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## InfoSpace Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Ross Sandler with RBC Capital Markets.

#### Ross Sandler – RBC Capital Markets

[inaudible] On the guidance, can you [inaudible] 7.5% year-over-year decline in revenue which is more or less in line with the [60%] decline you had in 4Q. Are you not seeing a material drop off [inaudible] 1Q? Are you modeling in some [inaudible] distribution? Can you help us understand kind of where the lack of deceleration [inaudible] 1Q is coming from and I have a couple follow ups.

#### David Bradley Binder

If you look at the guidance relative to the performance in the fourth quarter and even if you go back to compare that to how we did fourth quarter of 2007 versus first quarter of 2008, we're showing a pretty good stabilizing or even a slight uptick in revenue from the fourth quarter to the first quarter. In the fourth quarter of '08 we did see the [PPC] that we expected and factored into the guidance. Going into the first quarter we're seeing those rates fairly stable so that the sequential decreases are not continuing and we're expecting a little bit of pick up mostly coming from the distribution business in the first quarter.

#### Ross Sandler – RBC Capital Markets

[inaudible] guidance in 1Q [inaudible] simply a mixed shift on partners [inaudible]?

#### David Bradley Binder

It is a combination of mix shift. We expect distribution to be a larger relative share of the business in the first quarter and we are continuing to invest in some of the initiatives, some of the aspects of the owned and operated initiative that we have seen succeed so far in the fourth quarter.

#### William J. Lansing

#### Ross Sandler – RBC Capital Markets

Two more quick ones. On the new toolbar product, how are the economics [inaudible], is it a pay per install and if so what kind of [life on] value do year you see for when the... how many months before these toolbars [inaudible] install and I've just got one last quick one.

**David Bradley Binder**

I think the way you ask the question I think you're thinking about the business the right way. It's a cost per acquisition and a lifetime value from thereon out. It's very early for us to say what the dynamics we are experiencing or even what we are expecting to experience in something that as this business grows to scale we'll be able to share a lot more about.

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