
MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon, ladies and gentlemen. Welcome to the EDGAR Online First Quarter Results Conference Call. At this time, all participants are in a listen-only mode. Following the presentation, we will conduct a question-and-answer session. [Operator Instructions]. As a reminder, this conference is being recorded. Today is Tuesday, April the 29th, 2008.

It's now my pleasure to introduce to your host, Mr. Philip Moyer, CEO and President. Please go ahead, sir.

Philip Moyer, Chief Executive Officer and President

Thank you, Mike. We want to welcome all of you to this conference call to discuss EDGAR Online's first quarter 2008 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 and as a result – variety of factors including those identified in our quarterly reports on Form 10-Q, annual reports on Form 10-K, which are filed with the Securities and Exchange Commission.

First and foremost, I want to say how very pleased I am welcome our new CFO, John Ferrara, who is co-hosting this call with me. John has been a very quick study in our business, coming in and quickly catching up to speed on our revenues and business. He's already added a lot of value to our business with his perspectives on operations and the financial market in general, and I know I speak for everyone in this company when I say that we could not be more happy with having him step in in this important role at our organization.

I also want to just pass on a quick note of thanks to Jennifer Kilgore, our Corporate Controller, for her incredible work in producing our 10-K, helping to educate John, closing this quarter, and keeping the wheels on the bus turning flawlessly through this very rapid transition period.

With that, I want to turn the call over to John to take everyone through our financials.

John C. Ferrara, Chief Financial Officer

Thank you very much, Philip. We are pleased to report that for the first quarter of 2008, total revenues were \$5 million, an increase of approximately 900,000 or 22% compared to the first quarter of 2007. Adjusted EBITDA was 175,000, an improvement in excess of \$1 million compared to an EBITDA loss in the first quarter of 2007.

Of the total 5 million, data and solutions revenues accounted for 54% compared to 43% a year ago, and subscriptions revenues accounted for 43%, compared to 52% a year ago. These results continue to validate the execution of our strategy to transform the company to a data and solutions provider.

Revenue from data and solutions were \$2.7 million in the first quarter of 2008, an increase of 950,000 or 54%, compared to the first quarter 2007. As of March 31, 2008, the total number of data contracts stood at 275 compared to 266 at year-end 2007 and 260 a year ago. And the average contract value was approximately \$27,000, compared to 26,500 at year-end and 21,000 in the first quarter of 2007.

The increase in data revenues was due to an increase in the overall number of contracts, as well as an increase in the average annual price per contract. The increase in solutions revenue was

primarily due to the accelerated implementation of a large solutions contract for several hundred thousand dollars, all of which is nonrecurring revenue.

Subscriptions revenue were \$2.1 million in the first quarter 2008, almost equivalent to the amount in the first quarter of 2007. However, during this first quarter of 2008, we saw an increase in revenues from our premium products, EDGAR Pro and I-Metrix Professional, and a decrease in revenues from our retail product EDGAR Access.

Our EDGAR Access product continues to represent a smaller percent of our revenues, equaling 14% of subscriptions and 6% of total revenues in the first quarter of 2008, compared to 18 and 9% respectively in the first quarter of 2007.

Advertising and e-commerce revenues accounted for approximately 3% of total revenues in the first quarter of 2008, compared to 5% a year ago. Advertising and e-commerce revenues were \$140,000 in the first quarter of 2008, compared to 202,000 in 2007. The decrease in revenues was primarily due to lower e-commerce revenues, which dramatically fell short compared to prior periods. We are actively addressing the situation and expect to see improvement in these revenues later in the year.

During the first quarter of 2008, our advertising revenues grew 36% compared to the first quarter of 2007. Our new contract with Microsoft, where our inventory will be sold by the MSN sales network on a revenue share basis, started in April, and we expect to see additional growth in advertising revenues in the second quarter of 2008 and beyond.

The gross profit for the first quarter of 2008 was \$4.2 million, an increase of 770,000 compared to the first quarter of 2007. The gross margin for the first quarter of 2008 was 84%, compared to 83% in the first and fourth quarters of 2007. Total operating expenses for the first quarter of 2008 were \$4.8 million, \$200,000 less than the first quarter of 2007.

Excluding depreciation and amortization, stock expense, and severance, the cash operating expenses for the first quarter of 2008 were \$4 million, compared to 4.3 million in 2007. The lower expenses were primary due to lower payroll and related costs, due to fewer employees in 2008, as a result of the employee terminations that occurred in the third quarter of 2007. These lower expenses were partially offset by higher marketing expenses, due to the cost of an outside telemarketing firm engaged to leverage our sales team and our selling efforts. The above resulted in an operating loss for the first quarter of 2008 of \$615,000 compared to a loss of 1.6 million for the first quarter of 2007, an improvement of \$950,000. The interest expense for the first quarter of 2007 was 90,000 and related to the interest on the company's \$2.5 million loan.

The net loss for the first quarter of 2008 was 705,000 or \$0.03 per share, compared to a loss of 1.6 million or \$0.06 per share in the first quarter of 2007. In terms of our balance sheet, the company had cash and investments of \$2.5 million as of March 31, 2008, compared to \$3.8 million at year-end 2007. During the first quarter of 2008, the company reduced its current payables to \$2.7 million at March 31, 2008 from 3.4 million at December 31, 2007.

