

## MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon and welcome to the EDGAR Online Second Quarter Earnings Conference Call. At this time, all participants have been placed on a listen-only mode, and the floor will be open for questions following the presentation. It is now my pleasure to turn the floor over to your host, Ms. Susan Strausberg, CEO and President of EDGAR Online.

### Susan Strausberg, President and Chief Executive Officer

Thank you Cory. We want to welcome all of you to this conference call to discuss EDGAR Online's Second Quarter 2005 results. We'd 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.

And with me today is Greg Adams, our Chief Financial Officer and COO, to take you through our second quarter results.

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

Thanks, Susan. Before I review EDGAR Online's second quarter 2005 operating performance, I would like to reiterate our financial plan.

First, in April 2005 we redeemed the warrant issued in conjunction with our May 2004 secondary offering. This resulted in the inflow of cash of \$4.2 million. This capital infusion has enabled EDGAR Online to invest in our I-Metrix product initiative and to build out our sales organization ahead of the curve, as evidenced by the second quarter increase in sales and marketing expenses. At this time we have more than enough capital to complete our strategic plan.

And second, we look at 2005 as a year of development and investment. Let me reiterate that I-Metrix and the Excel Add-In is a new technology, and as such the sales cycle for larger contracts may be longer than expectations from the investment community. We can assure you that we are still very bullish about the size of the potential market for I-Metrix and the global opportunities that are in front of us.

Now moving on to EDGAR Online's second quarter 2005 operating performance. Our second quarter revenues were 3.6 million, compared to 3.2 million in 2004. Revenue growth was driven by a 22% increase in our core business, subscription and data sales, which are now 94% of total revenue. Along with the addition of I-Metrix, these highly profitable business segments will continue to be our primary growth drivers in 2005 and beyond.

Drilling down to the segments, second quarter subscription revenues increased 19% from last year and 7% sequentially. Our number of paying subscribers at June 30th is 21,500, comprised of 10,000 EDGAR Pro subscribers and 11,500 EDGAR Online Access subscribers. With respect to pricing, the average annual price per subscriber has increased to \$378 per year from \$285 last year.

Modest I-Metrix revenues are included in these subscription revenues for the second quarter as only one-twelfth of contract values are recognized into revenue. Our initial I-Metrix sales as of June

30th is over a \$108,000 of annual contract value, but more importantly we have a very large number of users and companies on trials for testing the product via pilot programs.

In addition, our sales team is starting to focus on the corporate market. Since quarter end, we've signed initial contracts with Intel, Microsoft and Amgen. I won't get into the specifics of each of those deals, but our list price for corporate users is typically \$7000 to \$15000 per desktop. Since half of our subscribers are from the corporate market, we are going after these existing customers with our sales team and through partnerships, like the one with Business Objects, which Susan will talk about later in the call.

Moving on to data sales, our 2005 revenues increased to 1.4 million, a 23% increase compared to last year and 9% from the previous quarter. At June 30th, we had 202 data contracts with an average annual value of approximately \$27,000. New contracts in the quarter include customized work that we are doing for the NASD and for State Street. The impact of doubling the size of our sales force is already taking hold, and we are very encouraged by the activity and opportunities in data sales. We expect our data revenues will continue to grow during the remainder of 2005.

Our non-core businesses, Technical Services and Advertising, were just 6% of second quarter revenues. Second quarter billings of technical services are now down to \$99,000 per quarter from 207,000 last year and 230,000 in the previous quarter.

During the quarter our sole Tech Services customer, NASDAQ, started reducing the number of EDGAR Online consultants required to run their online website. This was expected and is consistent with our strategy of migrating away from this lower margin segment and focus predominantly on the sale of I-Metrix, EDGAR Pro and other data feeds. By the end of 2005 we expect to completely move away from subcontracting our employees.

Our last segment of revenue, Advertising and E-commerce sales, were 122,000 which is down 98,000 from last year and flat with the previous quarter.

