

## PARTICIPANTS

Philip Moyer – CEO and President  
John C. Ferrara – CFO

## MANAGEMENT DISCUSSION SECTION

John C. Ferrara, CFO

### Financial Performance

- We are pleased to report that for Q2 2008 total revenues were \$4.9mm, an increase of approximately \$600,000 or 13% compared to Q2 2007
- Adjusted EBITDA was a positive \$210,000, an improvement in excess of \$700,000 compared to an EBITDA loss of \$508,000 in Q1 2007
- For the six months ended June 30, 2008 total revenues were 9.9mm, an increase of 1.5mm compared to the prior year and EBITDA was 385,000, an improvement in excess of 1.8mm compared to the prior year
  - Of the total \$4.9mm in revenues for Q2 2008, data and solution revenues accounted for 52% of the total compared to 45% a year ago, and subscription revenues accounted for 44% compared to 51% a year ago

### Revenues

- Revenues from data and solutions were \$2.6mm, an increase of approximately \$600,000 or 30% compared to Q2 2007
  - Within our data and solutions revenue, our core data licenses grew by approximately 18% as we continued to add new customers for our fundamental XBRL data sets and for our e-documents products
- We grew our solutions business, where we create custom solution data sets, by 33%
- In Q1 2008, our growth in this area was driven by our NASDAQ 144A relationship
- In Q2, that relationship continued but at a lower revenue rate and we added new partnerships to collect other types of financial data in the XBRL for other data companies
  - As we have indicated on prior calls, much of the revenues and custom solutions involve set up and one-time fees which are generally non-recurring

### Filings Revenue

- As we also reported in this data and solutions revenue category, is our filings revenue
- In Q2 2008, revenues from our XBRL filings increased 177% compared to the prior year, and 284% compared to Q1 2008, to an excess of \$300,000
  - This increase was directly attributable to the SEC's proposed mandate to require companies to file their reports in XBRL
- Philip will be speaking more about this mandate and a significant opportunity for our company later in this call

### Subscription Revenues

- Subscription revenues were \$2.2mm in Q2 2008, about the same amount as Q2 2007

- In Q2, we saw an increase in revenues from our premium products, EDGAR Pro and I-Matrix Professional, and a decrease in revenues from our retail product, EDGAR Access
- In Q2 2008, while we did add a number of new contracts to our subscription products, especially EDGAR Pro Online, we did experience a high level of cancellations just as we did in Q1 2008
  - The majority of these cancellations were due to employee terminations, eliminations of entire departments within companies, companies going out of business, and budget and cost cuts
  - Very few of these cancellations were due to product-related issues

#### **Advertising and E-Commerce Revenues**

- Advertising and e-commerce revenues for Q2 were \$188,000, and accounted for approximately 4% of total revenues, about the same amount and percentage as Q2 2007
  - It was a significant increase in advertising revenues, which was offset by a corresponding decrease in our e-commerce revenues
- Advertising revenues in Q2 increased in excess of 75%, compared to Q2 2007 and Q1 2008, due to our new contract with MSN
  - To address the decreased e-commerce revenues, which we also noted in Q1 2008, we have changed our list sales partner

#### **Gross Profit and Gross Margin**

- The gross profit for Q2 2008 was 4.1mm, an increase of approximately \$530,000 compared to 3.6mm in Q2 2007
- The gross margin for Q2 2008 was 84% compared to 83% in Q2 2007

#### **Operating Expenses**

- Total operating expenses for Q2 were \$4.7mm, 1.3mm less than Q2 2007
- Approximately \$1mm of this increase was due to severance and the sales tax accrual in Q2 2007, in addition to a lower payroll and related cost due to fewer employees in 2008, as a result of the terminations that the company made in Q3 2007
  - These lower expenses were partially offset by higher product development costs

#### **Net Loss**

- All these factors resulted in an operating loss for Q2 \$551,000 compared to a loss of 2.3mm in Q2 2007, an improvement of \$1.8mm
- Interest expense for Q2 2008 was \$136,000 compared to \$70,000 in Q2 2007 and directly related to the company's \$2.5mm loan taken out in April of 2007
  - The resulting net loss for Q2 2008 improved to \$675,000 or \$0.03 per share, compared to a loss of 2.4mm or \$0.09 per share a year ago, and an improvement of \$1.7mm

