SINA CORP
Form 6-K
November 18, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934
For the month of November 2008
Commission File Number: 000-30698

SINA Corporation
(Registrant s Name)

Room 1802, United Plaza
1468 Nan Jing Road West
Shanghai 200040, China
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F þ Form 40-F o
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): __________
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): __________
Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes o No þ
If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82- __________

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SINA CORPORATION
(Registrant)

Date: November 18, 2008

By: /s/ Herman Yu
Herman Yu
Chief Financial Officer

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SINA Reports Third Quarter 2008 Financial Results

Shanghai, China November 12, 2008 SINA Corporation (Nasdaq GS: SINA), a leading online media company and mobile value-added service (MVAS) provider serving China and the global Chinese communities, today announced its unaudited financial results for the quarter ended September 30, 2008.

Third Quarter 2008 Highlights

- Net revenues increased 64% year over year to $105.4 million, exceeding the Company s guidance between $100.0 million and $104.0 million.

- Advertising revenues increased 66% year over year to $76.2 million, within the Company s guidance range between $75.0 million and $77.0 million.

- Non-advertising revenues increased 58% year over year to $29.2 million, exceeding the Company s guidance between $25.0 million and $27.0 million.

- GAAP net income increased 28% year over year to $22.0 million, or $0.36 diluted net income per share.

- Non-GAAP net income* increased 40% year over year to $26.8 million, or $0.44 diluted non-GAAP net income per share.

* Non-GAAP measures are described and reconciled to the corresponding GAAP measures in the section below titled Reconciliation of Non-GAAP to GAAP Results.

I am very pleased to report another record quarter for SINA with our total quarterly revenues surpassing $100 million for the first time in the Company s history. Our outstanding online media coverage of the Beijing Olympic Games and strong performance in online advertising despite intense competition are further testaments of SINA leadership position in the online media and online brand advertising space in China. said Charles Chao, CEO of SINA. While the global economic environment in general has significantly deteriorated and the advertising market in post-Olympic China has become increasingly challenging and uncertain, we believe SINA is going to remain competitive in the market given continuing growth of Internet adoption and shift of advertising budget from offline to online.

Financial Results

For the third quarter of 2008, SINA reported net revenues of $105.4 million, compared to $64.3 million in the same period last year and $91.3 million last quarter.

Advertising revenues for the third quarter of 2008 totaled $76.2 million, representing a 66% increase from the same period last year and a 17% increase from last quarter. Advertising revenues in China grew 68% year over year, or 17% quarter over quarter, to $75.2 million for the third quarter of 2008. The growth of the Company s advertising revenues was driven mainly by the continued shift of brand advertising budget from offline to online media in China as well as the impact of the 2008 Beijing Olympics.

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Non-advertising revenues for the third quarter of 2008 totaled $29.2 million, representing a 58% increase from the same period in 2007 and an 11% increase from the previous quarter. For the third quarter of 2008, MVAS revenues grew 63% from the same period last year and 11% from last quarter to $27.1 million. The growth of the Company mobile revenues mostly resulted from the stabilization of operator policies, government regulations and business environment.

Gross margin for the third quarter of 2008 was 57%, down from 62% for the same period last year and last quarter. Advertising gross margin for the third quarter of 2008 was 58%, compared to 64% for the same period last year and last quarter. Non-GAAP advertising gross margin, which excludes stock-based compensation and amortization of intangible assets, for the third quarter of 2008 was 59%, compared to 65% in the same period last year and the previous quarter. The decline in advertising gross margin was mainly due to acquisition costs for Olympic-related contents incurred in the third quarter of 2008.

MVAS gross margin for the third quarter of 2008 was 53%, compared to 56% for the same period last year and 55% last quarter. The decline in MVAS gross margin was primarily due to increased costs related to revenue sharing arrangements.

Operating expenses for the third quarter of 2008 amounted to $40.1 million, an increase of 62% from the same period last year and an increase of 10% from last quarter. For the third quarter of 2008, non-GAAP operating expenses, which excludes stock-based compensation and amortization expense of intangible assets, were $36.9 million, representing an increase of 60% from the same period last year and an increase 10% from the previous quarter. The increase in operating expenses was primarily due to higher marketing expenses associated with the Beijing Olympics and, to a lesser extent, higher sales and engineering related payroll and other personnel costs.