Moving on to the operating performance, our gross margins remained very strong at 85%, which is flat with last year and slightly down from the previous quarter due to severance payments made to the NASDAQ consultants. As we grow our core business, we expect gross margins to increase.

Our second quarter operating expenses, excluding amortization and depreciation, were 3.9 million compared to 2.9 million last year and up approximately \$400,000 from the previous quarter. The increase in sales and marketing expenses is due to increasing in our sales force and marketing efforts as we geared up for the rollout of I-Metrix. In addition, we continue to invest in other R&D activities and pursue products that will leverage our technological expertise. Our workforce is currently at 96 employees, and we do not expect the headcount to increase dramatically for the remainder of 2005.

Amortization and depreciation totaled \$469,000, which is down \$123,000 from last year, due to the full amortization of the FreeEDGAR intangible assets. And thus all the above yields a net loss of 1.3 million or \$0.05 per share. EDGAR Online has not recognized any income tax benefits with respect to related loss.

Moving on to the balance sheet, we had an invested cash balance at June 30th of \$7 million, and no debt other than normal operating payables and accrued expenses. Our deferred revenue has increased 33% or \$900,000 from last year and 18% or \$560,000 sequentially, which caused a corresponding increase in our accounts receivable.

I would like to expand a little bit on deferred revenues since I've had several questions about mechanics and because it is an important metric in our business. Say hypothetically, we close a sale for 1.2 million with a large enterprise. It would be intuitive to expect our revenues to increase

by 1.2 million that quarter; that's not the case with a subscription or licensing business. Our deferred revenues, a balance sheet item in liabilities, would increase by 1.2 million assuming we send out our bill for the entire year. But then the revenue is only recognized 1/12 each month over the course of the year. As such, you can see that important metric to follow in our business is the increase in the line item, deferred revenue.

With respect to the 2005 guidance, for the third quarter we anticipate that revenues will increase and be in a range of 3.7 million to 3.9 million with the reduced EBITDA loss of \$600,000 to \$800,000. Our EPS will be a loss in the range of \$0.04 to \$0.05 per share. For the full year, the impact of I-Metrix is going to be very difficult to forecast because it's just too early to tell how many new customers will subscribe and the timing of those customer wins. But for now we'll continue to be conservative and forecast overall revenues in the range of 14.5 million to 15.5 million. However, if I-Metrix sales begin to accelerate, our revenues could exceed that guidance.

So in summary, we believe I-Metrix is on track and we have a tremendous – and will have a tremendous positive impact for the Company, and it really does represent a true disruptive technology that will competitively threaten the business models of other existing data providers. So with that, I'll pass it back to Susan, and she will provide business overview. Susan?

---

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

---

Thank you, Greg. To add to what Greg has said, we look at 2005 as a year of development and investment, while we – launched I-Metrix in April with a limited data set, we've already seen great interest and received positive feedback from customers in the financial services, corporate and audit market. Efforts from our hard work should be seen by year-end as more data sets are integrated into the I-Metrix platform, and our success will come down to execution. Our strategic plan is not wayward from what we outlined a year ago.

From a financial perspective, our success from the above initiatives will start to be recognized in late 2005 and then accelerate in 2006 and onward. I will repeat again what I've said for the last two quarters. We've been focusing on building our new products, developing our marketing strategies and ramping up our sales organization to support the release of I-Metrix. I have said that we intended to continue to grow our high-margin subscription and data business.

This quarter, our revenue increased 21% over the same period last year and deferred revenue for the first quarter of 2005 increased by 18% over the previous quarter, and as Greg has said this is a very healthy sign and is significant in analyzing the strength in our business model. This quarter, we continued to build on our partner relationships. A key element of our sales and marketing strategy has always been to work with key partners to help us deepen our penetration in our target market. We know there is a great deal of interest among our investors in the prospects for our partnership with Business Objects, and I would like to try to give you just a bit more insight into it.