#### **Balance Sheet**

- In terms of our balance sheet, the company has cash and investments of \$2.9mm as of June 30, 2008, compared to 2.5mm at March 31, 2008, and 3.8mm at year end
- At June 30, the company's accounts payable and accrued expenses were \$2.5mm, approximately \$1mm less than the balances at December 31, 2007
- As of June 30, 2008, deferred revenue was \$4.7mm compared to 4.1mm at year end

- Deferred revenues represents amounts billed to customers that will be recognized as revenues in future quarters as the company's products are used
  - This amount does not represent the full amount of business under contract
  - It only represents that portion of business under contract that has been billed and is unearned

### **Debt Outstanding**

- At June 30, 2008 the company has an outstanding debt with a face amount of \$2.5mm and a revolving credit facility of \$2.5mm
- Term loan is due March 2010 with principal payments to start in July of 2008
  - And to-date none of the credit facility has been drawn down
- As I indicated earlier, the company is transforming its business model to generate more of its revenues from data licenses and solutions and expanding its long-term strategic relationships
- And now more than ever, because of the pending SEC mandate, the company will be focusing more of its resources on the XBRL filings business
  - So, for the next 18 months as the company continues its transformation, we expect volatility in our revenues and adjusted EBITDA

### **Investments**

- During this period, we will be investing in people and software to meet our expected revenue growth
  - We expect to fund these investments with cash flow from operations and using our existing \$2.5mm credit line
  - At this point the company has no plans to raise additional equity capital because of the dilutive effect to our existing shareholders

### **Deficiency Notice from NASDAQ**

- And I have one final comment before I turn it over to Philip
- As you may recall, we announced on July 2, 2008, that we had received a deficiency notice from NASDAQ saying that the minimum market value of our listed securities was below the amount required for continued listing on the NASDAQ Global Market
  - The notice itself was not a notice of delisting but indicated that the listing procedures would be initiated on July 31st if our market value did not satisfy the listing standard
  - The notice also gave us the option of transferring our listing to the NASDAQ Capital Market, in which case the listing proceedings would be stayed

### **Transfer of Listing**

- It turns out that our market value has not met the required level, so after careful consideration we have chosen to submit a transfer application requesting that our securities be listed on the NASDAQ Capital Market
  - We believe that transferring the listing is in the best interest of our shareholders and it provides for a continued listing on NASDAQ with no interruption of trading, no impact on liquidity and no less visibility for our shareholders
  - This move allows us to spend the next few weeks and months focusing on the business of the company, rather than on a potentially time consuming, expensive and distracting appeals process
- If in the future, we become eligible for listing on the Global Market, we would certainly consider applying for it, if we felt it provided additional value to our shareholders

---

**Philip Moyer, CEO and President**

---

**Operating Performance**

- This quarter was an especially important quarter for EDGAR Online
- In the midst of a very challenging climate for financial information providers, we delivered growth and improved cash flow
- We announced two new important partnerships, Thomson Reuters and CNW, and the SEC releases proposed rule for mandatory XBRL filing
  - As a direct result of this SEC announcement, we have experienced stronger demand across all of our businesses

**Reporting in XBRL**

- I would like to start by taking a few minutes to talk about the events of this most recent quarter and what they mean to the future of each of EDGAR Online's business areas
- As most of you know EDGAR Online has a leadership position in XBRL, the open standard for formatting financial reports
- In May, the SEC announced proposed rules that if passed will require mandatory reporting in XBRL by all publicly traded companies and all mutual funds in the United States
- On May 30th the SEC opened a 60-day comment period and suggested that they would vote on these proposed rules in the fall
- The SEC proposed rules states that US companies with over \$5B in public float or about 500 companies must furnish XBRL financials to the SEC with their annual and quarterly reports starting with the upcoming 2008 10-K
  - All 2000 accelerated filers will need to furnish XBRL starting with their 2009 10-K, and then all remaining filers would need to furnish XBRL starting with their 2010 10-K

