

## DealerTrack Holdings 3Q net income surges

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The Associated Press

DealerTrack Holdings Inc., which makes software for auto dealers, said third-quarter profit more than quadrupled as auto credit availability boosted car sales, increasing demand for its services. The company also posted a one-time tax-related gain of \$22.4 million.

The Lake Success, N.Y., company said net income rose to \$5.4 million, or 13 cents per share from \$1.2 million, or 3 cents per share, a year ago.

The results included \$22.4 million, or 53 cents per share, for a non-cash reduction in the valuation allowance against the company's net U.S. deferred tax assets.

Revenue rose 50 percent to \$95.8 million from \$63.1 million. Operating expenses climbed to \$88.7 million from \$60.7 million.

The company posted adjusted net income, which excludes certain items, of \$14.7 million, or 34 cents per share, compared with \$6.6 million, or 16 cents per share, a year ago.

Analysts surveyed by FactSet expected 22 cents per share on revenue of \$88.3 million.

Shares rose 85 cents, or 3.9 percent, to close at \$22.72 during normal trading. Shares are up 13 percent since the beginning of the year. Shares have traded as high as \$26.80 in the past 52 weeks.

In after-market trading shares rose \$2.48, or nearly 11 percent, to \$25.20.

For the year the company said it expects revenue of between \$344 million and \$347 million, up from the previous estimate of between \$336 million and \$340 million.

Net income for the year is expected to be between \$1.53 and \$1.58, compared to the previous estimate of between 57 cents and 63 cents.

The revised guidance reflects an expected gain of about \$28.8 million, or 68 cents per share to be recognized in the fourth quarter related to the sale of DealerTrack's wholly owned subsidiary ALG, Inc.

Adjusted net income is expected to be between 94 cents and 99 cents per share, up from the previous estimate of between 81 cents and 86 cents per share.

Analysts surveyed by FactSet expect 84 cents per share on revenue of \$336.6 million.

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