On June 20th, we released an announcement about the partnership. The timetable now is that Business Objects is working on the technology implementation to enable Business Objects users to access I-Metrix through their XI platform. This is expected to be completed by the fall. Under the terms of the partnership, Business Objects customers will pay our standard price to access I-Metrix through their platform. And as I've told you, and we've told you, an I-Metrix license is priced on a per seat basis, and this model will apply to Business Objects customers as well. EDGAR Online will retain all of the revenue from these sales.

This is a unique arrangement for Business Objects. As you may know, their platform is data agnostic and is designed to allow their tens of thousands of enterprise customers in over 80 countries to access the internal and external data that they choose to run platform. It is our understanding that this is the first time that Business Objects have contracted with an outside

content provider to offer external company financial data through the platform. We believe that this speaks to the cutting edge value of I-Metrix, which we feel will become a must-have for companies and institutions.

And then with respect to Microsoft, we continue to work as a solution showcase partner and are featured prominently on their website for both internal and external users as is announced in our press release in May. We are also working with them to be incorporated in other international marketing and sales efforts that are currently under development. As an example of this type of initiative, on August 4, this week, in Hong Kong, there will be two workshops in which key Microsoft customers will be trained on the use of I-Metrix. This was initiated by Microsoft.

With regard to our own sales efforts, our team is out in the marketplace working with prospective customers and introducing them to I-Metrix. The opportunities are nothing less than outstanding. And as we've continually repeated, this is a late 2005 and 2006 story in terms of I-Metrix revenues, but we are very satisfied with the market acceptance of our product. Our team has been instructed to keep an eye on the ball and to continue to sell our premium EDGAR product, and the increase in data sales this quarter demonstrate that they are following this directive.

Finally, as further affirmation that the path we've chosen is the right one, on July 29th a very insightful article appeared in VALUERICH Magazine, the full text is available on our website, but here is a quote: "EDGAR Online, a leading provider of value-added business and financial information, has always positioned itself on the cutting edge of new technologies. This has never been more evident than with the release of its newest brainchild, I-Metrix. The suite of products launched in late April enables users to access financial data at an unprecedented level of transparency and marks the revolutionary advance in speed, accuracy, cost and convenience. Ready or not, the transparency revolution is here, and EDGAR Online is equipped and eager to take its users along for the ride".

So when we made a discussion to refocus our strategy from the document delivery sector, the financial information industry, to the higher end transparency enabling sector, we knew that such an undertaking would require patience on the part of our customers, our staff and our investors. And we are moving closer to delivering - for our goal of delivering full data sets to the market, and more important, to educating our current and future customers about the compelling I-Metrix story. This takes time, but we believe that the time will be well worth it in terms of enhanced shareholder value. Now let's open up this forum for a few questions. Cory?

**QUESTION AND ANSWER SECTION**

Operator: Thank you. [Operator Instructions.]

Our first question comes from Harper Stephens of Edmonds Whites Partners the only hit on Google for this is from the Callstreet transcript last quarter, I don't think it is right.

<Q>: Hi Susan and Greg, how are you?

<A – Susan Strausberg>: I am fine. How are you, Harper?

<Q>: Just fine. I was wondering, if you could explain a little bit on the contracts that you talked about with Microsoft and Intel, and maybe if not, talk a little bit more about the potential – what the potential is for the corporate finance market?

<A – Greg Adams>: Hi. Yeah, as I mentioned, they are initially modest contracts. We'd rather not disclosed the terms in detail but as you – Susan and I reiterate, we are very excited about the progress of I-Metrix. Particularly, as most of you all on the call know, we launched with a limited data set, and now that we have completed the tagging of the Russell 3000 and continuing on with all the other public companies which is progressing very nicely, the amount of companies that we have interested and on "trial" or pilot program is very encouraging, quite significant. And so again I'd rather not disclose the details on the Microsoft and Intel contracts and Amgen contracts at this time, but anytime you get an entrée into a new customer it's a good sign, and then you just expand from there.