As of March 31, 2008, deferred revenues were \$4.5 million, compared to 4.1 million at year-end 2007. Deferred revenues represent amounts billed to customers that will be recognized in revenues in future quarters as the company's products are used. It's important to note that this amount does not represent the full amount of business on the contract; that only represents that portion of the business under contract that has been billed but is unearned. At March 31, 2008, the company had outstanding debt with a face value of \$2.5 million and a revolving credit facility of also \$2.5 million. The term loan is due March 2010. To date, none of the credit facility has been drawn.

Before I finish, I would like to say a few words about company guidance. The company stopped giving guidance in the third quarter of 2007, and we will continue with that policy. However, I did

want to share with you some of the company's expectations. As you know, the company is transforming its business model to generate more of its revenues from data and solutions products and services, and expanding its long-term strategic relationships. This is a change that requires significant energy, time, and resources. The sales process is longer, more complicated, and generally include larger dollar value contracts. These types of sales also include nonrecurring revenues, and sometimes these are significant, as we experienced in the first quarter of 2008.

So for the next 18 months or so, as the company continues its transformation, we expect some quarter-to-quarter volatility in our revenues and adjusted EBITDA. But during this period, we expect to make positive adjusted EBITDA, with all excess cash being reinvested in our products and services. At the end of this period, we expect to be judged on the quality of our long-term revenue growth, our strategic relationships, and the revenue and profitability potential of those relationships.

I'll now turn it over to Philip to comment on the overall business.

Philip Moyer, Chief Executive Officer and President

Thanks, John. As John mentioned, we're very pleased with the results we're posting for Q1. As you know, the financial industry is suffering through a difficult and uncertain period. We're pleased that our customers and partners are understanding our value and that we have delivered growth in spite of these conditions.

There are a few trends that we're seeing in the market. First, is that sales cycles are lengthening and there is pressure on pricing. The second trend is that investors are demanding more transparency and information on the companies they follow, and there's a positive movement by the SEC towards mandating XBRL, the open data specification that we build our products on.

We are a low-cost, high-detail, fundamental data provider. So we're feeling a definite headwind from the economic challenges, but we also sensed a tailwind from the fact that we can provide highly detailed data at low prices based on a standard that customers can depend on in the future. This is a complex sale, but it is valued in the current economic climate. There are a few elements of our Q1 results that give us a glimpse of what this means. First, we're happy that we continued our growth trend in our data and solutions business. We grew that business at 54% over the previous year and at 17% over the previous quarter. I forecasted that our data and solutions business could grow at up to 20% year-over-year.

The additional 27 percentage points in growth in this quarter was primarily driven by some one-time fees, as John mentioned, associated with a large data solutions contract that we announced earlier this year, for the creation of 144A data. We're able to address other asset classes with our technology, and we believe that the fact that we are able to produce a new data set for a new asset class in such a short timeframe demonstrates the power of our platform and also the potential revenues associated with our platform.

As mentioned by John, we do not expect these one-time fees or the 50% year-over-year growth rate to continue in following quarters, unless we can expand in other like partnerships or capitalize on our existing relationships. It is important to note that even without these one-time fees, our data and solutions revenue grew at 27% year-over-year, which is more in line with the 20% plus growth rate that we have set as targets for this business.

Also as John mentioned, our subscriptions business was flat. The growth in I-Metrix Pro and EDGAR Pro continues to offset the ongoing decline in our Edgar Access business. We're continuing to evolve these higher-end products, adding new capabilities and expanding their appeal to the market.

John mentioned that our advertising and e-com business experienced a decline this quarter, which was a disappointment. However, this decline was actually driven by lower sales in one small area, which was our list products. We're taking steps to improve this situation. We do feel it is addressable. However, it is important to note that our core advertising revenue, which is what we announced around the Microsoft partnership that we expect to improve in future quarters, was actually up over 36% in this quarter year-over-year. And these results do not include any financial results from our Microsoft partnership.

On April 1st, we're happy to say that we hit our go-live date for the Microsoft advertising relationship, and that means that we started serving ads with Microsoft on April 1. I hope to be able to discuss the financial impact of that relationship in our Q2 results.

In addition to our top-line results, we're very proud of the \$1 million of improvement year-over-year that we delivered in adjusted EBITDA and the 50% cut in our earnings per share loss from a \$0.06 per share loss last year in Q1 2007, to a \$0.03 per share loss in Q1 2008. We're investing in our business to expand our products and our intellectual property. However, we're trying to do this in the most efficient manner possible and in the best interests of our shareholders, and we hope that these results are demonstrating that.

As we look forward, I continue to get lot of questions from investors regarding the potential impact of the SEC mandate of XBRL on our business. So, I want to take a few minutes on this call to discuss our thoughts on how this may impact us. There's been a lot of positive movement towards the SEC mandating XBRL since the beginning of the year, and as you know back on December 5th, the SEC released the XBRL taxonomies, the actual list of accounts – or list of accounts of items for public comment. In January, the Pozen Committee released its recommendation on a rule to the SEC. And approximately two weeks ago, the SEC scheduled a meeting to make a decision on the mandate, which would have at that meeting defined the number of companies in the U.S. that were required to file and define a schedule for filing. Unfortunately, the SEC had to postpone that meeting to May 14th. So we are looking forward to the upcoming meeting now set for May 14th. We hope that the SEC will follow guidance by the Pozen Committee and phase in mandatory reporting of XBRL, first for the top 500 filers, then more filers over a two- to three-year period starting early next year, conceivably as early as the 2008 10-K period.

