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## LoopNet Inc. Q3 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). Your first question comes from the line of John Blackledge. Please proceed.

#### John Blackledge - Credit Suisse

Thanks.

#### Rich Boyle

Hey John, how are you?

#### John Blackledge - Credit Suisse

Thanks for taking the question, nice quarter. I guess you kind of addressed the premium number of declines which were definitely better than I thought, and just wondered if you can expand it all and where do you see that going into the fourth quarter and into next year. Then just wondering how much would the litigation cost in the third quarter? Thank you.

#### Rich Boyle

John this is Rich. I will talk about the PM trends and then I'll let Brent to address the litigation piece. So, I guess a little bit of color on where we see it. What we did see in the third quarter was some things that got substantially better and the biggest lever that moved the net PM number in the right direction from where it had been trending was a pretty substantial improvement in cancellation rate, and we think driving that was really two factors.

One is, some indications that people on the buy side of the market are indeed starting to come back in and show some interest in getting smart about properties available and developing investment strategies and we thought for a while that as pricing came down that would develop, and so far it looks like that's as expected.

The second thing affecting the cancellation rate is a lot of what we refer to as the transactional listers that kind of come in and out of the market with one listing, are basically not active in the market right now and that seems to be fairly fully flushed out by now. So those things together we think improve the cancellation rate, which was the biggest lever in the quarter.

Looking forward, the first thing I think people will want to keep in mind is the seasonality in our business, Q4 tends to be seasonally weak for us and we expect that to be true again this year. We

tend to get used by people that are launching off doing new deals and once the Thanksgiving holiday rolls around through the end of the year it tends to be a pretty slow market.

So, we think we'll continue to see seasonality and then what we're cautiously optimistic about is the market continuing to develop improvement overtime next year. We are a little reluctant to predict exact timing though. It does seem to be developing in the right direction now, but somewhat slowly.

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