<Q>: Okay. How about the audit market, can you talk a little bit about that and what you are hearing from maybe some of the accounting firms?

<A – Susan Strausberg>: Well the audit market was, is - has a monolithic entity, and we've been working very closely with several of - accounting firms both in the Big Four and in the second bracket as well. The adoption is always much slower in that area, but adoption in terms of actual purchasing, because frequently there is an entire enterprise decision that's needs to be made before an order can be placed. But the biggest proponents out in the marketplace happen to be people who are from the auditing profession, from the Big Four in particular, who are evangelists for I-Metrix because they understand it as deeply as anybody can.

<Q>: Okay, you know, when you – you said these are initial deals with Intel, Microsoft and Amgen, would you be able to disclose terms once you roll it out a little further with each company?

<A – Greg Adams>: Yes, we expect to. At that point, assuming we get approval from the respective companies. Sometimes when we do contracts, particularly when it's a division that may be gathering market intelligence or other things that can differentiate them for sales purposes, they don't allow us to make those type of disclosures, but we are hoping we can at least disclose more in the future on those – bigger enterprises.

<Q>: Okay, and have you – have you gone down the road with any of Business Objects' competitors to maybe offer them the same deal and maybe get integrated into their products?

<A – Susan Strausberg>: Well we can't really discuss the terms of the contract with Business Objects and what restrictions there on this. So I really can't give you any flavor around that.

<Q>: Okay, okay, well congratulations at least on getting your foot in the door of these companies.

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

<A – Greg Adams>: Thanks, Harper.

Operator: Thank you. Our next question comes from David Harper of Investopedia.

<Q – David Harper>: Hi, Greg and Susan. Thanks for the update.

<A – Greg Adams>: Thanks, David.

<Q – David Harper>: Can I just clarify on the Intel, Microsoft, Amgen, understanding that you don't want to go into details. Are those three – are they purchased I-Metrix customers or are they I-Metrix trials? Are they just corporate EDGAR Pro customers?

<A – Greg Adams>: No. They are purchased I-Metrix customers.

<Q – David Harper>: Terrific.

<A – Greg Adams>: At this point.

<Q – David Harper>: Okay, thank you. And I guess my question to you since you doubled the sales force, and are calling on these large accounts. In two parts, one, what specifically have you learned about the longer sales cycle? Are you looking at a year, 18 months? And then secondly, do you think the - is the main hurdle with these large accounts a competitive issue, and if so who? Or is it more of an XBRL tagged data adoption issue?

<A – Susan Strausberg>: Well first of all, we anticipated that there would be a longer sales cycle with I-Metrix, because both – because of its complexity, as well as its price, as well as most important because it's a radical new product and takes some understanding. Anything new in the market obviously has a longer lead time. The – so, we're not being surprised, and we are not looking at 12 to 18 months lead times either. But certainly in a big institution, even just an individual department in a big institution, there is probably a six month – three to six month at least delay as compared to what I would call the good old days when someone would log on to your website and subscribe to some – take out their credit card to subscribe to something. It's a very different world. The – your second question had to do with adoption --

<Q – David Harper>: Is it a competitive – is it generally a competitive issue, and who are you running against in the trance - what you call the transparency market? Or is it really a matter of getting them to understand the power of transparency in the tagged XBRL data?

<A – Susan Strausberg>: Well, I would say that the – that it's the latter. Simply – it's simply getting in front of them and showing them the product and then it becomes quite clear that it's – that it's a superior product. In the segment of the market that we are talking about the – really the outstanding competition in that area would be Capital IQ and may be to a degree, FactSet. That's very different from the area that we have operated in which we call the document delivery area, which is a \$100 million market, quite small as opposed - the other market being \$1 to \$3 billion in potential. So there is lots and lots of room and obviously there are many – there are people who are desperate for the kind of transparent information that we are providing.