This would be similar to the phased introduction of the EDGAR system from 1993 to 1996. We recommended to the SEC by a public comment letter that at a minimum, they should follow this guidance, as it has already been proven to be successful in the marketplace, and in fact we feel they can be even more aggressive than the Pozen Committee guidance. While we do not expect hockey stick growth immediately after a mandate, we are recognized worldwide as a leader in XBRL. And we believe that an SEC mandate for XBRL corporate reporting will create a more compelling climate and greater interest across all of our products and solutions.

Specifically, in our filings business, we have what we believe to be the lowest cost, highest detailed filing solution in the industry through our partnership with RR Donnelley. Working with RR Donnelley, we've completed over 35% of the voluntary filer reports in XBRL. If that market share holds under a mandate, we have an opportunity, obviously, to produce revenues significantly greater than our current run rate. As an early signpost, we're seeing some of the educational sessions that we hold with RR Donnelley for corporate CFOs and investor relations people to be filled above capacity. This is a good indication of potential for us in this business.

In our data and subscriptions business, I mentioned that we're already starting to see increased activity around our data sets and tools, and we saw some of that in our Q1 results. We've created what we believe to be one of the only commercial historical databases in the world for up to 10 years of filings for all U.S. equities in XBRL. We're seeing the increase in the CFA community's education efforts and awareness of how XBRL can dramatically lower their cost of data collection,

increase their quality of analysis, increase their overall productivity, and most importantly, the steps they need to take to implement XBRL in the organizations.

We recently presented at the New York Society for Securities Analysts and at the RXIML education sessions, which is designed to educate people in XBRL in the analyst community. Both of these events had significantly higher attendance than any similar presentations we've conducted in the past. We were really encouraged by the positive feedback we received on our products and the fact that we may be the only company providing historical XBRL data solution today.

We're very focused on helping the CFA community begin converting to XBRL today, even before 100% of the companies are filing. We believe that a mandate should bring a greater sense of urgency to this potential customer set, and we believe our products are already seeing and will see increased opportunities as a result of this movement.

So with that, we've invested significant financial intellectual capital in paving the way for the international acceptance of XBRL. We believe that our partners and customers are starting to realize the benefit of these investments. As I mentioned, Q1 was a positive quarter for us. We have lot more work to do, and we could see some slight ups and downs as we ride the economic and regulatory waves we see on the horizon, but we feel that we can continue overall logarithmic growth in both our revenues and customer value as the financial reporting industry adopts the open standard XBRL that we've built our business on.

With that I'll close out our comments and open it up to questions. Mike?

QUESTION-AND-ANSWER SECTION

Operator: Thank you. [Operator Instructions]. Okay, your first question will come from Ross DeMont of Midwood Capital. Please go ahead.

<Q – Ross DeMont>: Hi, guys. Congratulations on the good quarter, and thanks for taking my question. Can you hear me okay?

<A – John Ferrara>: Yes.

<Q – Ross DeMont>: Okay, great. Can you just give us in dollar terms, what the data and solutions business would have done in the first quarter ex the one-time items – or what I'll call the nonrecurring project-based revenues?

<A – John Ferrara>: The – those revenues were about \$400,000, the one-time.

<Q – Ross DeMont>: Okay, so it would have been about 2.3 million?

<A – John Ferrara>: Yep.

<Q – Ross DeMont>: Okay. And Phil, you just made reference to logarithmic growth, and I'm not holding you down to the term, I just want to get a sense. I mean, I'm assuming it's primarily data and solutions and to lesser extent advertising which -

<A – Philip Moyer>: Hello?

<Q – Ross DeMont>: Hello? Sorry, can you hear me now?

<A – Philip Moyer>: Yes, sir.

<Q – Ross DeMont>: Sorry, that's – my apologies. I'm assuming it's primarily the data and solutions business which is going to grow, as well as advertising, and the subscriptions business is going to be pretty flat?

<A – Philip Moyer>: Yeah, right now we are – that's the trend that we're seeing in the business. There is potential, obviously. We provide this XBRL analysis tool, and as I mentioned we've seen some good activity around that. As the 1.2 or so million of our EDGAR Access business goes away, we actually believe that that I-Metrix Pro product can actually start adding to the growth rate. But right now what we're trying to really say is to look to those other businesses that you mentioned. Certainly filings, which is a portion of data and solutions, will add to our growth as well, as we look to continue a growth trend.

<Q – Ross DeMont>: Okay, fair enough. So if the largest revenue category can't grow, what kind of rates do we need to see of growth in the other businesses to get, say, 20% overall growth? I mean, I guess I can back into the numbers, but are you forecasting 25% plus growth in the data and solutions business?

<A – Philip Moyer>: We feel like we can grow at a greater than 20%, that data and solutions business, which has now become our largest revenue category.

<Q – Ross DeMont>: Okay, great. And can you give us any further numbers around what kind of revenues the Microsoft deal could start contributing, which I guess started April 1?

<A – Philip Moyer>: Yeah, not yet. I mean, we're into it by, as you can imagine here, four weeks, and you really have to – you have to sign up a deal that increases your CPM. And then also – and we had talked about the fact that we were down around \$1 per CPM, but that the CPM rate in the industry goes, I've seen numbers as high as 10, and I've seen numbers as high as 30 – not that we're going to get that in the first go-around, but that you can get higher than what we're getting. And so we'd like to – obviously we'd like to be able to do something that is repeatable and that can grow over time. And so we're hoping – we expect that to be some good incremental growth going forward. But it really has to perform, and we have to be getting somebody a larger deal that can actually grow those numbers.

<Q – Ross DeMont>: Okay, great. That's all I have. Appreciate it.

Operator: Thank you. Your next question will come from Miles Jennings, private investor. Please go ahead.

