

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 30, 2012

**COSTAR GROUP, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation)

0-24531  
(Commission File Number)

52-2091509  
(IRS Employer Identification No.)

1331 L Street, NW, Washington, DC  
(Address of principal executive offices)

20005  
(Zip Code)

Registrant's telephone number, including area code: (202) 346-6500

Not Applicable  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## **Introductory Note**

On April 30, 2012, CoStar Group, Inc. (“CoStar”) completed its acquisition of LoopNet, Inc. (“LoopNet”) pursuant to an Agreement and Plan of Merger dated April 27, 2011, as amended May 20, 2011 (the “Merger Agreement”), among CoStar, Lonestar Acquisition Sub, Inc., a wholly owned subsidiary of CoStar, (“Merger Sub”), and LoopNet, as a result of which LoopNet became a wholly-owned subsidiary of CoStar.

### **Item 1.01 Entry into a Material Definitive Agreement**

On April 25, 2012, the parties to that certain Credit Agreement, dated February 16, 2012, by and among CoStar, as Borrower, CoStar Realty Information, Inc., as Co-Borrower, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (as amended, the “Credit Agreement”), entered into the First Amendment to the Credit Agreement (the “Amendment”) to extend the Commitment Termination Time (as defined in the Credit Agreement) from April 30, 2012 to May 31, 2012. The foregoing description of Amendment is not complete and is qualified in its entirety by reference to the Amendment, which is attached hereto as Exhibit 10.2.

### **Item 2.01 Completion of Acquisition or Disposition of Assets**

Pursuant to the Merger Agreement, on April 30, 2012, Merger Sub merged with and into LoopNet (the “Merger”), with LoopNet continuing as the surviving corporation in the Merger and becoming a wholly-owned subsidiary of CoStar. Pursuant to the Merger Agreement, at the effective time of the Merger (a) each outstanding share of the common stock of LoopNet (other than any shares owned by LoopNet, CoStar or their wholly-owned subsidiaries) issued and outstanding immediately prior to the effective time of the Merger was converted into the right to receive a unit consisting of (i) \$16.50 in cash, without interest (the “Cash Consideration”) and (ii) 0.03702 shares of CoStar common stock (the “Stock Consideration”, and together with the Cash Consideration, the “Merger Consideration”), (b) each outstanding share of the Series A Convertible Preferred Stock of LoopNet issued and outstanding immediately prior to the effective time of the Merger was converted into the right to receive a unit consisting of (i) the product of 148.80952 multiplied by the Cash Consideration and (ii) the product of 148.80952 multiplied by the Stock Consideration, and (c) each of LoopNet's outstanding equity awards (including stock options and restricted stock units), whether vested or unvested, were canceled in exchange for cash and/or shares of Company common stock (depending on the type of award and the exercise price of the award, if any) based on the Merger Consideration less, in the case of a stock option, the per share exercise price.

The foregoing description of the Merger Agreement and the related Merger is not complete and is qualified in its entirety by reference to the Merger Agreement, which was attached as Exhibit 2.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on April 28, 2011, and Amendment No. 1 to the Merger Agreement, which was attached as Exhibit 2.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on May 23, 2011, both of which are incorporated herein by reference.

Our common stock will continue to trade on the Nasdaq Global Select Market under the symbol “CSGP”. Following consummation of the Merger, the common stock of LoopNet will be delisted from the NASDAQ Global Select Market.

### **Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

On April 30, 2012, pursuant to the Credit Agreement, CoStar borrowed \$175 million to fund a portion of the cash consideration that CoStar paid in connection with the Merger and to fund a portion of the fees, expenses and transaction costs related to the Merger. The description of the terms of the Credit Agreement is incorporated herein by reference to CoStar's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 23, 2012, and Exhibit 10.1 thereto. In addition, the disclosure under Item 1.01 is incorporated herein by reference.

