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## MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon, ladies and gentlemen. And welcome to your EDGAR Online first quarter earnings release conference call. At this time, all lines have been placed on a listen only mode, and the floor will be open for questions following today's presentation. It is now my pleasure to introduce your host, President and CEO, Miss Susan Strausberg. Ma'am, you may begin.

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### Susan Strausberg, President and Chief Executive Officer

Thank you. We want to welcome all of you to this conference call to discuss EDGAR Online's first quarter 2005 results. We would like to remind everyone that the statements made in this call other than those concerning historical information should be considered forward looking and subject to various risks and uncertainties. EDGAR Online's actual results may differ substantially from the results anticipated in these forward looking statements as a result of a variety of factors, including those identified in our quarterly reports on Form 10 Q and annual reports on Form 10 K, which are filed with the Securities & Exchange Commission.

With me today is Greg Adams, our Chief Financial Officer and COO, to take you through our first quarter results.

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### Greg D. Adams, Chief Financial Officer and Chief Operating Officer

Thanks, Susan.

Before I review EDGAR Online's first quarter, I would like to update everyone on where we are with respect to certain recent events.

First, April 28th was the last day for shareholders to exercise the warrants issued in conjunction with our May 2004 secondary offering. The redemption of the warrants resulted in an inflow of cash of \$4.2 million. This capital infusion has enabled us to take advantage of our XBRL product initiatives as well as to continue building a strong sales organization. There were 51,000 warrants that were not converted by the April 28th expiration. We were unable to extend the conversion period because the registration of the warrants expired on May 1st. Details of the redemption will be outlined in our Form 8 K filing.

And, second, with the launch of the I-Metrics suite of products, we have moved into a much larger market and potential customer base. Last week at the XBRL international conference in Boston, it became clear that we are the only company using data tagged in the eXensible Business Reporting Language to deliver – delivered into financial information into the marketplace.

Also, it became apparent that we enjoy a significant jump on the competition with respect to delivering the kind of transparent financial content that our customers are clamoring for. It has taken over two years of R&D to complete our product plan, but we expect the return for our shareholders will be worth the wait.

Now, moving on to EDGAR Online's first quarter 2005 operating performance, our first quarter revenues were 3.5 million compared to a 3.1 million in 2004. Revenue growth was driven by a 13% increase in our core businesses, subscriptions and data sales, which are now 90% of total revenues. Along with the addition of I-Metrics, these highly profitable business segments will continue to be our primary growth drivers in 2005 and beyond.

Drilling down to the segments, first quarter subscription revenues increased 18% from last year. Our number of paying subscribers at March 31st is 22,000, comprised of 10,000 EDGAR Pro subscribers and 12,000 EDGAR Access subscribers. In March, we filed a Form 8 K noting that we recorded an additional \$200,000 to our 2004 reserve for doubtful accounts related to old Access subscribers that had been turned off. Most of these balances were from 2003 or earlier and were less than \$100 each. There was no P&L impact on these write offs in the first quarter, but it resulted in over 2,000 Access subscribers being removed from our count. Obviously, there was a low probability to upsell premium products to those 2,000 subscribers, so we believe the future impact will be minimal as well.

With respect to pricing, during the first quarter we increased the price of EDGAR Online Access to \$180 a year up to \$220 a year, and while the list price of EDGAR Pro was increased to \$1,200 for desktop in early 2004, our existing Pro subscribers renewed at a promotional rate of \$900 last year. So as Pro renewals occur in 2005, our existing subscribers will be renewed at higher price points. As a result of all the pricing changes and decrease in sub count, the average annual price per subscriber has increased to \$345 from \$276 last year.

To date, the launch of I-Metrics is off to a good start. We have already sold three contracts in less than two weeks, and we have a very large number of proposals in place for multiple user of I-Metrics and EDGAR Pro. But more importantly, our product is being very well received in the marketplace because the combination of I-Metrics and EDGAR Pro gives many customers not only huge productivity savings, but also a comprehensive suite of products at a very fair price.

Let me also reiterate that the benefit that I-Metrics has over other fundamental data analytical products. Many of our competitors provide summary fundamentals consisting of 125 to 150 data points and some as reported data. I-Metrics provides much more granularity, with up to 1500 data points and standardizes company fundamentals using XBRL tagging so that it can be compared on an apples to apples basis. The functionality of I-Metrics is important, but the real advantage is the integrity and depth of the data.

Moving on to data sales, our 2005 revenues increased 7% compared to last year to 1.2 million. At March 31st, we had 195 data contracts with an average annual value of approximately \$25,000. Our largest new contract in the quarter came from customized work we are doing at the New York Stock Exchange. Again, data sales consist of customized feeds of information contained in SEC filings that are delivered to customers through various applications.

We will also be selling fees of XBRL tagged data for various uses. This is our I-Metrics Architect product. One example would be a hedge fund that uses quantitative models for investment purposes. They need to analyze more information than an application like Microsoft Excel could handle, so we will feed the XBRL tagged data to one of their applications and we will receive an annual fee.

We have a very encouraging pipeline of opportunities and expect that our data revenues will continue to grow during the remainder of 2005.