<Q>: Well, Phil, congratulations on a great quarter.

<A – Philip Moyer>: Thank you.

<Q>: I just wanted to ask a few questions, and please dodge them if competitively you don't want to give the information. You know this new website, Try XBRL with RR Donnelley. I know that when you sign into that website you have to have a user ID and everything. Could you give me a sense of how many financial officers have signed in to try your service?

<A – Philip Moyer>: Financial officers or individuals that are in the community – we've had hundreds of people – what I'll just simply say to you – we've had hundreds of people -

<Q>: Oh, that's good, that's fine. I went in myself, and I see it's just beautifully designed. And if I were the assistant treasurer somewhere, you could be sure I'd try out my credentials. So I'm glad to hear that it's being used.

The second thing is I'm sure people have asked about the Microsoft deal, and you said the information really isn't available at this time. I've gone into some of the standard places where your SEC data is content as well as other things, like ownership and various other financial content, and I can see that certain ads are being sort of propagated from one source, and it would be on your content site. And it looks as though there's a great deal of activity versus what it used to be. For instance at Google in the SEC Filings section, I think that E*TRADE has basically dominated that advertising over the last month or so, whereas before, they did not have these Flash ads and sort of higher-value ads. And I would think after a month, you would have a sense of some of the clicks on those ads compared to what it used to be?

<A – Philip Moyer>: We're seeing a – I mean, I think, we'll simply say is that we're seeing very good performance. We're very happy with the Microsoft partnership to-date. I think we've talked about this in a couple public investor forums, and so what I will say is that we've been very happy with Microsoft as a partner, and their assistance to help us actually ramp up significantly and get to the milestone that we had on April 1st. We've also been very, very encouraged by the work that they're doing in going out and marketing what we believe to be a very high quality demographic in our ad space. And so I'm pleased that you've noticed that there's a great advertiser like E*TRADE that's out there that's also seeing value in our ad space, and we're hoping that that continues. And so what I'll just simply say is that we've been very happy with the performance in this short period of time.

<Q>: Oh, good. And that is a valid way for me to just check in as to how your ads are doing?

<A – Philip Moyer>: I think so. I think so. Certainly coming right onto our property is probably the cleanest way, but certainly those partner properties that also – that we have, that we get an opportunity to monetize some component, not all components, but you know. It's sometimes a little bit delicate because we lean inside of their property, and then we don't exactly rotate ads in some – like a Young partnership is different than a Google partnership versus an MSN partnership. So I'm always kind of delicate in stating when you're on somebody else's web page whether or not we monetize that or not. But I know when you've got an EDGAR-online.com in there in some way, shape, or form, I feel pretty good about it. But you are recognizing some higher quality advertisers and some better performance.

<Q>: Good. The last section of my question is on new services. And during the subprime crisis, you had mentioned that you're working on new databases, and you also mentioned that NASDAQ 144, so I just wondered if you could give us an update on three areas: the platform with NASDAQ, the muni, and the mortgage-back area, as far as new database products for EDGAR Online?

<A – Philip Moyer>: Yeah, we're not prepared to announce anything in the asset-back or the muni space. We still do think it's a very, very great opportunity in that marketplace, and what I'll just simply say is that there is – I have to leave it at that right now, quite frankly, for a whole bunch of confidentiality reasons. But I'll just simply say that those are great opportunities for us.

In the NASDAQ space, I mean, we're very happy with the NASDAQ partnership. And I think that certainly our Q1 results demonstrate that there's a lot of value associated with rapidly entering into a place where there's not lot of fundamental data. And we think that some of the marketplaces that you mentioned might have similar value if not greater value, and we look forward to the NASDAQ being able to come out to marketplace with that 144A data set.

<Q>: And just to follow up on that, I know that your partnership with them is confidential, and I understand it could be structured in lots of different ways. But because of the importance of the database, is it possible that the platform itself would be a shared revenue type of platform for you and NASDAQ, or would it be basically providing data to NASDAQ with their basically reaping the partnership's profit?

<A – Philip Moyer>: I think at this time all we've announced is the fact that we're helping them create the data set. I think that we've seen some very good intellectual property, and we have to – I'd prefer to kind of keep the rest of the partnership details confidential right now.

<Q>: Sure, sure. Hey, thanks a lot.

<A – Philip Moyer>: Absolutely.

<Q>: Appreciate it. Good luck.

<A – Philip Moyer>: Thank you.

Operator: Thank you. [Operator Instructions]. Your next question will come from Bob Renck of R.L. Renck. Please go ahead.

<Q – Robert Renck, Jr.>: Good afternoon, Phil and John. I'd like to circle back to Ross' first question. I think he was looking at data licenses in which you did 2.7 million, and you've alluded to the fact that you had a one-time contract, and I believe you said that it generated 400,000 of those revenues in the quarter. Is that correct?

<A – John Ferrara>: That's correct.

<Q – Robert Renck, Jr.>: Could you tell me what it did in prior quarters so we can kind of take it out of the data?

<A – John Ferrara>: In the fourth quarter of 2007, I think it was about \$100,000 -

<A – Philip Moyer>: Little bit more.

<A – John Ferrara>: Little bit more. And we expect a little bit in the second quarter, but then it's going to drop off.

<Q – Robert Renck, Jr.>: Less than you did in the fourth quarter?

<A – John Ferrara>: Yes.

<Q – Robert Renck, Jr.>: Okay, so if I were to go look at page 29 of the 10-K -

<A – John Ferrara>: Yeah.

