
MANAGEMENT DISCUSSION SECTION

Operator: Good day everyone, and welcome to the EDGAR Online First Quarter Results Conference Call. Today's call is being recorded. For opening remarks and introductions, I would like to turn the call over to Ms. Susan Strausberg, President and CEO of EDGAR Online. Please go ahead.

Susan Strausberg, President and Chief Executive Officer

Thank you Kevin. We want to thank all of you and welcome you to this conference call to discuss EDGAR Online's first quarter 2006 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 and Exchange Commission. Greg Adams, our Chief Financial Officer and Chief Operating Officer will now take you through our financial results.

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

Thanks, Susan, and good afternoon everyone. Before I review EDGAR Online's first quarter, I would like to update everyone on certain recent initiatives. As a result of our RR Donnelley partnership, the launch of I-Metrix input and output products, and increasing prospect of the SEC mandating XBRL filings, we have significant opportunities and have moved into a much larger market. We estimate the potential market for financial and business information at over \$2 billion, which is obviously much greater than our former \$100 million document-delivery market. Over the past quarter, it has also become more apparent that we enjoyed a significant head start on the competition with respect to delivering XBRL content and solutions. It has taken over three years of R&D to complete our product plan, and we are now starting to execute and see success from our sales efforts.

During the quarter, we added a number of new I-Metrix professional and architect clients. To name a few, New York Life and Moody's in the financial services market, the Boeing company and MGM Mirage in the corporate market and Deloitte in the audit market. As you know, these companies are among the leaders in their respective industries. And, we expect their peers to recognize the benefits of our XBRL products going forward. Our annual contract revenue has grown from \$300,000 at year-end 2005 to \$1.2 million as of March 31. And we are working with Cartesis and Deloitte & Touche to showcase I-Metrix solutions in Cartesis' 10 and Deloitte's Radar platform. These products will be demonstrated at the XBRL International Conference in Barcelona, Spain on May 15.

With respect to our R.R. Donnelley partnership, we are off to a very good start. Our XBRL solution is being well received by many of their customers and prospects. Early adopters include Xerox and EDS and we completed the first XBRL Form 10-Q mutual fund filing for the Allegiant Advantage Fund. Currently, we are working on over 40 other opportunities with R.R. Donnelley and anticipate that our joint efforts will become very successful as we rollout training to their regional sales forces and customers over the next few months.

In addition, anticipated external directives from the SEC and FASB should have a favorable impact on our partnership. EDGAR Online has been providing input to both the SEC and the FASB with

respect to the widespread adoption of XBRL in the development of comprehensive US GAAP taxonomy and standards.

Now, moving onto EDGAR Online's first quarter 2006 operating performance, our first quarter revenues were 3.9 million compared to 3.5 million in the first quarter of '05. Revenue growth was driven by a 23% increase in our core business, subscriptions and data sales, which was 98% of total first quarter revenue. Along with the inclusion of I-Metrix, these highly profitable business segments will continue to be our primary growth drivers in 2006 and beyond.

Our first quarter subscription revenues increased 19% from last year. The number of paying subscribers at March 31 is 19,750 comprised of 9,250 EDGAR Pro subscribers and 10,500 EDGAR Access subscribers. We did incur a little bit of churn in the first quarter subscriber count, but that was primarily due to customers needing access to EDGAR information for their year-end reporting.

Moving on to data sales, our 2006 revenues increased 28% compared to last year to \$1.6 million. At March 31st, we had 215 data contracts with an average annual value of approximately \$28,000. Some of our new contracts in the quarter came from work we are doing for TheMarkets.com, Russell Investments and Sanford Bernstein. And after the quarter ended, we signed a \$150,000 agreement with one division at Standard & Poor's. It should also be noted that of the \$1.2 million of I-Metrix contract value, only \$196,000 was recognized as revenue in the quarter. For example, Moody's, which was sold at the end of the quarter for \$130,000, had minimal recognized revenue in Q1.

In addition, we continue to have a pipeline of I-Metrix trials and pilot programs underway that could result in a number of multi-seat signings. Included in this group are pilots at three major investment banks. These pilots are going well and we look forward to keeping you abreast of their progress. Advertising and E-commerce revenues were only 2% of first quarter revenues, and down 57,000 from last year, primarily due to the overall reduction of pages that serve ads on our paying website. And looking at operating performance, our gross margins remained very strong at 84 percent. As we grow revenues, we expect to also grow our gross margins even higher.