Our non core businesses, technical services and advertising, were 11% of – 10% of first quarter revenues. First quarter billings of technical services were \$230,000. For the remainder of 2005, we expect this revenue segment to decrease and level out at approximately 130 to \$160,000 per quarter. We are slowly migrating away from this lower margin segment as we focus predominantly on the sale of I-Metrics, EDGAR Pro subscriptions, and data feeds.

Our last segment of revenue, advertising and e-commerce sales, were down 40,000 from last year but increased 70,000 from the previous quarter, primarily due to the increase in site specific sponsorships and e-commerce activities.

Looking at operating performance, our gross margins remained very strong at 86%, an increase from last year and the previous quarter. As we grow subscriptions and licensing feeds, we expect our gross margins to increase even higher.

First quarter operating expenses, excluding amortization and depreciation, were 3.5 million compared to 2.9 million last year and slightly up from the previous quarter.

The sequential increase in selling expenses is due to the ramp up of our sales force as we gear up for the release of I-Metrics. Not only have we doubled the size, but we also added sales people in Boston and Chicago. In addition, we're continuing to invest in other R&D activities and pursue products that will leverage our technological expertise. Our work force is currently at 93 employees.

Amortization and depreciation totaled \$476,000, down \$120,000 from last year, due to the full amortization of the FreeEDGAR intangible assets.

The above yields a net loss of \$944,000 or \$0.04 per share. EDGAR Online has not recognized any income tax benefits related to the loss.

On to the balance sheet. We had an invested cash balance at March 31st of \$4 million and no debt other than normal operating payables and accrued expenses. The decrease in cash from year end was primarily due to legal payments made in connection with the December Girard settlement and the March rights offering. The increase in accounts receivable was due to the significant jump in deferred revenue and Q1 being a significant billing quarter.

Also, as noted earlier, in the second quarter, we will improve our cash position from the exercise of 2.8 million warrants. The number of shares outstanding after the redemption is 24.9 million.

With respect to 2005 guidance, for the second quarter, we anticipate that revenues will be in the range of 3.7 to \$3.9 million with an EBITDA loss of 300 to \$400,000, primarily due to additional investments in development and sales and marketing. Our EPS will be a loss in the range of three to \$0.04 per share.

For the full year, the impact of I-Metrics is going to be difficult to forecast because it is just too early to tell how many new customers will subscribe and the timing of those customer wins. So for now, I will be conservative and forecast overall revenues in the range of 14.5 to \$16 million. However, if I-Metrics sales begin to accelerate, our revenues could exceed that guidance. We project a 2005 EBITDA of break even to a \$500,000 loss, and an EPS loss in the range of eight to \$0.11 per share.

We anticipate that we will be both EBITDA and EPS positive by the fourth quarter of 2005.

So, to sum up, with the launch of I-Metrics, we expect our revenues will start to ramp up at an accelerated pace. We continue to look at 2005 as being a banner year and will demonstrate that our new products and continued growth in subscriptions and custom data sales will show the significant leverage we have in our business model.

So with that, I'll pass it back to Susan, and she can provide a business overview.

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**Susan Strausberg, President and Chief Executive Officer**

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Thank you, Greg. When I prepare for these calls, I start by reviewing my comments from the previous quarter. Last quarter, I told you that we were focusing on building our new products,

developing our marketing strategies, and ramping up our sales organization to prepare for the release of I-Metrics. As Greg has already said, we've spent the past quarter doing just that.

I also said that we intended to continue to grow our high margin subscription business. This quarter, our increases are up 18% from the same period last year, and deferred revenue for subscriptions in Q4 was 25% over the same quarter during the previous year, but deferred revenue for the first quarter of this year increased to 33%. This is a very healthy sign and is significant in analyzing the strength in our business model.

During the first quarter, we set some very, very tough goals. In bringing I-Metrics and the underlying XBRL technology to market, we have not only undertaken to produce a ground breaking product aimed at changing the way our target market consumes and manages financial information, but we have also created a whole new I-Metrics brand under our EDGAR Online umbrella. New campaign consisting of marketing materials, flash videos and training materials, has just been deployed for our new and prospective customers. You'll start to see them in the marketplace. I'm extremely proud of the quality of this marketing effort, and I have great confidence it will have a very big impact on our sales in the months to come.

During our last call, I told you that in April, Microsoft would be creating marketing materials promoting EDGAR Online and I-Metrics to their sales force, their customer base, and solution partners. All of the items promised have been delivered, and yesterday we issued a press release in which Michael Ohata, Microsoft's Director of Emerging Technologies, said "Microsoft Corporation supports XBRL from both a public company and software company standpoint. XBRL presents an opportunity to deliver financial and other information in an agreed upon industry fashion that provides quicker insight and increased transparency. In addition, XBRL creates an opportunity for Microsoft to showcase to customers how software such as I-Metrics can help address common business challenges using familiar Microsoft Office system technology."

Last week, we attended the 10th International XBRL Conference in Boston, and coincidentally this year is also EDGAR Online's 10th anniversary. It was evident that I-Metrics has already achieved traction with the early and passionate proponents of XBRL. The consortium's model was "better, faster, smarter business reporting using XBRL." Our message was that XBRL is here today, and that I-Metrics is better, faster, smarter than any other financial information product in the market.