<Q – Robert Renck, Jr.>: – in which you break down your selected quarterly revenues -

<A – John Ferrara>: Okay, I don't have that in front of me.

<Q – Robert Renck, Jr.>: That's okay. What it really basically says to me is just that in March of 2006, you did just – 1.589 million.

<A>: March of 2006. Okay.

<Q – Robert Renck, Jr.>: Right. You did 1.75 million in March of 2007, and what you're doing in this quarter, ex the special contract, is about 2.3 million.

<A – John Ferrara>: Right.

<Q – Robert Renck, Jr.>: Okay. And your number of contracts has increased, and I believe your contract terms have changed in the sense of the deferred revenue side. Deferred revenues are coming – the 4.7 or whatever million – how much of that is coming from subscriptions, and how much of that is coming from data contracts?

<A – John Ferrara>: Roughly three-quarters of it is coming from subscriptions, and 25% is coming from data.

<Q – Robert Renck, Jr.>: Okay so we're talking about \$1 million plus from the data side.

<A – John Ferrara>: Okay.

<Q – Robert Renck, Jr.>: And the data side is the side you're growing?

<A – Philip Moyer>: Correct.

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: Okay. Now, here's the underlying question which I probably have gone through in every quarter for the last two years.

<A – John Ferrara>: Okay.

<Q – Robert Renck, Jr.>: It appears – if I have a data contract – if I have a contract and I'm going to pay you up-front for 12 months -

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: – at the end of the first three months, you're going to have nine months' worth of deferred revenues.

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: Okay. If I -

<A – John Ferrara>: Excuse me. That's assuming that it's billed annually. These contracts are not are not all billed annually.

<Q – Robert Renck, Jr.>: That's what I said. Actually, I said – what I said, John, was if I have a data contract that is a one year contract and I pay you up-front, which implies that it's billed annually -

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: Then at the end of the three months, then you've got nine months of deferred revenues.

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: You just leapt to the point that I'm trying to make you get a handle on.

<A – John Ferrara>: Right.

<Q – Robert Renck, Jr.>: The contracts, because you're – am I correct in assuming that because the contracts are larger in size, even if you had a one-year contract and you billed them monthly,

then your deferred revenues at the end of the three months wouldn't affect the zero on that contract?

<A – John Ferrara>: On that one contract, correct.

<Q – Robert Renck, Jr.>: Okay so you're getting some decent, sustainable, more largely embedded growth, is what I think the noise has been around this prior to your coming on.

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: The question at hand is, when we get through all the data, you're – when we look at your data contracts, can you tell us what the annualized revenue – which is different than the average revenue – the annualized revenue value of the contracts on the books at March 31 were, exing out this one-time contract? Because it seems to me that we have no way of knowing that until we see the data, but that's got to be leaning in the right direction. Or am I incorrect?

<A – John Ferrara>: You're fine. We would estimate that the contract value, the annual contract value, of the data business is roughly 7 to \$7.5 million – of the contract business.

<Q – Robert Renck, Jr.>: Of the data business?

<A – John Ferrara>: Of the data business.

<Q – Robert Renck, Jr.>: And where was that a year ago?

<A – John Ferrara>: Let me see. A year ago, it was probably – give me one second. Can I have that? A year ago it was at about 5.5.

<Q – Robert Renck, Jr.>: Okay. So right now – and you have a new nomenclature that I noticed in your quarterly description.

<A – John Ferrara>: What is that?

<Q – Robert Renck, Jr.>: You call it data and solutions – you used to call it data licenses.

<A – John Ferrara>: Right.

<Q – Robert Renck, Jr.>: So the implication -

<A – John Ferrara>: You've got to be...

<Q – Robert Renck, Jr.>: I'm sorry? Well, you didn't have another category before.

<A – John Ferrara>: Okay.

<Q – Robert Renck, Jr.>: You only had three. So I guess what I'm trying to get at is, it seems that the nature of the manner in which you do business and the acceptance of your data has been such that the solutions business is really your old contract business. Like this one particular contract you had I guess would have fallen in solutions as opposed to data?

<A – Philip Moyer>: Yeah. And one of the reasons why we're calling that now – and we alluded to this a little bit in the K, and we alluded to it on the call today – is because as we strike these larger partnerships that we've talked about, if there is some upfront work that needs to be done to go into some of these businesses – and many times we get paid for that upfront work – and we want to make sure that investors understand that those are some one-time fees. And we want to make sure

that on calls like this, that we discuss that versus licensing so that people understand what's recurring and what's not and they can value our business accordingly.

<Q – Robert Renck, Jr.>: Okay. So what I'm really trying to get at – which I think is where Ross was going at the beginning, but I don't want to speak for Ross, that the contract value of your data business is running right now at about a 7 to \$7.5 million base versus a \$5.5 million base at the same point a year ago?

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: Okay. And that to me indicates that it's much more healthy than the numbers would indicate, in terms of the trend and the direction?

<A – Philip Moyer>: Seeing some good traction, yes, I would agree.

<Q – Robert Renck, Jr.>: Okay. So I mean is that – okay. And is there anything that you see – obviously you've talked about headwinds in the marketplace. So can you tell us, the 275, I think, was the number you had about contracts. Does that relate only to data, or data and solutions or data and subscriptions?

<A – Philip Moyer>: Data, just data.

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: Not solutions?

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: So you're at 275 today versus 266 a year ago?

<A – John Ferrara>: No, 266 at year-end, 260 a year ago.

<Q – Robert Renck, Jr.>: Okay. So you've had an increase, unless my math is wrong. You've gone from 260 to 275?