**Advantage in XBRL Market**

- In addition all 3,500 mutual funds will be required to file an XBRL by the end of 2009
- The implications of this timing are that 80% of the US market cap could be filing in XBRL within just seven months, and 98% in just 19 months
- EDGAR Online has several very important assets that give us a unique competitive advantage in the XBRL market
- First, we've already converted all 10-Ks, 10-Qs, and 8-Ks for US public filers into XBRL for the past 10 years, creating the largest and currently only available US historical XBRL data set
- We currently license this data sets to financial institutions on an annual basis
- Secondly, we created proprietary technology platform that automates the ongoing XBRL conversion process
  - We've leveraged this software to automate the creation of XBRL filings for companies to submit to the SEC and for companies to create their own XBRL data sets

**I-Metrix Pro Tool**

- We also get paid a flat fee every time we create an XBRL filing for a company
- Lastly, our I-Metrix Pro tool provides the ability to view, analyze, screen and compare using XBRL data

- We license I-Metrix Pro on an annual subscription basis on a per user basis
  - To ensure our leadership in the XBRL market, we are currently in the process of patenting several aspects of the technology I've just spoke of
- As I mentioned earlier, the SEC rule was proposed on May 30th
- So, the results we're announcing today only had four weeks of business in Q2 following that proposal
  - However, in even that short time span we are seeing a measurable increase in our filings business, and across the board increases in interest in our other products
- I'd like to review the results of this most recent quarter by business division, and in each instance explain to you why I'm personally excited by the impact I've seen

### **Subscription Businesses**

- Starting with our subscription businesses, which is characterized by over 10,000 end-user contracts, 80% of its revenue is derived from our legacy EDGAR Pro and Access products
  - We're seeing increased sales of our products through our website's online channel and strong interest in our I-Metrix Pro XBRL analysis tools from our customers and partners
- Our strategy to reignite growth in our subscription business relies on our XBRL assets
- XBRL is a format like a PDF or HTML, and is used with a tool such as Adobe or a similar browser
  - And our subscription tool to view XBRL filings is called I-Metrix Pro
- Our I-Metrix Pro tool can be purchased in whole or in part, depending on our client's needs
  - And we've been working on a strategy over the past six to nine months to allow other organizations that have great expertise in a particular vertical area, to actually embed parts of our I-Metrix Pro product into their product, essentially white labeling our tools in their category

### **Thomson Reuters RIA Embedded I-Metrix Pro Product**

- This quarter Thomson Reuters RIA embedded our I-Metrix Pro product in their Checkpoint accounting tool
  - This customized tool allows accountants to leverage the deep tax and accounting capabilities in Thomson Reuters Checkpoint tool while accessing our historical database of XBRL data in Microsoft Excel

### **Checkpoint Solution**

- On a financial note, this quarter we began to recognize development fees in this partnership in the data and solutions portion of our business
- Going forward, we expect to recognize annual subscription revenue to that product in our subscriptions business
- In just the few weeks the Checkpoint solution has been on the market, we've already received a number of subscriptions of this new product and are optimistic about its potential in the ongoing future
  - We don't like to talk about pricing for competitive reasons, but we want to replicate more of these types of relationships by leveraging a larger sales force of our partners and rejuvenating growth in our subscriptions tools business

### **Advertising and E-Commerce**

- On the advertising and e-commerce front, I'd like to talk about how the Microsoft relationship is progressing

- John's talked about some of the overall results but in particular our Microsoft partnership drove an increase in our advertising revenue by over 75% this quarter vs. last year's quarter
- We're working with Microsoft to sustain growth in our advertising revenue
- Last year, advertising and e-com delivered approximately \$800,000 worth of total revenue for us with limited investment
  - Our goal is to continue to increase the annual run rate in this business and offset some of the investments we need to make in other areas of our business

### **Data and Solutions Business**

- In our data and solutions business, we experienced 30% growth overall and in the core data licenses section business, we grew by over 18%
- We continued to add new customers for our fundamental XBRL data sets and for our e-documents products
  - While some existing data companies may end up providing XBRL data in their offerings in the future, not a single data company -- existing data company has announced a date by which they will fully support the aggregation and distribution of XBRL except for EDGAR Online
  - As a result, we're seeing strong interest from many new larger customers in this business, and we believe that new contracts we enter into could accelerate our growth in future quarters above what we're showing this quarter