First quarter operating expenses including amortization and depreciation were 4.5 million compared to 3.5 million last year. The increase reflects the adoption of FASB 123(R) which requires companies to record as compensation expense the fair value of stock options granted. In total, stock option expenses of \$263,000 were recognized. Anticipate that stock option expense will remain fairly consistent at 260,000 per quarter for the remainder of 2006.

Other increases in SG&A is due to selling expenses for additional salesmen and their respective commissions and costs in product development, as we continue to invest in more advanced products that leverage our technological expertise. And our amortization and depreciation totaled 459,000, slightly down from 476,000 last year. The above yields a net loss of 1.6 million, or \$0.06 per share. EDGAR Online has not recognized any income tax benefits related to the loss.

With respect to guidance, last quarter we projected revenues to be in the range of 3.8 million to 4 million with an EPS loss of 6 cents. We ended up in the middle of the revenue range and we were able to reduce our EPS loss from the fourth quarter despite the recognition of that non-cash \$263,000 stock option expense. So with respect to the second quarter of 2006 guidance, we anticipate that revenues will increase and be in the range of 4 million to 4.2 million, and our EPS loss will remain flat or reduce to 5 cents per share. We expect a number of sales opportunities will close and are still optimistic that we will be cash-flow positive in the fourth quarter of 2006.

On to the balance sheet; we had an invested cash balance at March 31 of 4.6 million and no debt other than normal operating and payables and accrued expenses. This cash balance does not include any advanced exclusivity payments from R.R. Donnelley. We received the first installment of these payments in the second quarter, and as such the decrease in cash from year-end was

primarily due to our operating loss and a legal settlement made in connection with an employee lawsuit. We currently have no other pending or threatening litigation.

To sum up, we are very optimistic and feel good about the leverage in our business model with 84% gross margins and negligible SG&A increases for each incremental sales dollar. With the large, the R. R. Donnelley partnership, the advancement of XBRL as the worldwide data standard. And with the SEC and FASB embracing this new technology, and expecting future successes in selling the I-Metrix suite of products, we anticipate revenues will ramp up and accelerate as the year progresses. So, with that I will pass it back to Susan to provide the business overview. Susan?

Susan Strausberg, Chief Executive Officer and President

Thank you Greg. Last year was a year of development and investment. This year we are continuing the development of our advanced product and solutions as we reach out deeper into our customer base with our desktop data solution. We have seen solid growth in our revenues year-over-year by increasing our core subscription and data revenue while maintaining high percentage gross profit margin.

The first quarter business highlights include the following. We entered into a sales and marketing agreement with R. R. Donnelley to offer EDGAR Online's I-Metrix suite of products, XBRL products to R. R. Donnelley's customers and prospects. Last quarter we talked to you about a separate agreement relating to XBRL filings. I will discuss both of these together a bit later.

The next highlight is that we expanded the depth of XBRL US GAAP taxonomies for the consumer and industrial, banking and savings institutions, insurance and broker-dealer industries, and added XBRL taxonomies for the oil and gas, utility and real estate industries.

We have enhanced I-Metrix to include earnings estimates, analyst recommendations and estimated long-term growth rates for companies, their industries and the S&P 500, as well as introducing new tools in I-Metrix Professional which allows screening for companies by industry, sector, SIC and/or trading exchange. Specifically, we have increased the number of companies available in I-Metrix to over 9000, including approximately 8,100 US public companies, 300 ADRs, foreign filers, and 450 private companies.

In addition, we have data for approximately 1600 Chinese companies through the Shanghai and Shenzhen relationships and approximately 4500 Japanese companies through Hitachi. Gartner has continued its coverage of I-Metrix by including us in its of collection of Cool Vendors in the High-Performance Workplace for 2006.

We were one of 10 companies cited as a technology company with an innovative approach to achieving performance improvements. In several weeks, we will launch the new releases of EDGAR Pro and EDGAR Access. We will be integrating some of the content from those sites into the new web version of I-Metrix. In doing so, we will be affording subscribers to all of our services an even more robust user experience.