Interest and other income for the third quarter of 2008 was $7.1 million, compared to $3.7 million from the same period last year and $6.7 million from last quarter. Other income for the third quarter of 2008, which mainly comprised of foreign exchange gains resulting from intercompany dividends, was $3.5 million. In the third quarter of 2008, the Company recognized an investment loss of $0.8 million, as a result of taking a controlling interest in a follow-on investment of a web application development firm. In the second quarter of 2008, the Company recorded an investment gain of $3.1 million from selling a minority equity interest in one of its subsidiaries.

For the third quarter of 2008, provision for income taxes was $4.4 million, compared to $1.7 million from the same period last year and $4.2 million from last quarter. The Company made a provision for PRC income taxes for the third quarter of 2008, based on an effective tax rate of 16% for the operations in China.

Net income for the third quarter of 2008 was $22.0 million, an increase of 28% from the same period last year and a decrease of 13% from last quarter. Diluted net income per share for the third quarter of 2008 was $0.36, compared to $0.28 in the same period last year and $0.42 last quarter. Non-GAAP net income for the third quarter of 2008 was $26.8 million, an increase of 40% from the same period last year and an increase of 3% from the previous quarter. Non-GAAP diluted net

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income per share for the third quarter of 2008 was $0.44, compared to $0.32 in the same period last year and $0.43 last quarter.

As of September 30, 2008, SINA s cash, cash equivalents and short-term investments amounted to $562.5 million, representing an increase of $123.1 million from a year ago. Cash flow from operating activities for the third quarter of 2008 was $26.9 million, compared to $19.6 million for the same period last year.

Voting Results of the Annual General Meeting of Shareholders

On September 8, 2008, the Company held its annual general meeting of shareholders in Hong Kong. Results of the shareholders votes were as follows:

All Class III Directors of the Company were re-elected Director Pehong Chen (with 40.2 million shares voted for and 2.0 million shares abstained), Lip-Bu Tan (with 40.1 million shares voted for and 2.1 million abstained) and Yichen Zhang (with 40.2 million shares voted for and 2.0 million shares abstained).

The appointment of PricewaterhouseCoopers Zhong Tian CPAs Limited Company as the Company s independent auditors for the fiscal year ending December 31, 2008 was ratified (with 41.9 million shares voted for, 0.3 million shares voted against and twenty three thousand shares abstained).

The amendment and restatement of the Company s Amended and Restated Articles of Association was not approved (with 21.7 million shares voted for, 20.5 million voted against and sixty seven thousand shares abstained).

Business Outlook

The Company estimates its total revenues for the fourth quarter of 2008 to be between $98.0 million and $101.0 million, with advertising revenues to be between $69.0 million and $71.0 million and non-advertising revenues to be between $29.0 million and $30.0 million.

Stock-based compensation for the fourth quarter of 2008 is expected to be approximately $3.8 million, which excludes any new shares that may be granted.

Non-GAAP Measures

This release contains non-GAAP financial measures. These non-GAAP financial measures, which are used as measures of the Company s performance, should be considered in addition to, not as a substitute for, measures of the Company s financial performance prepared in accordance with United States Generally Accepted Accounting Principles (GAAP). The Company s non-GAAP financial measures may be defined differently than similar terms used by other companies. Accordingly, care should be exercised in understanding how the Company defines its non-GAAP financial measures.

Reconciliations of the Company s non-GAAP measures to the nearest GAAP measures are set forth in the section below titled Reconciliation of Non-GAAP to GAAP Results. These non-GAAP measures include non-GAAP gross profit, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP net income, non-GAAP diluted net income per share and non-GAAP advertising gross margin. The Company s management uses non-GAAP financial measures to gain an understanding of the Company s comparative operating performance (when comparing such results with previous periods or forecasts) and future prospects. The Company s non-GAAP financial measures exclude certain special items, including stock-based compensation charge, amortization of intangible assets, amortization of convertible debt issuance costs, gain/loss on the sale/purchase of business/investment and gain/loss on the sale of minority interest in subsidiary from its internal financial statements for purposes of its internal budgets. Non-GAAP financial measures are used by the Company s management in their financial and operating decision-making, because management believes they reflect the Company s ongoing business in a manner that allows meaningful period-to-period comparisons. The Company s management believes that these non-GAAP financial measures provide useful information to investors and others in the following ways: 1) in understanding and evaluating the Company s current operating performance and future prospects in the same manner as management does, if they so choose, and 2) in comparing in a consistent manner the Company s current financial results with the Company s past financial results. The Company s management further believes the non-GAAP financial measures provide useful information to both management and investors by excluding certain expenses, gains and losses (i) that are not expected to result in future cash payments or (ii) that are non-recurring in nature or may not be indicative of its core operating results and business outlook.