Since our new products are cutting edge, we require a team of people with very special skills, talent, and experience to explain the value proposition of our services. After adding Mort Mackof as Executive Vice President of Sales in the fourth quarter of 2004, we expanded our sales force to 22 people from 11 people just four months ago. We've brought on senior level sales associates that have many contacts at larger financial services firms. The sales force has been bringing our product experts in to seek their contacts at these firms, and we truly believe that our new hires have hit the ground running. We foresee that their success will not only be derived from selling the new I-Metrics suite of products, but also from showing the benefits of products like EDGAR Online Pro. We've found that we are severely underpenetrated at many of the larger firms. We currently enjoy the largest pipeline of new business that our company has ever seen. The sequential increase in fourth quarter development costs and marketing expenses are directly tied to these efforts, and we are confident that this investment will pay off handsomely.

A very important aspect of our sales and marketing strategy for I-Metrics is our partner strategy. We've previously discussed our relationships with Microsoft, Hitachi and Rivet Software. We have just completed a deal with Business Objects, a leader in the business intelligence industry, that will provide access to I-Metrics to more than 30,000 Business Objects enterprise customers across every industry in 80 countries worldwide. Several other partnerships will be announced over the next few months, and we continue to talk with potential partners whose products and global outreach into the market are complementary to us. We view the market for I-Metrics to be very, very large, and we are working to aggressively accelerate our penetration.

From a financial standpoint, as Greg said, you should be aware that the impact of I-Metrics will not be seen until Q3. For Q2, a handful of I-Metrics sales will be recognized, but most of the growth will come from sales of our preexisting products, especially EDGAR Online Pro and EDGAR Explorer. The introduction of a new product line, particularly one that breaks the mold in a new arena, will by definition have a somewhat long sell cycle. Our team has been instructed to keep its eye on the ball and continue to sell our premium EDGAR products. We're hard at work now in a new release of EDGAR Online Pro, which is aimed at the broader group of financial information users who do not require the deep functionality of I-Metrics.

In conclusion, I will repeat verbatim what I said last quarter. We are intensely focused on executing on our vision and growing shareholder value by delivering high end value add services to our customers. The focus of our organization continues to be on selling our current subscription and data services, enhancing our current products, and developing new products and new functionality like I-Metrics that will serve our current and future customers.

And moving into the second half of this year, I believe you will find – you will begin to see the realization of this vision.

Now, let's open the forum for your questions.

**QUESTION AND ANSWER SECTION**

Operator: Thank you. The floor is now open for questions. If you have a question, please press "\*" then one on your touch-tone keypad at this time. If at any point your question has been answered, please remove yourself from the queue by pressing the "#" key. Once again, that's "\*" "1" for any questions that you may have at this time. The first question is coming from Harper Stephens of Edmonds Whites. Please go ahead.

**<Q – Harper Stephens>**: Hi. How are you all?

**<A – Susan Strausberg>**: Hi, Harper.

**<Q – Harper Stephens>**: Hi. Just a couple questions for you. One, in the release you talked about and in the call you've talked about the potential market. Can you help us understand maybe what the market size is and what you see the potential there? And then also if you can expand a little bit on this Business Objects relationship.

**<A – Susan Strausberg>**: Well, yes. I'll try to answer both questions, and Greg will jump in if he needs to. The piece of the market that we're talking about addressing with I-Metrics is something that we define as a \$1 to \$3 billion market. We have called it the area of transparency enablers, which does not come trippingly off the tongue, but it's a new area differentiated in our view from desktops and proprietary marketing systems, and more important from the EDGAR Online perspective, from the document delivery space that we have played in up until now. So that – this is a very, very – that's a market that we view as about \$100 million potential compared to a one to \$3 billion market potential of the new area that we're operating in.

**<Q – Harper Stephens>**: Okay.

**<A – Susan Strausberg>**: The second question?

**<A – Greg Adams>**: Business Objects

**<A – Susan Strausberg>**: Was – Business Objects is a company that I actually do not remember their age. They are approximately a billion dollars in sales. They are located in California and in Paris. They have a – they are in the visualization and dashboard business, and they are adopted by many enterprise – enterprises in many industries. They come to us because of their interest in the financial services arena; that what they do is they go into an institution and provide a dashboard which allows the users within the organization - across the organization - to look at various kinds of data and content, including their own internal records and also bringing in other sources of information that they deem to be important. In the case of our relationship with Business Objects, they are selling both their own platform at full price and as well as selling I-Metrics, again at full price. There are – they view our – the inclusion of I-Metrics as an offering to their enterprise customers as a value add and as a stimulus to the adoption of the Business Objects platform.

**<Q – Harper Stephens>**: Okay. And one last question and I'll let somebody else ask a question. On the last conference call, you talked a little bit about FEI and the AICPA and sort of how they're going to help you market the new product. Can you talk a little bit about how that's developing and what they're going to do for you this year?

