Pegasus News, which continued to perform as expected. We acquired two publications under the DG Publishing. We put -- they have each two editions a year. Two of those editions came out in the first quarter, and our revenues were exactly where we expected them to be, so the books looked great.



And then finally is Crowd Source, which is our event marketing company, and its first initiative for this year is an event we have worked out a partnership with the owners of One Day University that's run for several years in New York and Massachusetts and even once in combination with our newspaper over in Providence.

And we have one program scheduled in May, and it's sold out. We're very pleased with that for a first-time event. Over 700 tickets sold at the rate that we have had, at, I think, \$159 a ticket. And we already have another one scheduled with professors lined up in October that will include some J.F. Kennedy specialists from different universities, as we approach the 50th anniversary of that event in Dallas. And we expect to do equally well with that program.

We are also looking at several other events that we can either initiate in Dallas or partner with existing events. And I'm sure we'll be talking more about those as we announce and the year goes on. So, as I mentioned earlier, we feel very good that the combination of those five businesses, their increase in revenue year-over-year was enough to offset all of our just core print ad revenue declines in the first quarter.

Operator

(Operator Instructions).

Unidentified Company Representative

Okay, Brad. Well, let us take it up back over here. We want to thank everyone for being a part of this call. We do feel good about the quarter, despite a few challenges on the revenue side, as discussed. The monetization of our assets that are not related to core operations is a very high priority. And as we noted in the press release and on the call, the board is going to take up the matter of how these proceeds would be allocated at its upcoming meeting, and we'll certainly make some decisions by September at the latest.

Overall, the strategy is working. Having a balance sheet with no debt continues to be a tremendous advantage, and we're very encouraged by the initiatives that Jim has undertaken in Dallas, as well as some lesser, but similar initiatives in Riverside and Providence. We look forward to reporting on progress between now and our next call, and we'll talk to you following the second quarter. Brad, I think we're done.

Operator

All right, thank you. And, ladies and gentlemen, this conference will be made available for replay after 3.30 today, running through Tuesday, May 7th, at midnight. You can access the AT&T executive playback service at any time by dialing 1-800-475-6701 and entering the access code 288081. International parties may dial 1-320-365-3844, with that same access code, 288081. Again, those numbers are 1-800-475-6701 and 1-320-365-3844 with the code 288081.

That does conclude our conference for today. Thanks for your participation and for using AT&T Executive TeleConference Services. You may now disconnect.

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