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: And your annualized value has gone from \$5.5 million to 7 to \$7.5 million on what looks like a modest increase of 15 over 260, for that 7% increase. You've increased your annualized value by 50% in round terms on what's about a 7% increase in contracts.

<A – Philip Moyer>: Yep.

<Q – Robert Renck, Jr.>: Now, is there any change – which tells me you really – that demonstrates what you've been saying anecdotally, that you're getting larger and larger contracts.

<A – John Ferrara>: Correct.

<A – Philip Moyer>: Yep.

<Q – Robert Renck, Jr.>: Okay, now, in the base of 260 versus the 275, I know that the data business years ago – and this precedes you, Phil – was a hodge-podge of anything in which you had a contract. And you're talking about, I believe, if somebody has a \$15,000 website, it used to get thrown in there. Am I correct?

<A – John Ferrara>: Yeah.

<A – Philip Moyer>: Yeah.

<Q – Robert Renck, Jr.>: So what I'd like to know is when we're looking at net change, of the 260 that existed last year and the 275 now, it would seem to me unless you're dependent on a lot of large contracts that there may have been some churn in the base in terms of getting rid of some lower contracts. How many of the 260 you had a year ago exist today? In other words, are you -

<A – John Ferrara>: Yeah, we understand the question. I don't have that answer.

<A – Philip Moyer>: We would have to go back and do the analysis.

<Q – Robert Renck, Jr.>: Okay, but am I correct that that's what's happening intrinsically?

<A – Philip Moyer>: Yeah, I think that we – our I-Metrix Architect XBRL data set is certainly a higher cost, higher value data set. And so we are seeing increases in that. We're seeing increases in a handful of other much higher-value data sets that we've produced. And so the short answer to the question is that, yes, you're seeing some churn and a change in type of contract and certainly size of contract.

<Q – Robert Renck, Jr.>: And would you argue that the churn is a good churn because you're getting rid of things at the margin?

<A – Philip Moyer>: Exactly. Yes.

<Q – Robert Renck, Jr.>: Okay. So you're understating the internal – would you say it's fair to say that to a certain extent you've got to look beyond the numbers if you're an outside observer than just look at the numbers as reported?

<A – Philip Moyer>: I would say so. And I would say that what's important is that the transformation that's occurred in even just this one year in terms of our rev mix and really the focus that we've had on data, and then how – the responsiveness of the market to that change has been very good for us. And we hope to continue that going forward. We've got economic headwinds that we're selling into, but there are good trends that we're seeing in the business.

<Q – Robert Renck, Jr.>: Okay, I think – I mean, that was the underlying point that I wanted to make sure that I was getting. That I think kind of does it for the moment. I'll let somebody else ask you a question, and I have one later.

<A – John Ferrara>: Thank you.

Operator: Thank you. The next question will come from Mr. Miles Jennings, private investor. Please go ahead.

<Q>: Just a technical question. I take a look at the XBRL filings at the SEC, the ones that you've done and so on, and normally it's on a Q or K, and I remember when I subscribed to I-Metrix, sometimes on a daily basis I would see the number of filings that you actually put out everyday. It's really an amazing number, 1,000 in one day or something that happened to have been filed. But I want to ask you, on XBRL, do you have to use the schema for Ks, as well as the financial reports? In this anticipated decision by the SEC, are they addressing only Ks and Qs, or would you also use the same filing in 8Ks and 414 defs or proxies?

<A – Philip Moyer>: I think initially it's anybody's guess of what could happen, or I should say, what will happen. What the Pozen Committee recommended was that they really address the

income statement, cash flow, and balance sheet for the 10-K and for the Q. And what's important to note, though, is that when you tag a data element, like I'll just call it income, like net income, you could actually, theoretically tag that item in a press release. You can tag it in every single type of filing and actually make sure that that number is exactly the same in every single type of disclosure that you have to do.

And ultimately, one thing that we talk about is that we believe the entire financial reporting supply chain, all aspects of financial reporting, will go over to electronic reporting. Today, it's pure document and it's primarily paper oriented, but when you think about press releases and Ks and every type of filing that's out there, I mean, whether or not we're talking about proxies and executive comp inside of proxies, or whether or not we're talking about something inside of the asset-back security marketplace, all of that really should be machine readable data that's coming through. And the number that you use in your press release, or in your proxy for executive comp, should be the exact same number and the exact same tag that you use inside of a K.

So longer term, and this will be a multi-decade evolution, the same way that TCP/IP was for the Internet. It was created in the 1960s and actually started becoming in wide use after 1993. Now the Internet's kind of like oxygen to us. And we expect that these tags will end up being something very similar across all aspects of financial reporting in the future.

<Q>: Yeah, that's an excellent answer, and I'm very pleased to have that clarification, because it would seem to me that EDGAR Online – let's say a company decides to file themselves, income statement, balance sheet, cash flow. They may still want to consult with you as to multiple types of filings within the context of the SEC, and I would think you'd have the experience to offer work in many areas besides just the three financial statements that have been cited.

<A – Philip Moyer>: Yep. We think that over time the footnotes will definitely be mandated, and we agree with you. We think there's good opportunity in that space and also good opportunity to consolidate all that information as well and help people analyze it.

<Q>: Thank you. The idea of an electronic IR presentation where a set of XBRL data can be sort of put up on a screen and manipulated around, it's sort of the third stage or something. But right now, we're sort of digging through the fundamental financial reporting stage. But I can see that after your explanation. Thanks very much.

<A – Philip Moyer>: Sure.