**<A – Greg Adams>**: Sure, I will, Harper. With the FEI, we actually already had one webcast that was very, very well attended, over 100 attendees, and typically they only have about 50 to 60 attendees. But more importantly, they had about 96% participation rate, which is very unusual for people who register and actually join the call and then stay on the whole length of the call - so that's one piece. But with respect to upcoming events with the Financial Executives International, we are speaking at a conference upcoming in May in Chicago about XBRL, but then along with the FEI

and Microsoft, later in the year – we were going to do it early summer, but now it's been pushed back until September just because summer is very slow for most of us. Everyone tends to like going to the beach. There will be a nine to ten city road show tour educating CFOs and controllers on exactly the benefits of XBRL as well as the benefits of the I-Metrics tool. And as Susan mentioned, to really educate people that, you know, there's no need to wait for XBRL. It is here today. EDGAR Online is the only company obviously that has data in the XBRL format, but, you know, seeing the power of I-Metrics and the Excel Add-in and the templates is really what the FEI wants to drive home is the benefits, you know, the "what's in it for me" for the corporate finance groups.

<Q – Harper Stephens>: Okay. Great. Thank you very much.

<A – Susan Strausberg>: Thank you, Harper.

Operator: The next question is coming from Bob Renck of R.L. Renck & Company.

<Q – Robert Renck>: Good afternoon. Greg or Susan - a couple things. One, can you give us an approximate guesstimate of what revenue number represents quarterly break even on an EBITDA basis?

<A – Greg Adams>: On an EBITDA basis, a quarterly number is about 4.5 million of revenue.

<Q – Robert Renck>: Okay.

<A – Greg Adams>: Now, I'm assuming a certain – a little bit more ramp up in costs and commissions paid to salesmen, so that's why I'm assuming – being conservative and saying 4.5.

<Q – Robert Renck>: Okay. Next question is, is your commission structure to salesmen, you've got an 86% gross margin. You're paying salesmen a base plus a commission. What kind of top commission are you paying?

<A – Greg Adams>: Well, commissions, you know, range, depending on your book of business as a salesman and how well you're progressing on the calendar year, between 10 and 20%. The more book of business a salesperson has, the higher their percentage is for new sales. But let me reiterate, that's only for the first 12 months, the 12 month sale. You know, salesmen are hunters, and, you know, complemented with our client service managers, going out, and they're more retention and farmers -- finding new opportunities in existing clients. So that's why the senior salesmen get to 12 month commissions, and then on renewals, a much smaller percentage goes into a pool for all the other members of our sales team are – support services to share.

<Q – Robert Renck>: Okay. So is it fair to say that your incremental – is it fair to say, A, that your incremental margin on this product would be your gross margin less your maximum sales commission?

<A – Greg Adams>: That's correct. There really is not much more in additional overhead. You know, obviously, we're going to try to pace, you know, additional sales people, not only in the US, but throughout the world, with the revenues so there may be some incremental sales expenses there, but, again, we'll try to pace that. But you're exactly right, Bob, the margins – we expect gross margins to continue to increase, and then below the line is commissions to salesmen or, if certain larger enterprises want a whole dedicated server environment for their enterprise accounts, then there may be some additional costs there, but that's not grossly too expensive.

<Q – Robert Renck>: And I assume that commissions are paid as received.

<A – Susan Strausberg>: Yes.

**<Q – Robert Renck>**: Okay. The other thing is if we just touch on this deferred revenue number, obviously that's a number that's going to run into the income statement as we go down in the future. If you're - right now to the best of my knowledge - the only thing on which you're signing one year contracts prior to I-Metrics – well, you're signing one year contracts on EDGAR Pro. So on EDGAR Pro, if it's 1,200 bucks a year in the – at the end of the first quarter that somebody has EDGAR Pro, you've got a \$900 deferred revenue.

**<A – Greg Adams>**: Assuming a January 1st sale, correct.

**<Q – Robert Renck>**: January 1st sale. When you go into these I-Metrics contracts, can you take us through the accounting on the deferred revenue ramp up? In other words, are your contracts calling for up front payments? Are they calling for quarterly payments? I mean –

**<A – Greg Adams>**: You know, it's all negotiated, but typically our sales group will start off with, you know, a license agreement with an up front annual payment. Obviously it's case by case depending on the size of the contract, but it's just more evidence that you'll see our deferred revenue continue to grow as we sell not only more EDGAR Pro but a lot more I-Metrics sales. So it's case by case, but typically it's an annual event.

**<Q – Robert Renck>**: All right. So then the math would work out, if it's a \$24,000 annual contract, you get – you're going to get 24,000 of cash day one, and what you're going to do is you're going to book \$2,000 worth of revenue per month.

**<A – Greg Adams>**: That's correct.

**<Q – Robert Renck>**: Okay. All right. Greg, you've been out – I guess you really haven't been marketing this for more than a couple weeks. Well, can you – can you share with us what kind of field experience are you seeing or the kinds of questions you're getting -and what surprised you, both good and bad?