And now to take, to see that filing season is over, R.R. Donnelley's sales group has been focusing on selling the I-Metrix service to its customer base. We have been providing extensive training to their 100-plus person sales staff, and helping them educate their customers about the benefit of interactive data or XBRL, terms could be used interchangeably, and our I-Metrix suite of products. We have produced printed marketing materials, or they have, and videos to further expand awareness of our combined offering. As the SEC gets closer to mandating interactive data, we expect this interest to translate into sales revenue for I-Metrix Professional and Xcelerate services. R.R. Donnelley knows from performing compliance work for thousands of companies for many

years that in the real world of regulatory filing, speed and accuracy are of the essence. Most 10-Ks and 10-Qs are submitted at the last possible moment, and missing a filing deadline because of delays in the filing process, or for that matter any reason, is simply unacceptable. After a thorough RFP process, R.R. Donnelley chose to work with EDGAR Online for a number of reasons, but particularly because our solution is automated and therefore scalable. EDGAR Online has already translated 8 years or some 32 quarters of financials for every corporate issuer, and therefore brings unique expertise to this task. Although there are tools in the marketplace that individual companies can use to tag their own statements, there is no other solution that converts the company's financials and integrates them into the regulatory filing work flow.

Following on the R.R. Donnelley I-Metrix reseller arrangement, which is this quarter's announcement, is a natural extension of the Xcelerate filing solution. R.R. Donnelley has unique relationships in key areas in the corporate marketplace where they can leverage these relationships for our mutual benefit. This is a win-win scenario from our perspective, 130 additional sales peoples talking to key consumers of company information with whom they have an existing relationship in order to sell I-Metrix. We think this is a very powerful opportunity.

With regards to other partnerships, Cartesis announced on April 19th that they are introducing their clients to our I-Metrix data through the Cartesis 10 platform. The form of this arrangement is similar to the business object model which was announced sometime ago. In both cases, tangible results from these partnerships are dependent on technical integration on the partner side. In the case of Cartesis, our data has already been integrated into their application. It has been demonstrated at their sales conference, and will be introduced formally in Madrid at the May 15 XBRL conference.

Unfortunately, there have been numerous delays in the business object integration, but we expect that it will be completed and that they will then take their enhanced product to market. And with respect to broadening adoption of XBRL, the SEC continues to aggressively support interactive data. The SEC's chairman, Christopher Cox, recently stated markets function best when all the information that market participants need is available to them when they want it and in a form that they can use it. That's why the commission is so keen on interactive data for financial reporting. I am not thinking years, I am thinking months.

This week there have been discussions in congress regarding funding of interactive data. This gives further evidence that the process is moving forward and that the adoption of XBRL is moving into the mainstream. In terms of EDGAR Online's timeframe, we are looking at the very near term for market acceptance of I-Metrix and for resulting revenues. We are very grateful for your continuing support. We are working diligently to grow our business, and shareholder value is a very high priority for all of us.

I will now open up the call to questions. Kevin?

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] We will take our first question from the site of Harper Stephens with Edmund White Partners. Please go ahead.

<Q – Harper Stephens>: Hi, good afternoon, how are you?

<A – Greg Adams>: Okay.

<Q – Harper Stephens>: A couple of quick questions. One, in the past, it might have been the last conference or the one before, you talked about that you had about 90 companies, I think doing pilots. I was wondering how many of those have actually converted into customers and what has the close rate been on those trials – pilots?

<A – Greg Adams>: Yeah, they're more trials than anything else. Pilots are very different programs in that, that's when there is more I-Matrix architects and they get feed of data to work into their work flow. Trials, what we referred before, are I-Matrix trials, and we did close a significant number of those trials. I am reluctant right now to give seat numbers. I can tell you of the \$1.2 million in revenue, there are over 50 contracts that make up that revenue, but there are a number of seats that go into those contracts. So, as far as conversion rates, it is too early to provide that detailed information.

<Q – Harper Stephens>: Okay. And it sounds like you are in process with about 40 of Donnelley's customers, have you said how many of customers Donnelley...

<A – Greg Adams>: Harper you cut out there.

Operator: One moment please? What's his name?

<A – Greg Adams>: Harper Stephens.

Operator: Just one moment. Mr. Stephens please go ahead.

<Q – Harper Stephens>: I was wondering how many customers Donnelley has actually provided to you all so far?

<<A – Greg Adams>: Okay. Yeah, those customers I mentioned, EDS and Xerox for example, those were customers that closed in the first quarter, which was in itself unusual given the fact that everyone is scrambling to file their 10-Ks in March, and really the pilot programs initiate from first, next 10-Q filings. So, a lot of the activity with their customers, I think I mentioned over 40 costumers today that we are working with, have been occurring in April and in going forward. We are still rolling out several regional training seminars and courses. As a matter of fact I am personally flying to Dallas tomorrow night and spending all day Thursday with a large number of prospects in that region for RR Donnelley. So, it's going to be rolling out consistently all throughout the year. I can tell you two of those 40 prospects. The vast majority are Fortune 500 companies.