### **Item 8.01 Other Events**

On April 30, 2012, we issued a press release announcing the consummation of the Merger. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

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## Item 9.01 Financial Statements and Exhibits

### (a) Financial Statements of Businesses Acquired.

To the extent financial statements of LoopNet are required to be filed by this item, such financial statements will be filed by amendment to this Current Report on Form 8-K not later than 71 calendar days after the date on which this Current Report on Form 8-K is required to be filed.

### (b) Pro Forma Financial Information.

To the extent pro forma financial information is required to be filed by this item, such financial information will be filed by amendment to this Current Report on Form 8-K not later than 71 calendar days after the date on which this Current Report on Form 8-K is required to be filed.

### (d) Exhibits.

#### Exhibit No. Description

2.1	Agreement and Plan of Merger, dated as of April 27, 2011, by and among CoStar Group, Inc., Lonestar Acquisition Sub, Inc. and LoopNet, Inc. (Incorporated by reference to Exhibit 2.1 to CoStar's Current Report on Form 8-K, filed on April 28, 2011).
2.2	Amendment No. 1 to the Agreement and Plan of Merger, dated as of May 20, 2011, among LoopNet, Inc., CoStar Group, Inc. and Lonestar Acquisition Sub, Inc. (Incorporated by reference to Exhibit 2.1 to CoStar's Current Report on Form 8-K, filed on May 23, 2011).
10.1	Credit Agreement dated February 16, 2012, by and among CoStar, as Borrower, CoStar Realty Information, Inc., as Co-Borrower, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (Incorporated by reference to Exhibit 10.1 to CoStar's Current Report on Form 8-K, filed on February 23, 2012).
10.2	First Amendment dated as of April 25, 2012, to the Credit Agreement dated as of February 16, 2012, among CoStar Group, Inc., CoStar Realty Information, Inc., the Lenders from time to time party thereto and JPMorgan Chase Bank N.A., as Administrative Agent.
99.1	CoStar Group, Inc. Press Release dated April 30, 2012.

### Cautionary Statements Regarding Forward-Looking Statements.

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about CoStar's financial expectations, the companies' plans, objectives, expectations and intentions and other statements including words such as "hope," "anticipate," "may," "believe," "expect," "intend," "will," "should," "plan," "estimate," "predict," "continue" and "potential" or the negative of these terms or other comparable terminology. Such statements are based upon the current beliefs and expectations of management of CoStar and LoopNet and are subject to significant risks and uncertainties. Actual results may differ materially from the results anticipated in the forward-looking statements. The following factors, among others, could cause or contribute to such differences: the risk that the combination of CoStar and LoopNet does not result in or create the anticipated benefits for CoStar; the possibility that the sale of LoopNet's interest in Xceligent does not close when expected or at all; the possibility that the public comment and final acceptance process for the Consent Order could result in further regulatory implications; the possibility that the conditions, divestitures and changes relating to the operations or assets of LoopNet and CoStar as a result of the FTC's consent order may result in unanticipated adverse effects on the combined company; the risk that expected cost savings or other synergies from the Merger may not be fully realized or may take longer to realize than expected; the risk that the businesses of LoopNet and CoStar may not be combined successfully or in a timely and cost-efficient manner; and the risk that business disruption relating to the Merger may be greater than expected. Additional factors that could cause results to differ materially from those anticipated in the forward-looking statements can be found in CoStar's Annual Report on Form 10-K for the year ended December 31, 2011, CoStar's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, LoopNet's Annual Report on Form 10-K for the year ended December 31, 2011, and LoopNet's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, each filed with the SEC, including in the "Risk Factors" section of each of these filings, and each company's other filings with the SEC available at the SEC's website ([www.sec.gov](http://www.sec.gov)). Neither CoStar nor LoopNet undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### Additional Information.