The Company s management believes excluding stock-based compensation from its non-GAAP financial measures is useful for itself and investors, as such expense will not result in future cash payment and is otherwise unrelated to the Company s core operating results.

The Company s management believes excluding the non-cash amortization expense of intangible assets from its non-GAAP financial measures is useful for itself and investors, because they enable a more meaningful comparison of the Company s cash performance between reporting periods. In addition, such charges will not result in cash settlement in the future.

The Company s management believes excluding non-cash amortization expense of issuance cost relating to convertible bonds from its non-GAAP financial measure of net income is useful for itself and investors as such expense does not have any impact on cash earnings.

The Company s management believes excluding gain/loss on the sale/purchase of a business/ investment and gain/loss on the sale of minority interest in subsidiary from its non-GAAP financial measure of net income is useful for itself and investors because such gains/losses are not indicative of the Company s core operating results.

The non-GAAP financial measures have limitations. They do not include all items of income and expense that affect the Company s operations. Specifically, these non-GAAP financial measures are not prepared in accordance with GAAP, may not be comparable to non-GAAP financial measures used by other companies and, with respect to the non-GAAP financial measures that

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exclude certain items under GAAP, do not reflect any benefit that such items may confer to the Company. Management compensates for these limitations by also considering the Company s financial results as determined in accordance with GAAP.

Conference Call

SINA will host a conference call at 8:00 p.m. Eastern Time today to present an overview of the Company s financial performance and business operations for the third quarter of 2008. The dial-in number for the call is +1-866-800-8648 (US) or +1-617-614-2702 (International) and the pass code is 61829912. A live Webcast of the call will be available from 8:00 p.m. 9:00 p.m. ET on Wednesday, November 12, 2008 (9:00 a.m. 10:00 a.m. Beijing Time on November 13, 2008). The call can be accessed through SINA s corporate web site at http://corp.sina.com. The call will be archived for 12 months on SINA s corporate web site at http://corp.sina.com. A replay of the conference call will be available through November 19, 2008 at midnight eastern time. The dial-in number is +1-888-286-8010 (US) or +1-617-801-6888 (International). The pass code for the replay is 50120185.

About SINA

SINA Corporation (Nasdaq GS: SINA) is a leading online media company and value-added information service provider in the People s Republic of China and for the global Chinese communities. With a branded network of localized web sites targeting Greater China and overseas Chinese, the Company provides services through five major business lines including SINA.com (online news and content), SINA Mobile (MVAS), SINA Community (Web 2.0-based services and games), SINA.net (search and enterprise services) and SINA E-Commerce (online shopping). Together these business lines provide an array of services including region-focused online portals, MVAS, search and directory, interest-based and community-building channels, free and premium email, blog services, audio and video streaming, game community services, classified listings, fee-based services, e-commerce and enterprise e-solutions. The Company generates the majority of its revenues from online advertising and MVAS offerings, and, to a lesser extent, from search and other fee-based services.

Safe Harbor Statement

This announcement contains forward-looking statements that relate to, among other things, SINA s expected financial performance (as described without limitation in the Business Outlook section and in quotations from management in this press release) and SINA s strategic and operational plans. SINA may also make forward-looking statements in the Company s periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in its proxy statements, in its offering circulars and prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. SINA assumes no obligation to update the forward-looking statements in this release and elsewhere. Statements that are not historical facts, including statements about the Company s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Potential risks and uncertainties include, but are not limited to, SINA s limited operating history, the uncertain regulatory landscape in the People s Republic of

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China, including how the new EIT will be implemented, the changes by mobile operators in China to their policies for MVAS, the Company s ability to develop and market other MVAS products, fluctuations in quarterly operating results, the Company s reliance on online advertising sales and MVAS for a majority of its revenues, the Company s reliance on mobile operators in China to provide MVAS, any failure to successfully develop and introduce new products and any failure to successfully integrate acquired businesses. Further information regarding these and other risks is included in SINA s Annual Report on Form 20-F for the year ended December 31, 2007 and its other filings with the Securities and Exchange Commission.