<Q – Harper Stephens>: Okay. And one last question. We haven't really seen much in the way of announced contracts. Do you plan on announcing some of these Donnelley clients as you signed them on as customers, or are you just going to do so on the conference calls?

<A – Greg Adams>: Most likely on the conference calls. We need to sort of leave that up to Donnelley, which ones they want to announce. They control the customer relationships, their customers. But most likely on our conference call, we will drop a few names of the larger ones. But in the future perhaps we will direct you to certain websites which will list companies that have made XBRL filings.

<Q – Harper Stephens>: Okay, great. Well, thank you again for your time.

<A – Greg Adams>: You are welcome.

Operator: We'll go next to the site of Will Lyons with Westminster Securities. Please go ahead.

<Q – William Lyons>: Hi, guys.

<A – Susan Strausberg>: Hi, Will.

<Q – William Lyons>: I might have missed it. I am sorry, I got drawn away from this call for a minute. The \$800,000 increase in deferred revenues, was that due substantially to new I-Metrix sales?

<A – Greg Adams>: Yes, primarily to I-Metrix sales. Not exclusively, but yes primarily to I-Metrix sales.

<Q – William Lyons>: How many seats does that account for, or are you looking at it that way?

<A – Greg Adams>: Yeah, we are not looking at it that way. As I mentioned to Harper Stephens, is that, the seats, we are going to refer to most of the I-Metrix contracts with respect to contract numbers, just because I-Metrix Architect is difficult to count seats. Sometimes there are a few users of I-Metrix, sometimes there are thousands of users of I-Metrix end products that are being used, let's say in I-Metrix Architect. So, for example, what I did mention to Harper is that the \$1.2 million in contract revenue, that is comprised of over 50 different contracts.

<Q – William Lyons>: I see, okay. The analyst estimates you are going to be adding to the I-Metrix product, what's going to be the source of those?

<A – Susan Strausberg>: The source...

<Q – William Lyons>: Analyst estimates I guess on revenues and earnings?

<A – Susan Strausberg>: That source is Zacks.

<Q – William Lyons>: That's from Zacks.

<A – Susan Strausberg>: Yeah.

<Q – William Lyons>: Okay. Susan, going back to your comments on the SEC and mandating XBRL, the mention was not years but months. What is your outlook, not that you have a perfect crystal ball, but what are you – what's your thinking on when this is going to be mandatory?

<A – Susan Strausberg>: Well, actually Will, I don't have a crystal ball, but we follow, you know, what's occurring very closely and I think that we have to look at this, to take Chairman Cox at his word. That he is speaking months as of 5 or 6 weeks ago. The process will of course be complex. There'll be, be required an allocation of funds to subsidize the taxonomies. Then there is, and quoted issues that need to be shored up, but the engine does not only rest at station, it seems to really be picking up steam. So, I can't say. And I would have to say that if I were to take the EDGAR systems as an example, there certainly will not be 100% of all companies required to file on a day one. But, I would think that even if EDGAR Online were not so actively involved in this whole process that we would be looking right now to become eligible about this in order to handle our own filings properly. So, you've heard my – this is my gut feeling of course.

<Q – William Lyons>: Yeah, sure. Greg, you mentioned a lot of the prospects here are Fortune 500. Or I mean, this question actually is for anybody. But the – what sort of a common thread or are you seeing any common threads as far as the way these corporations will be using I-Metrix?

<A – Greg Adams>: Yeah, I think that the common thread that we are seeing, particularly in some of RR Donnelly's salespersons' experiences is that, their customers are seeking now information on what is XBRL and, you know, when will I have to really start getting onboard of being more knowledgeable about it. And so, a lot of the Donnelly salesmen are getting good meetings with that bleed. However, what we are finding is that, you can easily understand that they don't have to worry about converting their financials to XBRL because R.R. Donnelley and EDGAR Online will take care of that process. But what they didn't realize is the power of the I-Metrix Professional tool, of how they can use it internally ranging from their strategic planning group to the internal audit group, to the credit risk groups, to preparing warrant packages for peer analysis, et cetera. So, that seems to be the success early on right now until companies are forced to file an XBRL. A lot of them are being introduced to all the benefits of I-Metrix.

<Q – William Lyons>: So, it's still pretty much across the board?

<A – Greg Adams>: That's correct. It's across the board and it's not only – let me emphasize too, it's not only Donnelley's existing customer base, but it's also several non-Donnelley customers that we've been speaking with and in the early stages helping them out.

<Q – William Lyons>: What is the status of your, I guess in the past you've indicated there was some interest from Microsoft to, you know, implement the XBRL in their next generation of products. What's going on there?