**<A – Greg Adams>**: A couple things I'm seeing. One, I'm seeing extremely positive reaction in that for analysts or investment bankers or for auditors, you know, this is almost – I don't want to say the Holy Grail, but this is going to make everyone's life a lot easier. The thing that is surprising me a little bit is how much our potential customers - how much users pay various vendors for different content. So, for example, you might pay a vendor – I won't name names, but you might pay a certain vendor for ownership information, and you might pay another vendor for SEC filings. You might pay another vendor for financial or fundamental data or IPO data or conference call transcripts, or whatever it may be. What they seem to really – you know, the people that we've demo'd the product for and now pretty much the investor environment and as well as the accounting and auditing profession, what they like is that bundling of products, that I-Metrics includes EDGAR Pro, and they don't have to go out - and when they start adding up in their head how much they're spending - they recognize the value in EDGAR –in I-Metrics and EDGAR Pro combined

**<A – Susan Strausberg>**: I think also, Bob, just to follow on with what Greg has said. What I've seen is a tremendous first hand reaction from senior people at big four accounting firms who have said, “my God, you've just – I've wasted nine years of my life doing this kind of work manually and you've literally changed my work flow,” and the phones are ringing, and people are asking for meetings and for accelerated deliverables. So from my perspective, in the – going out into the field, and I do that somewhat less than Greg does - the one on one reactions have been more than gratifying.

**<Q – Robert Renck>**: Susan, now that you mentioned accounting firms, I believe that there's at least four if not six of the major accounting – the big four plus the other two are active working members of the XBRL group, am I correct?

**<A – Susan Strausberg>**: Some are more active than others, but, yes.

**<Q – Robert Renck>**: Okay. If – therefore, given the potential productivity savings, without getting into the forecasting business, it would seem logical to assume that if the productivity savings are delivered, then sitting 12 months from now - it's highly probable that these kinds of people should have contracts with you covering many of their – many of their accounting firms. What do you think the – what are the kinds of factors that you think, recognizing it's a long lead cycle, but that they're presold, what are the things that need to be done for them to test, evaluate, and have this under contract?

**<A – Susan Strausberg>**: Well, I think it varies firm by firm. The buying behaviors of the firms are – you know, each of them is different, so the first you'd need – so sometimes consensus is required on a global basis from a number of silos within a firm. And so if adoption – if the adoption process is long, as you said, it's not necessarily painful, but a long process. Also, there is an installed base of content, contracts already in place at these firms. Of course, there is nothing that prohibits them from having – bringing in new content and saving someone else out, and also in many cases I-Metrics can co exist very comfortably with other data sets. And in many cases also firms need redundancy in certain data so – with certain data sources. So, basically it's an adoption process and a matter of exposure. There's – and – but there's no one consistent pattern.

**<Q – Robert Renck>**: You're not saying, when you talk about silos – I mean, given the fact that a number of the accounting terms, Deloitte in particular, at least in the Parmalat case, would like us to believe that they're an association. I believe it's Deloitte, but it may have been somebody else – whereas the auditor for Deloitte – for Parmalat -- indicates that the accounting firm is an association of national entity – of inter, of independent national entities. You're not saying that you have to have international adoption, are you?

**<A – Susan Strausberg>**: No, not necessarily. Of course not. Each – again, each one is different. But it was – but within a firm you have the benchmarking department, you have the spreadsheet department, you have the person who makes recommendations on the tools to be used for global analysis, that – I'm speaking of silos from an operational standpoint. Some firms have a central buying process and others have a distributor buying process.

**<Q – Robert Renck>**: And my last question for today would be, Susan, obviously this is an exciting moment for you because you've got the launch of a major new product that's taken you two years to get out. If we had this – if we were sitting down three to five years from now, can you – and talking about the last – talking about the period of time that's elapsed, can you give us any idea of how you would like to be measured in either quantitative or in qualitative terms?

**<A – Susan Strausberg>**: Well, I think that the direction that we will start moving in as – you know, once we have some critical mass in the market with I-Metrics as it exists today, and will exist tomorrow -- is towards a higher end analytics end into the more areas of higher intelligence. So I think that we have a very – although we are developing a highly technical, very relatively high end product, it – at the same time, the fundamental platform that EDGAR Online has continues to service a very broad universe of people with our EDGAR Online service and even on Yahoo Finance. So for me I see this all as a continuum, but toward the goal of having – of being a dependent and trusted source for analytics and intelligent analysis.

**<Q – Robert Renck>**: Thank you very much.

**<A – Susan Strausberg>**: Thanks.

<A – Greg Adams>: Thanks, Bob.

Operator: Thank you. The next question is coming from Ross DeMont of Midwood Capital. Please go ahead with your question.

<Q – Ross DeMont>: Hi. And congratulations on your progress. Just to clarify, you had roughly 4 million in total operating expenses. Did I hear you right to suggest that could drift to sort of closer to a run rate of 4.5 million a quarter so we would be talking about I guess 18 million a year?

<A – Greg Adams>: Um –

<Q -- Ross DeMont >: I mean, if that's your –

<A – Greg Adams>: I gave a rough back of the envelope estimate –

<Q -- Ross DeMont >: Okay.

<A – Greg Adams>: – and being conservative. But I'm mostly factoring in – I'm being aggressive on sales commissions, probably.

<Q -- Ross DeMont >: Okay. Well, I would like you to be paying a lot of them, I guess.

