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Tucows Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. Ladies and gentlemen we will now conduct the question and answer session (Operator Instructions) The first question comes from Thanos Moschopoulos from BMO Capital Markets go ahead.

Thanos Moschopoulos - BMO Capital Markets

Hi, Good afternoon.

Elliot Noss

Hi, Thanos.

Thanos Moschopoulos - BMO Capital Markets

Elliot regarding the hosting customers that you sold off, roughly how much revenue would be associated with that business. If used some back of the envelope math that we saw looking about a \$1 million or \$2 million in a year. Is that about right?

Elliot Noss

Year closer to your low-end and high-end, we have released the financial details but its pretty easy to find, people pay revenue multiples in this industry at pre-time wage.

Thanos Moschopoulos - BMO Capital Markets

Okay.

Elliot Noss

Your are in the right place.

Thanos Moschopoulos - BMO Capital Markets

Okay, I am just going a bit more deeper into the sales that you made following quarter end I mean, obviously the sale of names will be potentially one of your highest growth areas going forward and still I guess one of the most challenging ones, just try to model for -- outside observers like ourselves, can you provide me a bit more color as to what type of regularity we should expect to see in this revenue streams going forward and may be how the process went in this particular instance, in terms

of timeframe, in terms of how the bottom is lined up, in terms of how the names are chosen to be sold, that kind of thing?

Elliot Noss

Sure. So let me start with the good news Thanos. This sale is the start of this being easier to bottom, it is not [very difficult] So, good news there for you. The way this worked is we take a bundle of -- as we talked about in the past we really wanted to bring some regularity to this.

So we take a bundle of names that literally are from our perspective, financial assets. So we are really picking a group of names that is going to be not more than X in total and will provide a specific level of revenue that we believe is based on our historical performance. We will then place them essentially in an account that will allow a prescreened group of buyers to follow along through the course of roughly 30 days. They can all watch the names, they can see how they perform, and they can see them using the usual metrics as they as inventory holders are very familiar with. At the end of the process they win.

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