<A – Susan Strausberg>: Well, XBRL has been an initiative at Microsoft and they are a very active member and leader in the XBRL consortium. There is a great deal of expertise based in their business solutions division, which is their accounting software division, and there are various solutions that are underway. You know, we don't have insight into every initiative. But there is a long-term and deep technological understanding of XBRL within Microsoft. We are also – we are working with the office team on the – for the rollout of Office 2007. We are part of the beta for that, and that's of course come about because of our XBRL knowledge and expertise. We are talking to probably, we ourselves, talking to a number of, I'm going to call them silos within Microsoft, and across the board the attraction is our expertise in both, in our content area of course the quality of our data and the type of data we have, but the way we present it in XBRL. So this – it's a total compatibility also within webservices.net.

<Q – William Lyons>: Interesting. Well congratulations on your sales so far in the quarter and we look forward to the rest of the year.

<A – Susan Strausberg>: Thanks Will.

<A – Greg Adams>: Thank you.

Operator: We go next to the site of Bob Renck with R. L Renck and Company. Please go ahead.

<Q – Robert Renck>: Thank you. Good Evening. I have a couple of questions, just more administrative than not. First of all, I believe you indicated that the payments, the guaranteed incentive payments from Donnelley were not included in cash as of the end of the first quarter. Was that correct?

<A – Greg Adams>: That is correct. We anticipate that we will see in total about \$500,000 of payments from RR Donnelley.

<Q – Robert Renck>: Are they included in accounts receivable?

<A – Greg Adams>: Only half of that 500, 250.

<Q – Robert Renck>: Okay. Because I think that the timing of the payments is in two tranches of 50% each?

<A – Greg Adams>: Correct.

<Q – Robert Renck>: Okay. Next thing is, is that, you mentioned off the bat in your presentation, you mentioned five accounts that had signed: New York Life, Moody's, Boeing, MGM Mirage, and Deloitte Audit. Were those contracts that have been signed in the first quarter or those after the first quarter or a combination.

<A – Greg Adams>: Those projects in particular were signed in the first quarter.

<Q – Robert Renck>: Okay. All right, as were the Xerox, EDS contracts.

<A – Greg Adams>: Right.

<Q – Robert Renck>: Is that correct?

<A – Greg Adams>: The Xerox and EDS contract, just note that those are not specific contracts with those two firms, those are contracts through RR Donnelley.

<Q – Robert Renck>: Right. When you said the numbers are paid, what line items are you reflect them on?

<A – Greg Adams>: It depends on the sale. If it is a I-Metrix Xcelerate sale, where we are processing financials into XBRL documents, that will be recorded in data sales. If it's the exclusivity fee related to the sale of I-Metrix Professional, subscription product, those will be recorded in subscriptions.

<Q – Robert Renck>: So does that mean then by implication that Xcelerate sales will be classified as data?

<A – Greg Adams>: Correct.

<Q – Robert Renck>: Okay. Of the 40 companies that Donnelley is talking about, can you give us an idea of what kind of package they are offering? Because obviously they are selling I-Metrix seats and they are selling filings. Outside of the context of the exclusivity fee, for a Fortune 100 company, what kind of numbers are we talking about on the Xcelerate side, and how many seats are you talking about on the I-Metrix side if you had to guess?

<A – Greg Adams>: I don't feel comfortable giving you the RR Donnelley pricings, but I can give you a general range of what it means to us and what the package is.

<Q – Robert Renck>: Right.

<A – Greg Adams>: Just in general, how RR Donnelley's initiating discussions and packaging this is that, they will convert the four prime financial statements, the 3-Qs, 10-Qs and the one 10-K and package with that three I-Metrix seats. Because obviously once you convert a document to XBRL, it's fairly useless unless you have I-Metrix to take a look at it. And we're partly also feel the trends of the history and your 9000 other public companies. Donnelley is charging a certain amount for that package and it's not grossly overpriced. The billing that EDGAR Online sent to RR Donnelley

is in the range of 20 to \$25,000. I don't want to also give you the exact dollar number there, but its 20 to \$25,000 exclusive of the additional fee on top of that for exclusivity.

<Q – Robert Renck>: And that would be basically – for a basic package of 1 K, 3 Qs and 3 seats.

<<A – Greg Adams>: Correct.

<Q – Robert Renck>: Okay. What – where – I think originally we talked about the fact that one of the advantages is you are taking your output server, for lack of a better word, which is I-Metrix, and Donnelley is going to – is or has or is going to be creating a proprietary input server. A) Is that a correct understanding and if so where do you stand in the process?