<A – Greg Adams>: That's right. Exactly. So...

<Q -- Ross DeMont >: Okay. And then just a couple housekeeping items. Fully diluted share count, with warrants and options out there, what's – you said it's like 25 million, but then there's a bunch of options on top of that, so I should be using a higher number than that?

<A – Greg Adams>: Yeah. You should. It's 24.9 million shares outstanding.

<Q -- Ross DeMont >: Okay.

<A – Greg Adams>: And as I mentioned, there will be an 8 K filed very shortly if it hasn't been already –

<Q -- Ross DeMont >: Okay.

<A – Greg Adams>: – which will outline all the details of the warrant call and also outline that it's 24 million and .9 – 24.9 million in change. With respect to stock options, there's about 3.1 million stock options outstanding, half of which the exercise price is 2.50 or less and half above 2.50.

<Q -- Ross DeMont >: Okay.

<A – Greg Adams>: So all in all about 28 million.

<Q -- Ross DeMont >: Okay. 28 million. And then the cash balance would just be whatever you had at the 4 million plus the – somewhere, eight and change right now - or close to 9 million in cash, is that right?

<A – Greg Adams>: Correct.

<Q -- Ross DeMont >: Okay. So 9 million in cash.

<A – Greg Adams>: Probably about 8.3, with the 4 million we have today and the 4.2 million we've received over time.

<Q -- Ross DeMont >: Okay. 8.2 million in cash. Okay. And then just a quick question on sort of timing of enterprise deals. And I know it's – I know it's not a hundred % easy to know and Susan, you mentioned that I-Metrics revenues were really – you foresee them in the third quarter. Is there a gating item to start – to sort of start these contracts with some of the bigger names who are on the front end of this thing? Is it the tagging of the footnotes which is key to get people to start buying into the whole system?

<A – Greg Adams>: The tagging footnotes is going to be one catalyst, and we expect that to be done -- our target date of September. But, you know, we're already speaking with several large institutions, and they tend to have a much longer sales cycle. They tend to do their due diligence a lot more, and they tend to have a certain – a longer beta testing period. And you know so you combine all those things. That's why Susan's sort of hedging our bet and saying mostly the second half of the year.

<Q -- Ross DeMont >: Okay. Understood. And could it be that you would sign a contract with someone but they would start paying at some later date when the product is – I mean I know it's 99% done for all intents and purposes but we've got to get the footnotes tagged. So could someone sign a why the and say, boom, I become effective September 1st or whenever the footnotes are done?

<A – Greg Adams>: Yeah, absolutely.

<Q -- Ross DeMont >: Okay. And then if that's the case, would you be likely to announce some of these bigger deals – I guess I'm trying to figure out if we might see announcements for bigger deals before the third quarter or before the fall, really, when they get signed, even though you wouldn't have any revenues associated with those.

<A – Greg Adams>: Yeah. We would like to see those – I mean, we're hoping we will be able to announce...

<Q -- Ross DeMont >: Okay. Good. I won't try to pin you down because it's obviously not 100% clear. But, okay. Thanks. Thanks for taking my call, and congratulations on your progress.

<A – Greg Adams>: Thanks, Ross.

<A>: Thank you.

Operator: Thank you. The next question is coming from John Higman of FRA Capital. Please state your question.

<Q>: Hi. Two questions. First of all, when you do data feeds, those are typically yearly contracts when they renew, right?

<A – Greg Adams>: That is correct. And the customized data feeds and whether it's through our application programming interface or – which EDGAR Explorer is our brand name there -- or whether we're hosting a solution, they tend to be – obviously one year contracts sometimes we try to get two year contracts. But from a technology standpoint, we're usually baked into their systems, so it's sort of unpractical for them to remove us, particularly after one year. So some investment not only on our part, and we try to charge setup fees for contracts that take a little extra time to integrate with the customers but also on the customer end themselves, they incur costs. So they tend to be longer than one year.

<Q>: Okay. The second question is, can we go back to this Business Objects? How many sales people do they have, and how are their sales people going to get compensated for – if someone does buy I-Metrics through them or will they just include you? I mean bring you guys in?

<A – Susan Strausberg>: I actually don't know how many sales people they have. I apologize for not having that number. Their sales people are going to be compensated for their sale of Business Objects, plain and simple. This is a – they're going to sell our service in order to accelerate the sale of Business Objects is the way they view it.

<A – Greg Adams>: Enhance –

<Q>: So are they going to compensate their sales guys or are you compensating them?

<A – Susan Strausberg>: They're going to compensate their sales people for sale of Business Objects regardless of whether EDGAR Online is included or not.

<Q>: Sure. But if EDGAR Online's included, then you get money, but how does that –

<A – Susan Strausberg>: I believe that the contract is simply that we keep all of the revenue that – and they keep all the revenue if we were to sell a Business Objects enterprise license.

<Q>: Oh. So you're going to sell Business Objects – your guys can sell Business Objects?

<A – Susan Strausberg>: We're focused on the other way, that EDGAR Online will be sold through to Business Objects' platform.

