

2007 Audit Completed

As a follow up to last month's article, the auditors completed the 2007 audit and there were some adjustments to the numbers reported in the February issue.

SPE's operating net revenues rose to <\$141,000> (versus the <\$209,000> reported last month). [Click here](#) for the full pdf of the auditors' report.

2008 books have been set up and we are just now getting January and February statements finalized. The consolidated income statement and historical graph of SPE's net operating revenues by month can be found below. However, please be aware that January and February are very poor predictors of financial performance. The numbers are up from the same period last year, but still in negative territory. SPE's financial performance in 2008 will be primarily dependent on a few things.

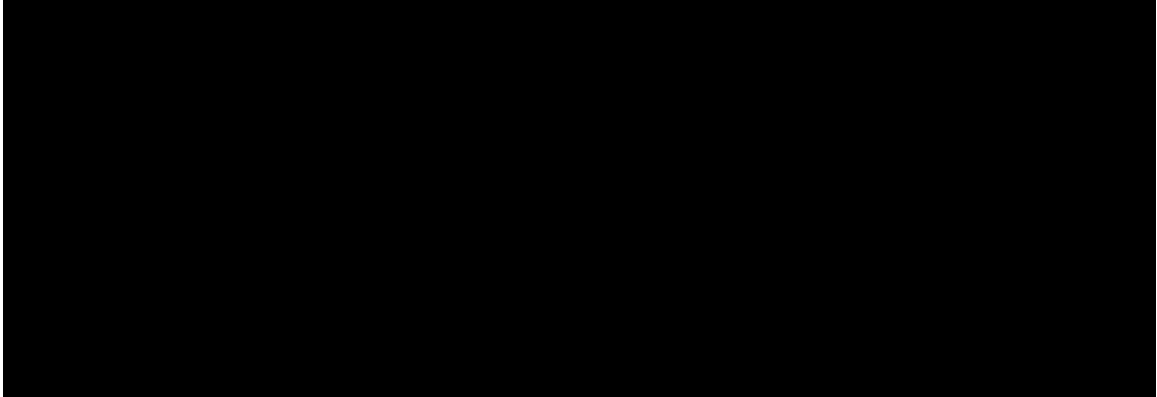
First, the financial return for ANTEC and SPE's Topical Conferences is key. To date, SPE's early Topical Conferences have performed better than expected given the current economic climate, and are on track in terms of budgeted expectations. However, the bulk of SPE Topical Conferences are in the fall, and performance of those will likely be closely linked to the overall economic health of the industry as we go into the fall season. ANTEC is tracking well in terms of exhibitor sales and we have an excellent program finalized. It is still early days for registration, but there is no indicator as of this writing that registration is problematic.

Second, SPE has had serious difficulties with the financials for *Plastics Engineering* magazine. I am happy to report that as of this writing we have already sold almost 70% of our advertising budget – a HUGE accomplishment for Maria Russo, our Advertising Sales staff and her team! SPE also laid-off two editorial staff in January to cut expenses. Finally, we have just concluded a co-publishing arrangement with Wiley Interscience, who will take over all production, distribution and – eventually – all advertising sales responsibilities. The contract is a five-year agreement, and while the arrangement will help stem losses in 2008-2009, we expect that the magazine will start to break even in 2010-2011. This agreement will hopefully provide SPE with a long-term stabilization of the magazine both editorially, as well as financially. But 2008 and 2009 will continue to see the magazine provide a net drain, rather than a contribution. However, the size of that deficit will be considerably less than what we experienced in 2007.

Finally, SPE Seminars and other educational sales will likely track closely to general economic conditions, which, at present, are tight.

A summary of the February statement and historical graphs is below.

I would also like to let you know that SPE has elected a new Treasurer to take over from Ken Braney at ANTEC. Ken Braney will move up to Senior Vice President. Barbara Arnold-Feret will become our new Treasurer for 2008-2009. Congratulations to both of them!



SPE Operating Surplus

