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CoStar Group, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

All right thank you. (Operator Instructions). And our first question comes from John Neff from William Blair. Please go ahead.

John Neff – William Blair

Hi guys. Good morning

Andrew Florance

Good morning Mr. Neff.

Brian Radecki

Hi John.

John Neff – William Blair

A few questions for you then I can get back in queue for some others. But the last quarter the guidance range was 201 to 207 million now 198 to 203, is that all due to foreign exchange and what does the foreign exchange rates continue as of when, the end of the quarter or where they stand today?

Brian Radecki

John, I didn't change those. As I reiterated it and what I did was consolidated it, we came up with and provided our initial calendar year 2009 revenue guidance in February. We assumed that the U.S. dollar was strengthened versus the pound over the course of 2009 because that was the trend for the 5 or 6 months. There was no sign of it stopping. We are really not trying to forecast exchange rates, really just kind of reiterating the same thing and I consolidated them to make it simpler for people because I think there is some confusion around that.

John Neff – William Blair

Okay. So, it's purely a reflection of the U.K. correction of the business.

Brian Radecki

Correct.

John Neff – William Blair

Okay. So, it's really just due to [FE].

Brian Radecki

Correct and we confused you in order to avoid confusion.

John Neff – William Blair

What are the net annualized subscription bookings in the quarter?

Brian Radecki

John, I mean they are obviously negative because revenue growth is negative. So, we haven't really talked about that, the last few quarter we've been focusing on more some of the operating metrics.

John Neff – William Blair

And then you mentioned bad debt expense, DSO's are creeping up a little bit, but what's go primarily with bad debt expenses, up and keeping pace and where is that at the end of the quarter?

Andrew Florance

Yeah it's up slightly over the fourth quarter, it's right about where we thought it would be, we kind of assumed we'd have 0.5 million or 1 million more in bad debt this year and right now it's – quite right around, what we thought would be so. Has it really gotten significantly worse but obviously in this environment you've got companies that are struggling and some of them just going out of business.

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