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GSI Commerce Q3 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you very much, sir. (Operator Instructions) First question will come from the line of Colin Sebastian of Lazard Capital. Please proceed.

Colin Sebastian - Lazard Capital

Thanks for taking my call. I have a couple of questions. Mike, I guess first of all just to clarify the cause associated with the Accretive acquisition those were not included in your adjusted EBITDA numbers, is that correct?

Michael Conn

That's correct.

Colin Sebastian - Lazard Capital

Though, I guess my first question has been, it doesn't look like your flowing through all the upsides in the quarter in to the revised full year guidance. So, just wondering what you might be seeing in the fourth quarter that might have changed or whether perhaps such as conservatives at this point in the year?

Michael Conn

Yeah, I would say something about looking up anything in particular that changed I would say if you sort of strip Accretive out I think our approach is similar to what has been, if you look at the beginning of the year, we targeted 50 to 55 as we progressed through the year.

We have seen the low end of that range move up and as we had upside, which were taken the approach of combination of try to move up the bottom end of the range. We are also still trying to keep be an aggressive on the investment front with growth initiative. So I wouldn't pointed towards any change in the business, but more just of continuation of overall strategy and the upside to the top end of the range, I think, it's reflective of incremental contribution from Accretive.

Colin Sebastian - Lazard Capital

Okay. And just curious you mentioned the additional partner, Humongous I think and is that package good sales online or does that include digital downloads?

Michael Conn

It's initially packaged good product. But the opportunity does exist for digital to become a part of that overtime.

Colin Sebastian - Lazard Capital

Okay. Thanks. Congrats on the quarter.

Michael Conn

Thank you.

Operator

Thank you very much, sir. Ladies and gentlemen, your next question comes from the line of Scott Devitt, Stifel Nicolaus please proceed.

Scott Devitt - Stifel Nicolaus

Thanks a lot. Two questions both related to the Accretive acquisition. If I go back to the last quarter guidance and run mid points on your fourth quarter guidance that's implied in the last conference call is about \$321 million of revenue. So, the new mid point if you assume that Accretive is going to do \$30 million or so in revenue in the fourth quarter just using what you disclosed in the acquisition of \$84 million on an annualized basis.

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