In connection with the acquisition of LoopNet, CoStar filed with the SEC, and the SEC declared effective, a Registration Statement on Form S-4 that included a preliminary proxy statement of LoopNet that also constituted a preliminary prospectus of CoStar. On June 7, 2011, CoStar filed a final prospectus and LoopNet filed a definitive proxy statement and LoopNet began mailing the proxy statement/prospectus to LoopNet stockholders, who approved the proposed transaction on July 11, 2011. Investors and security holders are encouraged to read these materials as well as any other relevant documents filed with the SEC regarding the transaction, because they contain important information regarding the transaction. Copies of all documents filed with the SEC regarding the transaction, including the proxy statement/prospectus, may be obtained free of charge at the SEC's website, [www.sec.gov](http://www.sec.gov). Copies of the proxy statement/prospectus and the filings with the SEC that are incorporated by reference in the proxy statement/prospectus can also be obtained, free of charge, from CoStar's website, [www.costar.com/Investors.aspx](http://www.costar.com/Investors.aspx) under the tab "SEC Filings" or from LoopNet's website, [investor.loopnet.com](http://investor.loopnet.com), under the tab "Investor Relations."

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COSTAR GROUP, INC.

By:

/s/ Brian J. Radecki

Name: Brian J. Radecki

Title: Chief Financial Officer

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Date: April 30, 2012

Exhibit No. Description

- 2.1 Agreement and Plan of Merger, dated as of April 27, 2011, by and among CoStar Group, Inc., Lonestar Acquisition Sub, Inc. and LoopNet, Inc. (Incorporated by reference to Exhibit 2.1 to CoStar's Current Report on Form 8-K, filed on April 28, 2011).
- 2.2 Amendment No. 1 to the Agreement and Plan of Merger, dated as of May 20, 2011, among LoopNet, Inc., CoStar Group, Inc. and Lonestar Acquisition Sub, Inc. (Incorporated by reference to Exhibit 2.1 to CoStar's Current Report on Form 8-K, filed on May 23, 2011).
- 10.1 Credit Agreement dated February 16, 2012, by and among CoStar, as Borrower, CoStar Realty Information, Inc., as Co-Borrower, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (Incorporated by reference to Exhibit 10.1 to Costar's Current Report on Form 8-K, filed on February 23, 2012).
- 10.2 First Amendment dated as of April 25, 2012, to the Credit Agreement dated as of February 16, 2012, among CoStar Group, Inc., CoStar Realty Information, Inc., the Lenders from time to time party thereto and JPMorgan Chase Bank N.A., as Administrative Agent.
- 99.1 CoStar Group, Inc. Press Release dated April 30, 2012.
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“Amendment”)  
“Credit Agreement”),  
REALTY INFORMATION,  
thereto and JPMORGAN  
the “Administrative

FIRST AMENDMENT dated as of April 25, 2012 (this  
to the CREDIT AGREEMENT dated as of February 16, 2012 (the  
among COSTAR GROUP, INC. (the “Borrower”), COSTAR  
INC. (the “Co-Borrower”), the Lenders from time to time party  
CHASE BANK, N.A., as Administrative Agent (in such capacity,  
Agent”).

WHEREAS the Borrower has requested that the Lenders agree to amend certain provisions of the Credit Agreement and each of the Lenders is willing to effect such amendment on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

SECTION 2. Amendment to the Credit Agreement. Section 1.01 of the Credit Agreement is hereby amended by replacing the reference to “April 30, 2012” in the definition of “Commitment Termination Time” with a reference to “May 31, 2012”.

SECTION 3. Representations and Warranties. The Borrower hereby represents and warrants to the Administrative Agent that (a) this Amendment has been duly executed and delivered by the Borrower and the Co-Borrower and constitutes a legal, valid and binding obligation of the Borrower and the Co-Borrower, as the case may be, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and (b) on and as of the Amendment Effective Date (as defined below) (i) the representations and warranties set forth in Article III of the Credit Agreement are true and correct (x) in the case of the representations and warranties qualified as to materiality, in all respects and (y) otherwise, in all material respects, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty was true and correct on and as of such prior date, and (ii) no Default has occurred and is continuing.