Operator: Thank you. The next question will be a follow-up from Mr. Bob Renck. Please go ahead.

<Q – Robert Renck, Jr.>: Yes, thanks very much. Coming back to the issue of XBRL filings, did I – I believe that when you put some joint testimony or joint representations to the SEC with the Pozen Committee, I think that some of the suggestions by other filers suggested it took about 100 hours to do the initial XBRL documents. And I think that you indicated, if my memory is correct, that it took you less than 10. Is my memory accurate?

<A – Philip Moyer>: Your memory is absolutely accurate. We actually wrote a letter to the Pozen Committee, and this is one of the reasons why we suggested that they actually be more aggressive than 500 companies. I mean, we take all 12,401 publically traded companies over to XBRL every single quarter, and so we told the SEC that we could take the entire U.S. market cap over to XBRL, and we probably could even do it for a fixed price, quite frankly, because with our customer relationships, we actually in a lot of cases offer that. And to prove that, we actually launched Try XBRL, which offered every single publicly traded company in the United States a view of their income statement in tags in XBRL. And as you can imagine, we have their full income statement, cash flow, and balance sheet actually behind all of that. And that's one of the things that we talk about. There's no other company in the world that's been able to actually duplicate that or even

make that kind of an audacious offer to the U.S. market cap. And so, yeah, we've seen a lot of the numbers that are published by the Pozen Committee to be 100 hours or greater. We've gone on record saying we're 10 hours or less.

<Q – Robert Renck, Jr.>: Now, to follow that it up little bit, two kind of follow-ups. Has anybody done an estimate of what it takes to do the second XBRL filing of the same type for a company?

<A – Philip Moyer>: It did not come out publicly, there hasn't been a lot of study on that. Certainly we have even greater efficiencies as we look to the second filing, because a lot of the process that we spend, a lot of the time that we spend – and again we're very aware in this ability to be able to do this – is that we're sitting with the CFO or the IR officer, and we're explaining them what historically they look like and what their competitors and peers in the marketplace look like. So, that's really a lion's portion of what we end up working on. And so as a result, as you can imagine, once we get our taxonomies set up, it becomes very much a review process in the future. So, we feel like we can really drive great efficiencies for corporate reporting entities that want to move over to XBRL.

<Q – Robert Renck, Jr.>: Okay. My point would be that if it takes 10 hours for the first one, and somebody doesn't have a change in their reporting format, then it would seem that it should take significantly less time than the 10 hours to do the second one.

<A – Philip Moyer>: That's what – we would concur with that.

<Q – Robert Renck, Jr.>: Okay. The 100 we don't know about because we don't what the process is. And then that would lead me to the following conclusion, and I may be way out on a limb, but for example, I guess you've filed an 8-K already on the press release, and you'd be filing your 10-Q, when, today?

<A – John Ferrara>: It's due on May 10th, I think.

<Q – Robert Renck, Jr.>: Okay, But let's suppose somebody signs off on their 10-K or their 10-Q, or whatever the document is.

<A – John Ferrara>: Right.

<Q – Robert Renck, Jr.>: Am I not correct in assuming that in signing off, in normal corporations or in large corporations, what you do is you have an audit committee meeting and then you have a Board meeting and you approve the 10-K or the 10-Q?

<A – John Ferrara>: Right.

<Q – Robert Renck, Jr.>: Is that correct?

<A – John Ferrara>: Correct.

<Q – Robert Renck, Jr.>: And you also have got a problem of under FD with confidentially, because until the audit committee approves that, and until the board approves what the audit committee does, you really don't know what your number – I mean, you have an issue that from a corporate governance point of view, the lead time between approval and filing has got to be measured in hours, not days. Am I correct on that?

<A – Philip Moyer>: I would agree.

<Q – Robert Renck, Jr.>: So, it seems that from a technological point of view, unless the competitors can reduce the lead time on – forget the first filing, but the second one, you have a technological advantage?

<A – Philip Moyer>: We think so. A lot of it depends on what the SEC states about how rapidly they have to actually file the XBRL. But certainly we think that we have a value proposition that gets that very, very close to simultaneous filing.

<Q – Robert Renck, Jr.>: Right, which is really what they're aiming at. What they're aiming at is they're aiming at XBRL filings in the not-too-distant future. I'm not talking about the phase-in stage, to be as mechanical as the HTML filings are, or whatever they filed in ASCII to get to the filings today, or am I missing something?

<A – Philip Moyer>: Nope, you're absolutely correct. And one of the unique things about our data set creation, which is – we may be able to extend this over to the filings business – is that every single data element that we parse is linked right back to the source documents. And not only do you have the ability to be able to look at a data set, you have complete 100% linkage right from the data element, right to the line item in the document. It gives you a great deal of verifiability back to the source information.

<Q – Robert Renck, Jr.>: And a final follow-up with relationship to this. I think I saw in some presentation somewhere, that Donnelley had made some estimates of – or some estimates were made of the theoretical -they've got I guess 2,000 filers at the minimum of the top couple thousand. What kind of revenue potential based on current pricing is there for EDGAR on a per-filer basis?

<A – Philip Moyer>: We prefer not to release our pricing, but what I'll say is that I think that there's been some older investor presentations that suggests somewhere in the 10 to \$20,000 a year range for some of these relationships. And what I'll simply say is the price is yet to be set in the marketplace, and so we're really trying to understand what the market will bear and what our relationship needs are as a result of that.

<Q – Robert Renck, Jr.>: All right, thank you very much. I appreciate it.

