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## MIVA, Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

Thank you. [Operator Instructions] And we'll go first to Eric Martinuzzi Craig-Hallum.

**Eric Martinuzzi - Craig-Hallum Capital Group**

Thank you. Curious to know about the outlook for Q4. It looks like you've got, the only business that you have growing sequentially is the US Media business. That Direct decline, is that attributed to the Starware falloff? Is that what it is or is there actually a decline in the ALOT Q3 to Q4?

**Peter Corrao**

Actually, there's not. We're expecting an increase in the ALOT toolbar from Q3 to Q4. Remember, in my script, Eric, I actually put out that ALOT toolbars were actually up right now already over the close of Q3 to \$4.1 million as of last Friday and it's strictly a reflection of Starware trending and ALOT picking up; and of course we think, as you heard, we think that the margin on the ALOT toolbars will be dramatically better and we think that the profitability will continue to increase and we'll have better ROI than ever on those.

**Eric Martinuzzi - Craig-Hallum Capital Group**

Okay and I guess it's a positive point on the on the US Media business but why is that up sequentially?

**Lowe Robinson**

Well, it's basically stable Eric. You know, we're forecasting roughly \$12 million. We did \$11.8 in the third quarter and I think \$12 million in the second quarter. So to me it's all 12 million.

**Eric Martinuzzi - Craig-Hallum Capital Group**

Okay. And then?

**Peter Corrao**

But specifically Eric, on that front we haven't -- you know with all of the banter out there with the ad space sort of falling apart, it looks like from an RPMLU basis on our Pay-Per-Click which ties to our monetization partner that that gain continues. You know the revenue per 1,000 way outpace the old out base, the old legacy brand; and again it outpaces at that 67%, so we're confident that we've got

that piece of the puzzle figured out again. All we have to do now is let time and more ALOT toolbars and homepages queue up and we know that that will continue to deliver through and we're not seeing any fall off at all as of even today's numbers for the RPMLU for the ALOT toolbars.

**Eric Martinuzzi - Craig-Hallum Capital Group**

That's terrific, to see that continued progress there.

**Peter Corrao**

And then secondly in the MIVA Media US business, you know EU has falling off simply because we've retrenched and we expected that to happen and only because we refused to lose another penny in Europe and will not lose another penny in Europe. MIVA Media US however we still have this supply/demand curve where even today from the advertiser base we've got, we've got way more supply than demand that we can feed them from our publisher base. So pretty much if we've got traffic there consuming, in that end we don't see a falloff in that business in the foreseeable future either.

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