<A – Greg Adams>: Yeah that will be Phase II and that has not commenced yet. Currently, it's a little simpler than that in that Donnelley's is passing EDGAR Online – each customer's financial statements. Or if the customer elects themselves to not file concurrently, and file subsequently into the EDGAR system, we don't even need their financials directly from the company, we can just retrieve that from their 10-Q or 10-K filing immediately.

<Q – Robert Renck>: Okay. Three quick follow-ups, when you talked about of these 40 companies, did you did say they were Fortune's 500 or Fortune 100 they were talking to?

<A – Greg Adams>: Fortune 500.

<Q – Robert Renck>: Okay. Then the last two issues; what, you know, it seems that this is a fairly large undertaking and you obviously have had very good gross margins. One of the things that we would look for is that in any effort of this undertaking, it would appear that the one risk that you have is that you're supply training your technicals – that your support costs may be outrun by a sales force like Donnelley. What kind of budgeting do you have in your numbers for increased support costs, increased overhead at EDGAR to keep pace with the 100 man and 250 marketing managers that RRD has?

<A – Greg Adams>: Yeah. We have budgeted additional, whether its customer support or account management, to work with the Donnelley folks. I mean fortunately there is not a lot of custom work in these XBRL solutions since we have already built the software, and it is patent-pending software that we filed for. So most of the hand-holding support work and account management work tends to be more when the customer needs, you know, minor changes or additional solutions and there we have – we believe adequate staff but we do have plans, particularly on the I-Metrix Professional side, of beefing up that sales support.

<Q – Robert Renck>: Okay, now you know, it's been a just a little over a year since you launched I-Metrix, I guess in April of 2005. And I'd say, from, being constructive, if the product was probably not fully formed at that time, and maybe market conditions were a little more difficult, what do you think – sitting where you sit today a year after launch, can you talk to us a little bit about what you learned since the initial launch and what things you think you could be doing better?

<A – Susan Strausberg>: Well, Bob, I think that first of all you are right that the product as we launched it was not – it was ready for prime-time for a certain well – limited customer base, and it was very hard to match up the product to the specific customer. And so, first of all, what we learned was well, we're glad that we started when we started, but I suppose that we – there were some unrealistic expectations built on both sides. But what we did learn, that was very important to us, is that the corporate market is a very, very good market for this kind of information; it's underserved, it's addressable and we are very, very well equipped, particularly with a partner like Donnelley who would be – who, you know, the appropriateness of the relationship on both sides makes so much sense that we have a very, you know, this is a very, very positive manageable relationship and a way to approach a significant part of the market.

We also have what we know, not so much what we've learned, is that having partners and strong partners is very important to a company of our size. And adding – and so you'll be hearing about other kinds of distribution relationships that will be developing that will tend to address other parts of the marketplace. And we have reaffirmed, really for ourselves, that we had to be able to do both, which is to sell directly and most importantly to be able to support other sales teams that might be bigger than we are that have a client customer base, and that would accelerate the acceptance of the product.

<Q – Robert Renck>: Okay, and lastly, since I've taken up a lot of time; if we're sitting here five years from now, and we're reminiscing on where you've been – where you've come and where you've been, can you define for me what you would consider success to be in any terms you would like?

<A – Susan Strausberg>: Oh, Bob. Greg will answer that question.

<A – Greg Adams>: No, I think, you know, one's a sense obviously, and this is something often that changed Bob, since we launched last year where...

<Q – Robert Renck>: Right.

<A – Greg Adams>: ...we underestimated that this is not a trivial task; this is very difficult to have a automated XBRL tagging engine to be pumping financials consistently real-time into Xcel shortly after they are filed. What we also learned, more importantly, is that since this is so difficult, there is a business on the input side, quite a significant business. And that's one, you know, major reason why we teamed up with RR Donnelley. So looking out years ahead I can hopefully envision that our software tool is, whether we run it ourselves or license it, is ubiquitous in the marketplace to convert financial statements into XBRL. But then also more importantly, that the face and future of Xcel itself has changed; no longer do individuals have to input numbers into financial statements. We'll laugh at it just as we laugh today about looking at hard copy paper documents for EDGAR filings and SEC filings so...