<Q – David Harper>: Well, terrific. Thanks again.

<A – Susan Strausberg>: Thank you.

Operator: Thank you. Our next question comes from Bob Renck of RL Renck.

**<Q – Robert Renck>**: Good afternoon, Susan and Greg. I'd like to follow up on a couple of road markers that you set down. Greg, did I understand you just say that as of today, the 2nd of August, that the Russell 3000 is completely tagged?

**<A – Greg Adams>**: That is correct. There are a couple – a few companies in the Russell 3000 that aren't completed because the taxonomy itself, for example the oil and gas taxonomy, is not fully approved and finalized by the XBRL consortium. So those have not been released. But other than those that do not have approved industry taxonomies, they are completed.

**<Q – Robert Renck>**: Okay, footnotes. I think you had a fairly aggressive view that you'd have them ready by September, and I would have expected some slippage. Can you give us an idea about when you expect to have all the footnotes tagged?

**<A – Greg Adams>**: Yeah. Initially, we thought we can get it faster – earlier in the year, but we are finding that footnotes are largely unstructured. So, our current forecast is by the end of January.

**<Q – Robert Renck>**: Okay.

**<A – Greg Adams>**: For footnotes.

**<Q – Robert Renck>**: Okay. Next question, maybe you can provide you know – if we look at the deferred revenues, clearly they are leading indicator but I would like to just clarify. Deferred revenue – can you give us an idea of what the average life of those deferred revenues represents in terms of months of revenues? Because clearly as you sell new things, you are going to be taking them on a 12<sup>th</sup>, but the I-Metrix – I-Metrix kind of overwhelms the rest of the database.

**<A – Greg Adams>**: Yeah. I think if you see a sharp rise in deferred revenue, obviously that means you don't have three months left of revenues, you have some recent annual sales typically that will increase deferred revenue. And in this case our deferred revenue increased almost \$500,000. As far as breaking down the average life of deferred revenue, I do not have that statistic in front of me, but most likely I would say that the current balance of deferred revenue is greater than six months.

**<Q – Robert Renck>**: Okay. Is that a material change from where you were at the end of the first quarter?

**<A – Greg Adams>**: Not material, but it is up.

**<Q – Robert Renck>**: Okay. Next item, your G&A number is up a little bit sequentially from the first quarter. Can you give us an idea - what are the driving factors on G&A, which is running at just a little over 2 million for the quarter? I mean do we expect any major increases over the next six months?

**<A – Greg Adams>**: G&A will actually, primarily will stay flat over the next six months.

**<Q – Robert Renck>**: Okay.

**<A – Greg Adams>**: Really the sales and marketing potentially could increase most likely due to commissions paid to salesmen for the most part. But G&A is fairly flat.

**<Q – Robert Renck>**: But the sales and marketing number is up because your basis are up and – is it fair to say that the only increases from this level will largely be due to commissions?

**<A – Greg Adams>**: Commissions, and there may be one or two more new hires in certain markets.

**<Q – Robert Renck>**: Okay, so we've - you've gone through that at this point. Question, you talk – and I understand your reluctance of talking about contracts. But these three contracts that you have as data users with the companies you mentioned, were they all direct sales from EDGAR, or did they come in through any intermediaries?

**<A – Greg Adams>**: They were all direct sales through EDGAR.

**<Q – Robert Renck>**: Okay. The other thing is, you talked about an unspecified large number of people on trials, and I understand why people are doing trials. Can you tell us - have you quantified how many people are on trials or experimenting at this point?

**<A – Greg Adams>**: We can tell you, as far as trials go, we have close to 90 customers, and that's not users, that's companies I should say.

