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## Move, Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from William Morrison – ThinkEquity.

#### William Morrison – ThinkEquity

I guess Steve I hear what you're saying about continuing to invest in the business especially in the product side and maybe even on the sales side. My question is now that you've had six weeks to kind of get under the covers, is there a reason that Move's G&A as a percent of revenue should be as high as it is? I think it was 24% of revenue in the quarter. Most Internet companies that we cover are probably around 12% to 14% of revenue. I'm just curious is there's some structural or unique characteristic to Move's business that G&A would be as high as it is?

#### Steven H. Berkowitz

I'll answer it from kind of an overall P&L perspective and then I'll let Lew talk a little bit about the G&A number. Again, I think one of the things I haven't spend a lot of time on is how we classify expenses here. What we put in G&A versus what we put in cost of goods versus what we put in sales and marketing so I need to take a look at that from the standpoint of how I've seen it done at other Internet companies.

I think as a company it really kinds of gets back down to what the right operating margin should be for the business and I think as I dig in to that I think what I should hopefully be able to find is how the relationship to revenue in each of the areas from sales and marketing to product development to G&A run in terms of cost of goods.

Again, I think what needs to happen is I need to take the business apart purely from an accounting perspective and how we see it and I think the other thing to look at is how do you get expenses, just overall expenses as a ratio in line with what we need to do. I think that's something I just have to get at as we start to reorganize the business I think in a more effective way.

#### Lewis R. Belote, III

Bill, just following up I'll note, and we've noted this in the past, for a company of our size we're incurring probably higher stock-based charges than the average company that's primarily all in G&A. Legal costs which we've talked about at length and the various litigations we've been dealing with and our facility costs because of the timing in the market when we took on certain facilities we're paying probably higher rates that we should be based on our utilization. I mentioned that Steve's leading a

process of going through the entire structure of the organization. We'll be addressing all those as a part of that.

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