<Q – Robert Renck>: Of course back in my day we did it with stone tablets. I guess that what I'd like you to reflect on is I think that that question, even though we got a laugh from Susan, I think that question is a question, when we look at companies we look at them on a 2 to 5 year basis. And it's my favorite question of management to ask them, you know, if we're going to sit here, how would they like to be judged? I would just consider that I would very much appreciate it if you would think about it, so when we get down to the second quarter and I ask the same question, you know, you would look at it. And I also must say, the one thing I will say though, I will give you credit for Susan, is that to a large extent EDGAR Online and I-Metrix is a child, and no mother wants to be told that their baby is not the most perfect baby in the world. Maybe it's only when they reach a little bit more maturity that we can reflect on the strengths and weaknesses. So I think it's good to at least acknowledge that EDGAR wasn't fully formed last year and to kind of go from there. So, I appreciate your candor, but thank you very much for your time.

<A – Greg Adams>: Thank you Bob.

<A – Susan Strausberg>: Thank you Bob.

Operator: Next we will go to a follow-up from the site of Harper Stephens with Edmund White Partners. Please go ahead.

<Q – Harper Stephens>: Hi, I just had two quick follow-ups, if that's okay. One is we have seen some stuff in the press about the SEC updating the EDGAR system this summer. What is your opportunity there if you have one?

<A – Greg Adams>: Okay. As many of you on the call know, that the SEC put an RFP out there to basically modernize the EDGAR system. Since it was launched in mid 90s, it really has not been modernized to a certain extent. We have partnered with one of three vendors to build a new EDGAR system. A lot of the specifications do involve XBRL requirements. An RFP has been sent in and the SEC is expected to announce or award the contract on June 22nd. I can't promise that will happen because the SEC seems to be – push back dates consistently. But we partnered on that and we will have our portion of that RFP is mostly around the XBRL functional requirements and then also the SEC themselves in building tools internally to help them cope with what they have to do on the Sarbanes-Oxley, which is to review every public company once every three years. And having interactive data with advanced tools will assist the SEC staff a lot more. I apologize for not being able to mention which company we partnered with. We do have a confidentiality agreement.

<Q – Harper Stephens>: Okay, but that would be a logical first step for them to update the system to handle interactive data before they mandate it?

<A – Greg Adams>: Correct, so you can seamlessly then receive documents though, of XBRL documents in the EDGAR system. Right now it's a little clunky, the EDGAR system itself on receiving XBRL documents.

<A – Susan Strausberg>: But the process, regardless, is going to be seamless to the end user or to the filer. So I don't think that there is a – there should be any presumption that the modernization of the EDGAR system would delay the XBRL or interactive data aspect of it.

<Q – Harper Stephens>: Okay.

<A – Susan Strausberg>: They are accepting XBRL filings today, and they will be able to continue to do that regardless of when the system gets modernized.

<Q – Harper Stephens>: Okay. And also on the XBRL.org there is a lot of information about a lot of international activity. Have you seen any opportunities internationally and can you comment on any of those?

<A – Greg Adams>: Yes, a lot of activities, you know, obviously – it's not a secret, our announcement the Chinese data and Japanese data. But, we are also having discussions with the IFRS on International Financial Reporting Standards, on helping them map data, in particular the thousand or so companies that have filed in the US that currently have to file US GAAP reconciliation. The FASB and SEC is trying to eliminate that requirement by the convergence of US accounting standards and international accounting standards, so that their aggressive timetable by 2008, companies will no longer have to file those reconciliations. And what that means to us is that then we have another customer group over in Europe, and Europe is going to be following International Financial Reporting Standards, that would like their financials to be converted into XBRL documents as well. So we see a pretty large opportunity in Europe and we're working on a lot of different initiatives, not only in Europe but also around the globe.

<Q – Harper Stephens>: Okay great, thank you.

<A – Susan Strausberg>: Thanks.

Operator: We have time for one more question which comes from the site of John Frank with Charter Management. Please go ahead.

<Q – John Frank>: Hi, thanks for taking my call.

<A – Greg Adams>: Hi, John.

<Q – John Frank>: Hello. On the corporate input side, I know we are early, but how many seat licenses are you – I'm sorry, how many seat licenses are you seeing the typical customer take?

<A – Greg Adams>: Yeah, it is a little bit early. I can just refer back to the RR Donnelley package that they are putting out there which is the convergence for the financials of the year plus 3 I-Metrix seats. And so that's a bundle package that they are doing for corporate right now.

<Q – John Frank>: All right, and so I guess my question is, are you seeing orders above and beyond those three seats?

<A – Greg Adams>: We are – I wouldn't say orders, there are – let's say trials.

<Q – John Frank>: Okay.

<A – Greg Adams>: Above and beyond those three seats.

<Q – John Frank>: Yeah.

<A – Greg Adams>: So the answer is yes.