**<Q – Robert Renck>**: Right.

**<A – Greg Adams>**: 90 companies. I am not going to break that down to dollar amounts nor number of users.

**<Q – Robert Renck>**: Okay.

**<A – Greg Adams>**: But we feel that's pretty encouraging. And it certainly is keeping everyone in our shop busy.

**<Q – Robert Renck>**: Is that the peak of – have you had any material – have you've had anybody whose on – who's been on trial for an extended period of time come back with any material objections and say we are not interested any longer? And if so, what percentage of the current database would that be?

**<A – Susan Strausberg>**: I would say no, there have not been. Very early on we had, I think, one customer on a trial who needed data that we didn't yet have, when we had what the 500 companies in the database and it was inadequate for their use. But beyond that, we are getting extremely strong feedback.

**<Q – Robert Renck>**: So, you are not having – so is it fair to say that you are not seeing any rejections at this point?

**<A – Susan Strausberg>**: Correct.

**<Q – Robert Renck>**: Okay. How many – are your number of customers on trial increasing month-over-month?

**<A – Greg Adams>**: Sort of increasing week-over-week. But yeah, like I say, it's - we're optimistic about the level of activity with the trials, but you know it's increasing nicely.

**<Q – Robert Renck>**: Okay. So, if I look at that as a lead indicator like traffic you know becoming revenue, what do you think the critical issues are? Or can you quantify or qualify the critical issues in converting trials to sale?

**<A – Greg Adams>**: Yeah, you know mostly it's just been number of companies that we have fully tagged, or XBRL tagged, and as now we are moving forward – doing well the rest of the public companies quickly. Our tool that automatically tags financial statements has been working very well and it's getting better and better. So, we are doing it in almost a real time basis converting

those statements into XBRL. But mostly it has been just – the push back potentially is mostly just the number of companies that have been tagged into the database.

<Q – Robert Renck>: Okay. Last question is where does your NOL stand as of today?

<A – Greg Adams>: Our NOL still is - it's a little north of 20 million, as of today. And the expiration periods are well out five to seven years, all the way up to 12 to 15 years.

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

<A – Greg Adams>: Okay.

Operator: Thank you. Our next question comes from Jon Hickman of Security Research.

<Q – Jon Hickman>: Hi. Greg, could you tell me – I got on the call a little bit late so maybe you've answered this question. But, you've done essentially the Russell 3000, and I thought you had the S&P done before that, so where – like out of the 7,000 or 8,000 public companies out there, where are you? Like are you 70% there? Are you, I mean, are 50% there?

<A – Greg Adams>: You know right now our target is to complete all public companies that have market caps greater than 25 million or more by early October and --

<Q – Jon Hickman>: Early October.

<A – Greg Adams>: Yeah, so that's our current timeframe. And as you mentioned, you know, the Russell 3000 seems to be - that seemed to be a milestone I think that some of our customers were looking at.

<Q – Jon Hickman>: Okay, now – then can you quantify – maybe you did answer this question too, but what was the cash utilization in the quarter?

<A – Greg Adams>: Cash utilization or cash?

<Q – Jon Hickman>: Cash burn - how much did you go through?

<A – Greg Adams>: Cash burn. Well our EBITDA, as they call it.

<Q – Jon Hickman>: That was negative one point something million.

<A – Greg Adams>: That's correct. If you go to the earnings release in the table there.

<Q – Jon Hickman>: Yeah.

<A – Greg Adams>: Our EBITDA was 837,000. Our cash burn was a little bit more than that because we had some bills relating to the annual meeting and as well as some legal fees that we're – we're still paying with respect to setting up poison pills early in the year and etcetera it's flooding our cash a little bit. But in – you know for the most part our capital expenditure on top of our EBITDA loss in this case, tends to run between \$100,000 and \$200,000 a quarter, so it's not that significant. So, usually our cash burn will follow what our EBITDA loss is.

<Q – Jon Hickman>: Okay. So, when you were out in California during the summer, or I mean, in early spring, you were making projections about being break even in kind of the third or fourth quarter. Are you making any projections like that now?