SECTION 4. Effectiveness. This Amendment shall become effective, as of the date first above written, on the date (the “Amendment Effective Date”) on which the Administrative Agent shall have received (a) duly executed counterparts hereof that, when taken together, bear the signatures of the Administrative Agent, the Borrower, the Co-Borrower and each of the Lenders, and (b) duly executed counterparts of the Amendment Letter dated the date hereof among the Borrower, JPMorgan Chase Bank, N.A. (“JPMCB”) and J.P. Morgan Securities LLC (“J.P. Morgan”) that, when taken together, bear the signatures of the Borrower, JPMCB and J.P. Morgan.

SECTION 5. Effect of Amendment. (a) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Administrative Agent, the Issuing Banks or the Lenders under the Credit Agreement and the other Loan Documents, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any of the other Loan Documents, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Borrower to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement as amended hereby in similar or different circumstances.

(b) On and after the Amendment Effective Date, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein”, or words of like import, and each reference in any other Loan Document to the “Credit Agreement”, shall be deemed to be a reference to the Credit Agreement as amended hereby.

SECTION 6. Applicable Law. **THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

SECTION 7. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic imaging shall be as effective as delivery of a manually executed counterpart of this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the day and year first above written.

COSTAR GROUP, INC.,

by

/s/ Charles A. Colligan

Name: Charles A. Colligan

Title: Treasurer

COSTAR REALTY INFORMATION, INC.,

by

/s/ Charles A. Colligan

Name: Charles A. Colligan

Title: Treasurer

[SIGNATURE PAGE TO FIRST AMENDMENT]

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JPMORGAN CHASE BANK, N.A.,  
individually and as Administrative Agent,

By

/s/ Alicia Schreiber  
Name: Alicia Schreiber  
Title: Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT]

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BANK OF AMERICA, N.A.,

By

/s/ Mary K. Giermek

Name: Mary K. Giermek

Title: Senior Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT]

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SUNTRUST BANK,

By

/s/ Jeffrey M. Henry

Name: Jeffrey M. Henry

Title: Senior Vice President

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WELLS FARGO BANK, N.A.,

By

/s/ Abigail M. Matia  
Name: Abigail M. Matia  
Title: SVP

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PNC BANK, NATIONAL ASSOCIATION,

By

/s/ Mark Worthy

Name: Mark Worthy

Title: AVP, Corporate Banking

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SILICON VALLEY BANK,

By

/s/ Philip T. Silvia III  
Name: Philip T. Silvia III  
Title: Vice President

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ALL INQUIRIES:

**RICHARD SIMONELLI**  
CoStar Group, Inc.  
(202) 346-6394  
[rsimonelli@costar.com](mailto:rsimonelli@costar.com)

## **CoStar Group, Inc. Closes its Acquisition of LoopNet, Inc.**

*Combination creates the Premier Information, Marketing and Analytics Company in Commercial Real Estate*

WASHINGTON, DC, April 30, 2012 -- CoStar Group, Inc. (NASDAQ:CSGP) announced today that it has completed its acquisition of LoopNet, Inc. previously announced on April 27, 2011, creating the premier information, marketing and analytics company in commercial real estate. CoStar is commercial real estate's leading provider of information and analytic services and LoopNet is the leading online commercial real estate marketplace.

"We are very pleased that we can begin integrating these two successful companies that have been at the forefront of innovation in the commercial real estate industry," said Andrew C. Florance, Founder and Chief Executive Officer of CoStar. "We believe our products and services, diversified client base, comprehensive geographic footprint and economies of scale will drive significant synergies, which we believe can lead to increased stockholder value and a stronger, integrated platform for our customers."