<Q>: Okay. And then just one other question. If – when you go out – and I know that you've had limited experience going forward, but when you go out, what kind of push back are you getting from people you've talked to? I know you've mentioned a lot of good things, but what kind of negative or just, you know, maybe it's just I don't need this or whatever. But what kind of – exactly are you getting?

<A – Greg Adams>: You know, John, we're not really getting a lot of negative feedback. You know, the one feedback - the only negative feedback that we do get is while XBRL data is very granular, they still need those footnotes. They still need to look at the segments. They'd love to have the MD&A XBRL tagged and the XBRL consortium is currently working on standards for the MD&A of 10 Ks and 10 Qs. But to date, the feedback – the negative feedback has been very minimum. I'm struggling to even think of an anecdote or a story I can tell you.

<Q>: Well, if there isn't any, then there isn't any. So, great.

<A – Greg Adams>: Thanks, John.

Operator: Thank you. The next question is coming from John Paulson of Paulson Investments. Please state your question.

<Q – John Paulson>: Good afternoon.

<A – Susan Strausberg>: Hi, John.

<Q – John Paulson>: Hey, I have a couple questions for you, if I could. One is just basically how are the installs going? Have they been smooth or have there been any hiccups?

<A – Greg Adams>: Installs of I-Metrics?

<Q>: Correct, yes, I-Metrics.

<A – Greg Adams>: Yes, for the most part they have been smooth. The hiccups tend to be when the customers are not up to Office – haven't upgraded their own systems to Office 2003 or better.

<Q – John Paulson>: Uh huh. Okay. And I guess, you know, we're all kind of hoping you guys get a big fish in the boat here and kind of trying to gauge what it would look like as you did that. And would you imagine that there would be small trials of ten to, you know, 50 users and then they would roll it out in stages or how do you envision that and what would be the announcements around that?

<A – Susan Strausberg>: I can't speak to the announcements but that makes sense to me that's how it would work. In certain cases – I'm assuming that there would be some rollout and ramp up involved as it – as a license moved and grew within an organization.

<Q – John Paulson>: Okay.

<A – Susan Strausberg>: We're not doing trials of the service because – but we certainly are going to let people – you know, perhaps extended contracts with a bit of time to get used to it. And certainly, I mean, I would think that every sale that we make, we expect to have greater penetration over time, and we have a minimum number of licenses for a contract and then we are deeply focused on growing each account, if – whether it's a small firm or a large firm.

<Q – John Paulson>: Okay. And I guess one of the questions around the sales cycle is, are some of the potential customers waiting for their current data provider or contracts to expire before they sign up with I-Metrics? Is that part of what's going on?

<A – Susan Strausberg>: I strongly – I don't particularly think so. I mean, I think that, again, in the case of large organizations, these contracts tend to roll. Compustat could have a 10 year contract with one department at a firm and two years to go on another and but if the firm – if it's a must have buy, the pricing of I-Metrics is so competitive that they will pay attention to that

<Q – John Paulson>: Okay.

<A – Susan Strausberg>: In smaller firms, yes, I would think that where budgets are more carefully, you know, set – there may be some of that. But I don't think that – I haven't heard from the sales force particularly that they're running into the competitive issue. You know, it's just really a question of exposure in such a short period of time.

<Q – John Paulson>: Right. Speaking of pricing, do you think that the pricing is holding according to your plan, or is it too early to tell what you think it's going to be set at in the future?

<A – Susan Strausberg>: It's holding – there's – we haven't had any feedback that suggests that oh I would love to have this if it cost 20% less.

<Q – John Paulson>: Right.

<A – Susan Strausberg>: We've had no push back at all on the price.

<Q – John Paulson>: Okay. I guess what I'm – the bottom line I'm trying to get at is, we are all very excited about I-Metrics and it's a big benchmark for EDGAR to reach, and just how can the investor follow and measure the progress and adaptation of I-Metrics going forward?

**<A – Greg Adams>**: I think, you know, we'll do our best to – obviously, during these calls – quarterly calls to disclose how we're doing with I-Metrics, but, you know, probably the most current real time measurement you'll have is, one, subscribe yourself, or, two, any significant customers, we'll start making announcements or perhaps we'll consider bundling ten to 15 customers at a time and making announcements

**<Q – John Paulson>**: Right. So we might get a monthly update kind of thing or if you get a big customer and they allow you to make an announcement, then you could do that.

**<A – John Paulson>**: Yes, and I think that's an important caveat, John –

**<Q – John Paulson>**: Right.

**<A – John Paulson>**: – is that all of our contracts allow for publicity and use of a client's – the customer's name and in many cases they strike out that –

**<Q – John Paulson>**: Sure.

**<A – Susan Strausberg>**: – clause and we obviously take the – sign the contract and give up the publicity aspect of it.

**<Q – John Paulson>**: Right.

**<A – Susan Strausberg>**: So it's a – the full visibility, which obviously we would like to provide, isn't always there with the kinds of customers that we're talking about.

**<Q -- John Paulson>**: Right.

**<A – Susan Strausberg>**: But we intend to, of course, be as aggressive and transparent as we can about progress.

**<Q – John Paulson>**: Right.

**<A – Susan Strausberg>**: And, of course, you'll see the numbers on a quarterly basis, as Greg said.

**<Q – John Paulson>**: Okay. And this is kind of a bigger picture question. With the trend towards offshore analysis, like Infosys in India and others like that, how do you think that affects demand for your I-Metrics product? Will they be customers of it, or are they competitors of yours?