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SINA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. Dollar in thousands, except per share data)

	Three months ended			Nine months ended	
	September 30,		June 30,	September 30,	
	2008	2007	2008	2008	2007
Net revenues:					
Advertising	$ 76,205	$ 45,830	$ 64,940	$ 188,981	$ 118,796
Non-advertising	29,209	18,519	26,380	79,068	56,642
	105,414	64,349	91,320	268,049	175,438
Cost of revenues:					
Advertising (a)	32,138	16,614	23,686	74,856	45,449
Non-advertising	13,117	7,851	11,466	34,761	22,501
	45,255	24,465	35,152	109,617	67,950
Gross profit	60,159	39,884	56,168	158,432	107,488
Operating expenses:					
Sales and marketing (a)	22,264	12,276	21,102	58,363	35,357
Product development (a)	8,693	5,905	7,385	22,092	16,037
General and administrative (a)	8,709	6,291	7,824	23,944	19,835
Amortization of intangibles	411	257	258	926	918
	40,077	24,729	36,569	105,325	72,147
Income from operations	20,082	15,155	19,599	53,107	35,341
Non-operating income:					
Interest and other income, net	7,089	3,734	6,704	20,013	8,983
Investment gains (loss)	(779)		3,137	2,358	830
Amortization of convertible debt issuance cost					(342)
	6,310	3,734	9,841	22,371	9,471
Income before income taxes	26,392	18,889	29,440	75,478	44,812
Provision for income taxes	(4,429)	(1,735)	(4,245)	(12,254)	(4,594)
Net income	$ 21,963	$ 17,154	$ 25,195	$ 63,224	$ 40,218

Basic net income per share	**$ 0.39**	**$ 0.31**	**$ 0.45**	**$ 1.13**	**$ 0.73**
Diluted net income per share	**$ 0.36**	**$ 0.28**	**$ 0.42**	**$ 1.04**	**$ 0.68**
Shares used in computing basic net income per share	**55,964**	**55,304**	**55,672**	**55,728**	**54,892**
Shares used in computing diluted net income per share	**60,639**	**60,210**	**60,669**	**60,535**	**59,768**
Net income used for diluted net income per share calculation:					
Net income	**$ 21,963**	**$ 17,154**	**$ 25,195**	**$ 63,224**	**$ 40,218**
Amortization of convertible debt issuance cost					**342**
	$ 21,963	**$ 17,154**	**$ 25,195**	**$ 63,224**	**$ 40,560**
(a) Stock-based compensation included under SFAS 123R was as follows:					
Cost of revenues advertising	**$ 834**	**$ 341**	**$ 854**	**$ 2,412**	**$ 1,245**
Sales and marketing	**482**	**211**	**617**	**1,598**	**884**
Product development	**428**	**356**	**582**	**1,470**	**1,241**
General and administrative	**1,887**	**816**	**1,743**	**5,249**	**2,582**

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SINA CORPORATION
RECONCILIATION OF NON-GAAP TO GAAP RESULTS
(U.S. Dollar in thousands, except per share data)

	Three months ended September 30, 2008			Three months ended September 30, 2007			Three months ended June 30, 2008		
	Actual	Adjustments	Non-GAAP Results	Actual	Adjustments	Non-GAAP Results	Actual	Adjustments	Non-GAAP Results
		834(a) 88(b)			341(a)			854(a) 89(b)	
Gross profit	$ 60,159	$ 922	$ 61,081	$ 39,884	$ 341	$ 40,225	$ 56,168	$ 943	$ 57,111
		(2,797)(a) (411)(b)			(1,383)(a) (257)(b)			(2,942)(a) (258)(b)	
Operating expenses	$ 40,077	$ (3,208)	$ 36,869	$ 24,729	$ (1,640)	$ 23,089	$ 36,569	$ (3,200)	$ 33,369
		3,631(a) 499(b)			1,724(a) 257(b)			3,796(a) 347(b)	
Income from operations	$ 20,082	$ 4,130	$ 24,212	$ 15,155	$ 1,981	$ 17,136	$ 19,599	$ 4,143	$ 23,742
		3,628(a) 469(b) 779(d)			1,724(a) 257(b)			3,796(a) 317(b) (3,137)(e)	
Net income	$ 21,963	$ 4,876	$ 26,839	$ 17,154	$ 1,981	$ 19,135	$ 25,195	$ 976	$ 26,171
Diluted net income per share	$ 0.36		$ 0.44	$ 0.28		$ 0.32	$ 0.42		$ 0.43
Shares used in computing diluted net income per share	60,639		60,639	60,210		60,210	60,669		60,669
Net income used in computing									

diluted net income per share:									
Net income	**$ 21,963**		**$ 26,839**	**$ 17,154**		**$ 19,135**	**$ 25,195**		**$ 26,171**
Amortization of convertible debt issuance costs									
	$ 21,963		**$ 26,839**	**$ 17,154**		**$ 19,135**	**$ 25,195**		**$ 26,171**
Gross margin advertising	**58%**	**1%**	**59%**	**64%**	**1%**	**65%**	**64%**	**1%**	**65%**