CoStar plans to continue to operate LoopNet as a separate brand. LoopNet.com has 5.8 million registered members and currently has approximately 3.6 million unique monthly visitors. "The LoopNet brand is important," stated Florance. "Our strategy is to invest in strengthening LoopNet's products and services."

The combined company will retain the name CoStar Group, Inc. and will continue to trade on the NASDAQ Global Select Market under the ticker symbol CSGP. LoopNet has requested that NASDAQ suspend trading of its common stock prior to the open of trading on May 1, 2012.

CoStar management will conduct a conference call to discuss the closing of the LoopNet transaction and to provide combined 2012 guidance for the companies beginning at 4:30 PM EDT on Wednesday, May 2, 2012.

To participate in the conference call, please dial (800) 230-1093 (from the United States and Canada) or (612) 288-0329 (from all other countries) and refer to conference code 247060. To listen to the conference call over the Internet, please access the audio webcast link available in the Investors section of CoStar's website at [www.CoStar.com/investors.aspx](http://www.CoStar.com/investors.aspx).

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An audio recording of the conference call will be available for replay approximately one hour after the call's completion and will remain available for a period of time following the call. To access the recorded conference call, (800) 475-6701 (from the U.S. and Canada) or (320) 365-3844 (from all other countries) using access code 247060. The webcast replay will also be available in the Investors section of CoStar's website for a period of time following the call.

**About CoStar Group, Inc.**

CoStar Group (NASDAQ: CSGP) is commercial real estate's leading provider of information, marketing and analytic services. Founded in 1987, CoStar conducts expansive, ongoing research to produce and maintain the largest and most comprehensive database of commercial real estate information. Our suite of online services enables clients to analyze, interpret and gain unmatched insight on commercial property values, market conditions and current availabilities. Through LoopNet, the Company operates the most heavily trafficked commercial real estate marketplace online with more than 5.8 million registered members and 3.6 million unique monthly visitors. Headquartered in Washington, DC, CoStar maintains offices throughout the U.S. and in Europe including the industry's largest professional research organization. For more information, visit [www.costar.com](http://www.costar.com).

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This news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about CoStar's financial expectations, the company's plans, objectives, expectations and intentions and other statements including words such as "hope," "anticipate," "may," "believe," "expect," "intend," "will," "should," "plan," "estimate," "predict," "continue" and "potential" or the negative of these terms or other comparable terminology. Such statements are based upon the current beliefs and expectations of management of CoStar and are subject to significant risks and uncertainties. Actual results may differ materially from the results anticipated in the forward-looking statements. The following factors, among others, could cause or contribute to such differences: the risk that the combination of CoStar and LoopNet does not result in or create the anticipated benefits for CoStar; the risk that the combined entity is unable to drive significant revenue and cost synergies and lead to increased stockholder value, and a stronger, integrated platform for customers; the possibility that the combined entity's operational plans or future strategy changes; the possibility that the sale of LoopNet's interest in Xceligent does not close when expected or at all; the possibility that the public comment and final acceptance process for the Consent Order could result in further regulatory implications; the possibility that the conditions, divestitures and changes relating to the operations or assets of LoopNet and CoStar as a result of the FTC's consent order may result in unanticipated adverse effects on the combined company; the risk that expected cost savings or other synergies from the merger may not be fully realized or may take longer to realize than expected; the risk that the businesses of LoopNet and CoStar may not be combined successfully or in a timely and cost-efficient manner; and the risk that business disruption relating to the merger may be greater than expected. Additional factors that could cause results to differ materially from those anticipated in the forward-looking statements can be found in CoStar's Annual Report on Form 10-K for the year ended December 31, 2011, CoStar's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, LoopNet's Annual Report on Form 10-K for the year ended December 31, 2011, and LoopNet's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, each filed with the SEC, including in the "Risk Factors" section of each of these filings, and each company's other filings with the SEC available at the SEC's website ([www.sec.gov](http://www.sec.gov)). CoStar does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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