<A – Greg Adams>: It's been – in the spring, at that point we did not ramp up our sales forces as quickly as expected. Since then we have hired four more salesmen as well as we expended some more money on marketing personnel and product management personnel. So, we ended up ramping up expenses a lot faster than we anticipated but primarily because the opportunities that are currently ahead of us require that. So, for now I am starting to change the projection and saying you know first half of 2006 when we expect to get to that positive EBITDA and EPS.

<Q – Jon Hickman>: First half of 2006.

<A – Greg Adams>: Correct.

<Q – Jon Hickman>: Okay. So, you are pushing it out.

<A – Greg Adams>: However, Jon, that could change if I-Matrix accelerates faster than and we recognize revenue faster than what we – that I am conservatively projecting.

<Q – Jon Hickman>: I have one more question and then I'll let it go. And again maybe that you have already answered this, but did you on the call tell us how much of this quarter's revenues were I-Matrix?

<A – Greg Adams>: I did not on the call, and at this point, I said it was modest due to the 1/12 allocation. For this quarter, I'm just going to leave it at that - that it's modest. When the number becomes more significant, I'll be breaking that out.

<Q – Jon Hickman>: Greg that is – I mean that's your whole story?

<A – Greg Adams>: Right. Well, maybe at the beginning of the call where we have in excess of \$100,000 in annual contracts for I-Matrix at June 30th, not currently but at June 30th, and you know extrapolate 1/12 from there and pick a mid-quarter point. Remember we launched this end of April as well - early May, end of April.

<Q – Jon Hickman>: So as of June, you said you had \$100,000 in annual contracts?

<A – Greg Adams>: The exact number was \$108,000.

<Q – Jon Hickman>: So that's what's you would have collected over a 12-month period.

<A – Greg Adams>: Correct.

<Q – Jon Hickman>: Okay I'll let someone else answer questions – or ask questions.

Operator: Thank you. Our next question comes from Harper Stephens of Edmonds White Partners.

<Q>: Hi, I just have one quick follow-up question I forgot to ask. I think on the last call you talked about a road show that you were planning with Microsoft and some of the accounting firms. Can you update us on that and what are the plans all for that this fall?

<A – Greg Adams>: Yes. What the road show – actually it's sponsored by Microsoft and it's really being organized by the Financial Executives International. And it's a series of events, approximately eight to ten events, that will be going around the United States this fall. Basically training the corporate market, training CFOs and finance departments, on the importance of XBRL and what tools are out there today. That's coming up this fall.

<Q>: Okay. And do you - how many cities you are going to, what cities and which accounting firms are going with you?

<A – Greg Adams>: That's yet to determined. The cities, like I said is going to be eight to ten. And all the accounting firms would like to sponsor and attend and present on every one of those conferences and that's a decision that the FEI, the Financial Executives International, needs to make. Who will be speaking at each location.

<Q>: Okay. Thank you.

Operator: Thank you. [Operator Instructions.] Our next question comes from Bob Renck of Renck Inc. [RL Renck].

<Q – Robert Renck>: Hi. Greg, I just wanted to follow-up on one of your comments that you have made. You basically, I believe you indicated that your target revenues for the third quarter are 3.7 to 3.9 and by my calculation that's brings you to 10.8 to 11 for the year. So, your \$14.5 million number really implies something in the area of about 3.5 million to 3.7 million, if I am not mistaken. Is there any – why would we even believe that it shouldn't be higher than the low-end? I mean, is there any reason to believe that your subscriptions – your subscription base isn't going up?

<A – Greg Adams>: Yeah. I believe Bob, if you add the first quarter and you add – and you give the same run rate as the current quarter.

<Q – Robert Renck>: Right.

<A – Greg Adams>: You come up with 14.3 million in revenues. Is that correct for the full year?

<Q – Robert Renck>: Well you had 7.1 for the first half; you said you'd do 3.7 to 3.9 for the third quarter as your forecast.