**<A – Greg Adams>**: Well, they – yes – the first answer is yes, they could be potentially customers of ours offshore to help make their processes faster. Will they be competitors of ours? We have not seen anyone or heard of anyone yet out in the marketplace doing what we have done for the last two years of painfully going through line item by line item and putting XBRL tags, but more difficult, the extensions to the XBRL tags.

**<Q – John Paulson>**: Right.

**<A – Greg Adams>**: We've heard stories of how one group, not a – not an information vendor, but actually a large investment bank, tried for their small samples of companies they follow --

**<Q – John Paulson>**: Right.

**<A – Greg Adams>**: – to do the same as we did and they had extreme difficulty, so much so that they've come to us to talk about it.

<Q – John Paulson>: Good. Okay. I appreciate that. Congratulations on your progress. I think Glenn Davis has one question for you here –

<A – Susan Strausberg>: Okay.

<Q – John Paulson>: – before we move on.

<A – Susan Strausberg>: Thanks, John. Hi, Glenn.

<Q – Glenn Davis>: Hi. I was just curious about how you see your relationship with Microsoft going forward. I mean, are they going to be a big driver of this or is it just – we're just going to see what happens?

<A – Susan Strausberg>: I think that they're going to be an extremely strong driver. If you saw our release this week, the – we're featured on their partners solution showcase. They've done flash videos and battle cards for their sales people. They feel that I-Metrics is potentially a huge driver for the adoption of Microsoft Office and, you know, as we've talked about in the past, Glen, this is – I think that, you know, Microsoft is a very highly toned strategy and their partnership strategy is a big driver now and we've been identified as an important partner. So I think that this – we're working with them, including Greg going out on the road with the Controller of Microsoft for these FEI road shows. We have tremendous visibility. We have a weekly call with our people at Microsoft every single week. We get together in order to discuss what's happening in the following week in terms of promotion and sales efforts. They're taking us into customers and clients. I think that we are seeing the – without any question, I'm seeing the realization of what I expected from this relationship.

<Q – Glenn Davis>: Okay. Thank you. And I guess I want to ask Greg Adams just one question, and it's kind of an unfair question, but I've got to ask it anyway. Greg, how conservative do you think your numbers are for this year? I mean, on a scale from one to ten, on the very conservative side?

<A – Greg Adams>: Yeah. It's hard for me to answer that question. Yeah, I do believe they're conservative, considering some of the opportunities we have in front of us. But you have to remember, even if you sell, let's say come June, a million dollar contract, you have to recognize that, you know, 1/12, 1/12.

<Q – Glenn Davis>: Right.

<A – Greg Adams>: And so you don't see the financial impact for 2005 so much. And that's why I've been trying to be consistent when I'm on the road saying it's a 2006 story. You'll start seeing the numbers popping in the fourth quarter, and then 2006 is really when the explosive growth should occur.

<Q – John Paulson>: Hey, I have one more question here from the broker in the room if I –

<A>: They're not allowed, John.

<Q – John Paulson>: Now that you've achieved I-Metrics, do you see cutting back a little bit on the R&D as you're ramping on the sales side or what do you see the overall spending going forward?

<A>: I think that we see a consistent – the level that we're at now is pretty much where we're going to stay. That the – you know, as I answered the future question from Bob –

<Q – John Paulson>: Yeah.

<A – Susan Strausberg>: – the kind of analytics and intelligence that we need to build requires a – you know, continued effort.

<Q – John Paulson>: Okay.

<A – Susan Strausberg>: I don't think that – I think that we are who we are. We do – because we need to be driving for the cutting edge. And so I don't think that we've seen a particularly large ramp up in development expenses. Expenses - our spend for marketing and sales will be tied completely to the opportunities out there. So – but we certainly don't intend to cut back.

<Q – John Paulson>: So you still –

<A – Susan Strausberg>: Greg, would you agree with me that on that?

<A – Greg Adams>: Yeah.

<Q – John Paulson>: So continue to spend to keep and expand the lead you have right now over the competition?

<A – Susan Strausberg>: That's correct.

<A – Greg Adams>: That is correct. And this – you know, this EDGAR database being the second most database in the world next to the medical database, is so rich with information and the requirements in the SEC are even making that content and information in the EDGAR database even more richer, and the trick is to have smart, intelligent tools – software tools to extract out and get customers like yourself information in real time, you know, nanoseconds after it's disclosed.

<Q – John Paulson>: Great. That makes a lot of sense.

<A – Greg Adams>: And a lot of our efforts have been structured around that.

<Q – Susan Strausberg>: Thanks again and congratulations.

<A – Greg Adams >: Thank you, John.

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**Susan Strausberg, President and Chief Executive Officer**

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Thank you all for joining us, and we look forward to having you be with us again next quarter. Good evening.

Operator: Thank you. That does conclude today's conference. Please disconnect your lines at this time and enjoy your day.

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