	Nine months ended September 30, 2008			Nine months ended September 30, 2007		
	Actual	**Adjustments**	**Non-GAAP Results**	**Actual**	**Adjustments**	**Non-GAAP Results**
		2,412(a) **177(b)**			**1,245(a)**	
Gross profit	**$ 158,432**	**$ 2,589**	**$ 161,021**	**$ 107,488**	**$ 1,245**	**$ 108,733**
		(8,317)(a) **(926)(b)**			**(4,707)(a)** **(918)(b)**	
Operating expenses	**$ 105,325**	**$ (9,243)**	**$ 96,082**	**$ 72,147**	**$ (5,625)**	**$ 66,522**
		10,729(a) **1,103(b)**			**5,952(a)** **918(b)**	
Income from operations	**$ 53,107**	**$ 11,832**	**$ 64,939**	**$ 35,341**	**$ 6,870**	**$ 42,211**
		10,726(a) **1,043(b)** **779(d)** **(3,137)(e)**			**5,952(a)** **918(b)** **342(c)** **(830)(d)**	
Net income	**$ 63,224**	**$ 9,411**	**$ 72,635**	**$ 40,218**	**$ 6,382**	**$ 46,600**
Diluted net income per share	**$ 1.04**		**$ 1.20**	**$ 0.68**		**$ 0.78**

Shares used in computing diluted net income per share	**60,535**		**60,535**	**59,768**		**59,768**
Net income used in computing diluted net income per share:						
Net income	**$ 63,224**		**$ 72,635**	**$ 40,218**		**$ 46,600**
Amortization of convertible debt issuance costs				**342**		
	$ 63,224		**$ 72,635**	**$ 40,560**		**$ 46,600**
Gross margin advertising	**60%**	**2%***	**62%**	**62%**	**1%**	**63%**

(a) To adjust stock-based compensation charges

(b) To adjust amortization of intangible assets

(c) To adjust amortization of convertible debt issuance cost

(d) To adjust gain/loss on the sale/purchase of business and investments

(e) To adjust gain on the sale of minority interest in subsidiary

* **Rounding**

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SINA CORPORATION
UNAUDITED SEGMENT INFORMATION
(U.S. Dollar in thousands)

	Three months ended			Nine months ended	
	September 30,		June 30,	September 30,	
	2008	2007	2008	2008	2007
Net revenues					
Advertising	$ 76,205	$ 45,830	$ 64,940	$ 188,981	$ 118,796
Mobile related	27,117	16,601	24,517	73,325	51,854
Others	2,092	1,918	1,863	5,743	4,788
	$ 105,414	$ 64,349	$ 91,320	$ 268,049	$ 175,438
Cost of revenues					
Advertising	$ 32,138	$ 16,614	$ 23,686	$ 74,856	$ 45,449
Mobile related	12,622	7,328	10,929	33,075	21,228
Others	495	523	537	1,686	1,273
	$ 45,255	$ 24,465	$ 35,152	$ 109,617	$ 67,950

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SINA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. Dollar in thousands)

	September 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 343,488	$ 271,666
Short -term investments	219,001	206,333
Accounts receivable, net	88,935	56,719
Other current assets	10,420	8,840
Total current assets	661,844	543,558
Property and equipment, net	35,039	26,846
Goodwill and intangible assets, net	95,027	89,358
Other assets	1,358	2,501
Total assets	$ 793,268	$ 662,263
Liabilities and Shareholders Equity		
Current liabilities:		
Accounts payable	$ 1,403	$ 940
Accrued liabilities	81,117	56,931
Income taxes payable	16,747	9,079
Convertible debt	99,000	99,000
Total current liabilities	198,267	165,950
Other long-term liabilities	2,524	1,337
Total liabilities	200,791	167,287
Shareholders equity	592,477	494,976
Total liabilities and shareholders equity	$ 793,268	$ 662,263