<Q – John Frank>: All right. Then just one question regarding the investment banking trials that you referred in your comments; how do the scope of these trials compare to what you are currently doing with Moody's?

<A – Greg Adams>: Well, Moody's [inaudible] is one specific division at Moody's and we are exploring other opportunities around the organization. The opportunities at the some of these tier one investment banks are much larger than that opportunity at Moody's.

<Q – John Frank>: By several times I would assume?

<A – Greg Adams>: That's correct.

<Q – John Frank>: Okay. And then, so and you currently have trials in other parts of Moody's underway?

<A – Greg Adams>: Trials and/or pilot programs.

<Q – John Frank>: Right. And, I would assume that you would characterize probably a lot of the other names that you referred to in the prepared comments in the same way?

<A – Greg Adams>: That's correct.

<Q – John Frank>: Okay. I have seen some of the marketing materials that you've done with, or put together with RR Donnelley, they are impressive. In terms of actually getting on the ground, it sounds like you are focusing on the larger customers first which make sense. But, when do you expect that you are fully going to be able to get through and educate the entire RR Donnelley customer base in terms of the XBRL landscape and opportunity?

<A – Greg Adams>: Yeah, that's a hard question to answer. Donnelley focuses on their big customers first, and as successes happen within the RR Donnelley, it must becoming very contagious around their sales force of 100 plus people. And, in particular when they see what kind of commissions they are getting on these sales.

<Q – John Frank>: Right.

<A – Greg Adams>: Also, so it's hard to forecast how quickly we will ramp up. I think the important thing to note is that we are having very good traction, even though it's early, we are already having good traction. So, when you are getting marquee names like Xerox and EDS, you know, we are movers in the right direction.

<A – Susan Strausberg>: Also, you know, we are in no way precluded from targeting parts of the market that Donnelley might not be focused on out of the box and also we are certainly not, you know, restricted in anyway from contacting or selling to any other companies who may not be Donnelley customers. So, you know, I understand your question and its an interesting one. But, we would tend to be – to have our own internal marketing plan as well. I'm glad you like the Donnelley materials, we think they are terrific. There is a wonderful flash video on the Donnelley site that everybody who is on the call should go and look at it – just click on XBRL and go through and look at it and its very enlightening.

<Q – John Frank>: I agree and Greg, to kind of get back to what you said in terms of the commissions that the RR Donnelley sales force is receiving for these sales. Can you give any sort of color in terms of what the incentive is for them to sell the product?

<A – Greg Adams>: Well, the incentive is a straight sales commission. I am not going to disclose the range, but it isn't a minor number like 3% or anything like that, it's is nice sized commission, so..

<Q – John Frank>: I guess, is it an incremental clause in their compensation or a piece of their compensation, or is it just kind of lumped into a general sale?

<A – Greg Adams>: No, it will be incremental in that, let's say they do a million dollars of printing business and then sell a whole bunch of I-Metrix seats on top of that plus conversion, that just goes into their total sales and commission's calculated on top of that.

<Q – John Frank>: Okay. And lastly, and I know this is slightly speculative, but in the context of a potential mandate by the SEC, in terms of the XBRL submission, how important do you guys see the turn around time in terms of submitting the XBRL along with, you know, the other formats that are currently in place? Because it seems that that seems to be the largest competitive advantage you have right now is the quick turn around time you are able to deliver?

<A – Greg Adams>: Yes, that's exactly right. And, as you might recall Susan's comments, that that's the big reason why Donnelly selected us. I mean they went through an RFP on this process, on who could help them with processing XBRL filings. And, all of the other solutions needed at least a week. And in the compliance cycle, you don't have a week. You have minutes maybe. Sometimes, usually hours, that need to be worked in right into the work flow, and right now we have the only software that does that.

<Q – John Frank>: No, I understand that and I heard the comments. But I guess, explicitly perhaps things with the SEC is that, regarding the importance of turn around, has there been anything that you could directly or specifically refer to?

<A – Greg Adams>: Nothing there to refer to right now. In the pilot program, you can file subsequent to your normal filing, and most companies are electing to do that way. But, you know, in formal discussions, it is anticipated that it will be all concurrent filings.

<Q – John Frank>: Okay. All right, that's terrific, thank you.

<A – Susan Strausberg>: Thank you very much.

Operator: Ladies and gentlemen, this does conclude today's EDGAR Online conference call. At this time, I'd like to thank you for your participation. Once again, thank you and have a great day.

Susan Strausberg, President and Chief Executive Officer

Thank you very much. Please join us next quarter when we answer Bob Renck's questions.

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