<A – Greg Adams>: So that gets us up to...

<Q – Robert Renck>: That's 10.8 to 11 okay, and to do 14.5 you'd have to do 3.5 to 3.7?

<A – Greg Adams>: Bob, recheck that math, because we do 3.5 in the first quarter. We just did 3.6.

<Q – Robert Renck>: Yeah, that gets you to 7.1.

<A – Greg Adams>: And if you take the mean at 3...

<Q – Robert Renck>: Well if I take 3.7 to 3.9, it gets you to 10.8 to 11. Okay? And if you did 14.5 and you would be at 3.5 on the low-end, 3.7 on the high side and the reality – and your target range is 14.5 to 15.5?

<A – Greg Adams>: Correct.

<Q – Robert Renck>: So to do the low side, you would be no better than you are at - I mean you would be at the low-end of your third quarter forecast in the fourth quarter?

<A – Greg Adams>: That's correct, that's why I started off to phrase – conservative projection.

<Q – Robert Renck>: Right and the other thing. Given the fact as you pointed out, is the second question that came back in, the 108,000 that you booked in terms of contracts as of the end of June, hypothetically that really only accounts – that only – if those were the contracts as of June 30<sup>th</sup>, conservatively that's suggest to me that you've obviously got somewhere in the area of

\$90,000 of deferred revenues at best from my metrics in your number, and your number has still gone up by \$600,000.

<A – Greg Adams>: That is correct, Bob.

<Q – Robert Renck>: Okay. So, what it – and you've got 90 – and you've got 90 firms with an unspecified number of subscribers presumptively on average at least three each. Okay, in terms of you know presumptively. But you know could – but basically what it says is that as companies reach the tipping point, if as or when companies reach the tipping point and you've only had one rejection, you should start to see first a larger increase in – a larger – your contracts will lead to a larger increase in deferred revenues and to some better numbers on the sales side?

<A – Greg Adams>: Correct.

<Q – Robert Renck>: Okay, so it doesn't – and you've stabilized your loss, you've stabilized your fixed costs?

<A – Greg Adams>: Right.

<Q – Robert Renck>: Okay.

<A – Greg Adams>: Yeah, and then that's why you could see that Susan and I – as I think back to my quote, very bullish about the opportunities with I-Metrix that are ahead of us.

<Q – Robert Renck>: Okay. What's the thing that keeps you up most at night and don't tell me screaming babies. I'm serious, I mean because as another question I alluded to, obviously the story has been we are going to get to cash flow breakeven soon. Soon has been deferred for you know perhaps understandable reasons, but what is it that you worry about most at this point?

<A – Greg Adams>: Susan and I probably have out different worries. My concern is probably just the timing of closing of certain contracts. You know, if something closes, the last day of the quarter it doesn't help me very much, but you know. So it's really the timing of contracts and closing those opportunities that we have in that pipeline that's coming to reality.

<A – Susan Strausberg>: In fact, well, I would agree, I wouldn't – it's not so much the timing of the contracts from my perspective but just simply – I am impatient as I am sure you all are, because it's hard to be wanting to move ahead and not seeing the results – even though this was just part of our plan. Again I repeat that it requires patience, and I am not a very patient person. But the – I have absolute confidence that our sales team can deliver the kinds of numbers that we talk about internally, and I have no concerns whatsoever about the execution in terms of the product, because that's out there and that's been proven. So, I – at the moment, don't have any worries.

<Q – Robert Renck>: Okay, great. Thanks very much for clarification.

<A – Greg Adams>: Thanks, Bob.

<A – Susan Strausberg>: Thank you, and I think we're going in – is that the last question? I believe...

Operator: Thank you.

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

If that was the last question, we'd like to thank you very much for joining us and we look forward to talking to you again.

Operator: Thank you. This does conclude today's teleconference. Please disconnect your lines at this time and have a wonderful day.

**Disclaimer**

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

*The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2005. CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.*