



PlanetOut Faces a "Dire" Financial Crisis

By [Kevin Wayne](#)

Owner of Gay.com, Advocate reports a dismal first quarter

San Francisco, CA - More trouble for gay media giant, PlanetOut Inc.

Last week PlanetOut reported a loss of \$6.9 million for the first quarter. CEO Karen Magee said "our business model is in transition."

A year ago the San Francisco company (NASDAQ: LGBT) lost just \$132,000 in the same quarter.

The *San Francisco Chronicle* reports PlanetOut disclosed this week that it will run out of money before the end of the year without an infusion of cash.

According to the *Chronicle*, the dire situation is a consequence of PlanetOut's declining subscriptions for personal ads, a shortfall in advertising revenue and trouble booking passengers on its gay-oriented cruises.

Advertising revenue was flat at \$5.3 million, but fell in subscription and transactions compared with the first quarter last year. Total revenue fell to \$16.8 million, down from \$17.6 million a year ago in the same period.

PlanetOut Inc. owns Gay.com, along with the Advocate and Out magazines.