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InfoSpace Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first call comes from Eric Martinuzzi – Craig-Hallum.

Eric Martinuzzi – Craig-Hallum

The seasonality of search throughout the year seems it suffers in the summer months. That's why you've got the potential for sequential decline here in Q2. I was wondering, do you feel like you're going to get normal seasonality? Do you have any visibility that would give you a sense of things rebounding with back to school in the September time frame?

William Lansing

It's a little bit hard to say. Your guess is as good as ours on this. We're happy that our first quarter looks as good as it does sequentially and I think that tells you that we have something coming back our way. There's cause for a little bit of optimism, but really no one knows. We don't know.

David Binder

I would add that the guidance for the second quarter anticipates the typical volume softness that you get in the early summer months so we are expecting on our owned and operated side volumes to trend typically the way they do seasonally.

Eric Martinuzzi – Craig-Hallum

The partner side on the distribution side, what sort of traction did you get with bringing on new distribution and holding on to your existing?

William Lansing

In the quarter we signed four new partners as well as a number of renewals and I would say that the distribution team is doing a very good job of tracking and closing their pipeline. We seem to typically close a good number of new accounts on a quarterly basis and they're continuing to hit those numbers. On the renewal side, we've been very successful.

Eric Martinuzzi – Craig-Hallum

On the other income, you've got an expense, and that expense here I assume that if I back out the \$5.4 million charge that we would be at roughly \$700,000 positive on the other income line. Given the \$205 million, what sort of interest rate should we use for the Q2 projection there?

David Binder

For the general cash balance outside of the auction rate securities, we're seeing a very low yield, below 1%. For the auction rate securities, about 70% of par value which is about \$40 million we receive pretty favorable yields around 2%.

Operator

Your next question comes from Ross Sandler – RBC Capital Markets.

Ross Sandler – RBC Capital Markets

On the G&A line, it was a little higher than we were expecting. Were there some one time costs in G&A in 1Q? And second, can you talk about pricing, so far what you're seeing in April and May as compared to the first quarter?

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