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NeuStar Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you ladies and gentlemen. (Operator Instructions). We'll go first to Will Power with Robert Baird.

William Power - Robert W. Baird

Great Good afternoon. I guess a couple of questions. First given the... what appears to be a lengthening sales cycles in some of your non-LNP businesses you alluded to. Are you now expecting revenue to be at the lower end of guidance or how should we think about that in respect to guidance? And then the second question is with respect to NGM, I just wonder if you could update us on kind of where you stand on the cost cutting efforts there. Thanks.

Jeffrey Ganek

Sure. How are you doing, Will.

William Power - Robert W. Baird

Good, thank you.

Jeffrey Ganek

It's a good question. Look we are very happy with our overall revenue performance in the first quarter compared to many companies, I know we've been very successful on the revenue front and we continue to manage aggressively towards the highest-end of the range we can possibly get to. What we're trying to do on today's call is be realistic and learnt about the challenges we're seeing in the marketplace.

Fortunately, the slowdown in sales cycles happens in a small number of our existing businesses and despite those slowdowns we continue to show revenue growth in those markets who are taking action to catch revenues in other ways there. So, we're still sticking with the revenue range that we announced on our last call and we're going to get as high in that range as at the market allows us.

William Power - Robert W. Baird

Okay.

Paul Lalljie

And with respect to the NGM business in the first quarter, total operating expenses totaled about 7.8 million and that compared favorably by about 6.4 million to the first quarter of 2008.

We are pleased with progress we've made in controlling cost in that business. We are focused on controlling cost in that business and we are on-track to meet our objectives on a full year basis for that business.

William Power - Robert W. Baird

Okay. So can you remind us what's kind of the objective then for some kind of run rate in that business as you may be exiting the year for cost?

Paul Lalljie

Well this is Paul here again. A couple of things; one of the things that we stated in our fourth quarter call is we will... one of our goals is to be a EBITDA crossover during the fourth quarter, so in a given month to be EBITDA crossover. And the fourth quarter we are expecting to be on an annualized basis roughly around 10 to \$12 million of annualized revenue, annualized expenses rather, on an operating basis.

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