Operator: And up next we have a follow-up from Mr. Ross DeMont at Midwood Capital. Please go ahead.

<Q – Ross DeMont>: Quick question for you. Was it the recommendation of the Pozen Committee that it be the top 500 filers who were the first to have to sort of comply with XBRL?

<A – John Ferrara>: Yes -

<A – Philip Moyer>: One quick thing – I'm sorry, I actually do want to make sure I provide a clarification on Bob's last question. That 10 to \$20,000 range was actually per year, not per filing. It was some of the numbers that had been tossed around earlier, and again that's – it really – we have to see what the market will bear.

<Q – Ross DeMont>: And so that would be for presumably for the Ks and the Qs?

<A – John Ferrara>: Yes. Correct.

<Q – Ross DeMont>: Okay, and have you seen what – I mean assuming that there is a kind of a proposed mandate or mandate that comes out, I guess Donnelley does about sort of 40% of the filers and Merrill and Bowne are a lot of the rest. What are they going have as the solution for their clients Have they talked about what they're going to do?

<A – Philip Moyer>: Merrill I think has been partnered up with I believe Fujitsu, which has a hand tagging solution, it's a manual tagging solution. And I believe that Bowne has been partnered up with Rivet, and they've had a manual tagging solution as well. Where they take those is anybody's guess. They've got some very smart people at both Merrill and Bowne, and Rivet and Fujitsu, but today as I understand it their solutions are manual.

<Q – Ross DeMont>: Okay. And is it absolutely necessary that you have the person that does, I guess, your current filing also do your XBRL filing? I guess what I'm getting to is could someone who's filing through Merrill use you for their XBRL?

<A – Philip Moyer>: Sure, yep.

<Q – Ross DeMont>: Okay. And one other question -

<A – Philip Moyer>: RR Donnelley.

<Q – Ross DeMont>: Yeah. For all these 12,000 companies out there, you've now got, say, 10 years of data going back. If one of these filers says, "Okay, I'm ready to go XBRL," are they going to want to have all of their sort of backward 10 years of data tagged as well, and would that be an additional sale?

<A – Philip Moyer>: Well, we've already tagged it, and certainly one of the things that we actually – with the original RR Donnelley partnership, we had struck a relationship with them where they would resell I-Metrix Pro with access for that corporate CFO to our data. And so we actually view that as a potential way of giving them access to their historical data.

<Q – Ross DeMont>: Okay, but I guess I wasn't meaning it in terms of necessarily a seat deal, but using say IBM for example, if they filed their 2008 10-K in XBRL, but for purposes of financial analysis, people are going to want to link previous years. I guess is it -?

<A – Philip Moyer>: That's an interesting business idea. We'll have to explore it. I – right now the way we were looking at it was that we are planning on just really providing access to it by I-Metrix Pro, which allows you to do full analysis and full quarter-over-quarter restatement, over restatement over statement analysis view of the data, so – but there might be a business model there that we can just give them data only, so -

<Q – Ross DeMont>: Yeah, I mean it might be kind of interesting to say, your 2008 fee is – whatever it is, \$10,000 – but in order to get all the data going back seven more years, we can do that for an additional, make up a number, but it's just an idea.

<A – Philip Moyer>: Yeah. No, I think that's interesting. I also think there might be some opportunities as people can contemplate restatement that we might be able to show them what it would look like in the context of those numbers, so I think that's an interesting business model there.

<Q – Ross DeMont>: Okay, thanks, guys.

<A – Philip Moyer>: Sure.

Operator: Thank you. And next up we have another follow-up question from Mr. Miles Jennings, private investor. Please go ahead.

<Q>: Just to follow up on that, Donnelley, if we do use some of those numbers that were in previous conference calls, let's say 10 to \$20,000 for the year, I assume that that amount goes to the partnership, not to EDGAR Online, is that correct?

<A – Philip Moyer>: It really is a – the short answer I would say is yes – but it really is completely dependent on the customer-by-customer relationship. One of the things that we tried to be, and I referenced back to those numbers, because we really have not been very, very public about full pricing, like what the actual hardcore details are of that RR Donnelley partnership. Since I've been CEO, I really – I've talked about broad numbers, but we really do right now as part of the voluntary filing program, we're really trying to encourage mostly adoption and experimentation and trying – and move along the market. And as we get through a mandate, I think that that's where we're going to settle on a price.

<Q>: Okay, good. And last question, I promise here, you had mentioned somewhere that you were working on a database in India and Korea I believe. And I think back in 2004, when you were starting to convert the XBRL – you were starting to XBRL-ize your own database. You used to give the number of companies that you had done – 2,000, 6,000, 7,000 – over time, and now you've completed that. Can you give us a sense of the status of South Korea and India?

<A – Philip Moyer>: Yeah, we have been actively experimenting with both of those data sets, and we need to bring both of those data sets up to the quality that is on par with what we do in the United States. We've had some very good success with Korea, we're really hoping in the near term to be able to launch that data set. With India I think we have a little bit more work to do on that data set. And again, it really comes down to making sure we've got quality. But what I'll just simply say is I feel that we're probably a little bit closer on the Korea than we are on the India at this point.

<Q>: Thank you.

<A – Philip Moyer>: Sure. Thank you.

Operator: Thank you. There are no further questions at this time; please continue.

Philip Moyer, Chief Executive Officer and President

Okay, well thank you very much. I appreciate everyone's attendance and we'll look forward to talking to you at the end of Q2.

Operator: Thank you, ladies and gentlemen. This concludes the conference call for today. You may now disconnect your lines. And have a great evening.

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