### **Expanding Filings Business**

- The last area of our data and solutions business that I want to expand on is our filings business, which has been most tangibly impacted by the SEC's XBRL proposal
- In the US, we have a very strong relationship with RR Donnelley to provide companies with an automated, low cost, high fidelity process to create XBRL filings
- As of today, there have been 90 XBRL documents submitted to the SEC from over 50 companies
- The EDGAR Online and RRD filing solution has done approximately 42% of these filings YTD
- In addition to the filings that were submitted to the SEC in recent weeks, we have done many other XBRL translations that are currently in review with clients but not yet submitted
  - Specifically up to today we have done over 110 company conversions, of which 80% of those have been done since the May SEC announcement
- Clearly, the US market is embracing XBRL and customers are seeing value in our solution
- We know no other competitor that has produced as many filings
- We're optimistic that even more companies will chose to join EDGAR Online and RR Donnelley solution, given our ability to offer a one-step simple, reliable, repeatable and cost effective compliance offering
  - On the last call I provided a glimpse of what the filings business could mean for us financially

### **Charge for XBRL Conversions**

- We noted that EDGAR Online expects to charge between 10 to \$20,000 per customer, per year for XBRL conversions
- This range is an estimate only and will be based on the number of filings per year for a company, the complexity of filings and the price that ultimately is set by the market for detailed tagging footnotes and ancillary services

- But we believe that based on RR Donnelley's strong market position and historical success, our value proposition will result in strong market share performance for both companies
- As mentioned earlier, the SEC still needs to pass the mandates
- The requirement is only for 500 companies in the next seven months, 2,500 companies in the following 12 months and 12,000 companies in year three
  - However, we're excited by the number of companies that have started the XBRL process in the past eight weeks alone, and the fact that we've already seeing companies of all market cap size experiment with XBRL well in advance of their mandated timeframe

#### **Strategic Partnership with Canadian NewsWire**

- This quarter, we also announced a strategic partnership with Canadian NewsWire, otherwise known as CNW
  - They are a leading newswire services and SEDAR filing agent in Canada
- Our relationship with CNW is quite new and the Canadian market does not have a proposed mandate at this time
  - However, we established this relationship with CNW for the same reason we established the RR Donnelley relationship two years ago
- We believe this market will adopt XBRL, and we want to maintain a leadership position wherever we sense opportunity
- We're excited about the prospects of the Canadian market, the 2,000 companies that file in Canada, for additional revenue growth, and we think we found a very strong new partner in CNW

#### **Revenue Opportunities**

- I've discussed some significant opportunities on this call, including incremental filing revenue in the United States if the SEC mandate is passed
  - Additional revenue opportunities in Canada, substantial growth in our data and solutions business and some strategy to start rolling our subscriptions business
- Simply said, we feel like we have the opportunity to increase our revenue significantly in the next three years
- The key risk factors will be if the SEC mandate goes through, if Canada eventually moves forward the adoption of XBRL
  - And our ability to make the right investments and adequately scale our resources to sustain our current competitive advantage

#### **Investing Back into Business**

- To meet these opportunities we are actively investing back into the business
- We have \$2.5mm credit line to fund our strategy
- We have partners in place that we believe have the same vested interest in growing our market share as us and in adequately scaling our business
- We plan to avoid raising additional funds and diluting existing stockholders' investments
  - We've been able to produce a slight increase in our adjusted EBITDA from last quarter and \$700,000 improvement over Q2 and believe that over a three-year timeframe, we'll become a significant cash generating business

**Conclusion**

- We appreciate the bet that our stockholders have made on us and continue to make on us even in this challenging climate
- Vastly improving revenues and market share without stockholder dilution is a bold goal in the current stock market; however, we believe that we have enough immediate term opportunities to do so
  - I'm personally very bullish on our prospects, and I hope that you share my enthusiasm for the potential this presents for stock value and return

## QUESTION AND ANSWER SECTION

**Analyst:** *Robert Renck – R.L. Renck & Company*

**Question – Robert Renck:** I have two housekeeping questions and then something substantive. I don't know if I heard you mention what your CapExs were in the quarter or what they're likely to be for the rest of the year. If you did, could you refresh my recollection, if you didn't could you perhaps tell us?

**Answer – John Ferrara:** We did not disclose that and we're not going to disclose over the full year, but we would expect that it will be under \$1mm, and it is incorporated in our analysis that we will be able to fund that from internal operations.

**Question – Robert Renck:** Okay. Follow up on that, is that spread evenly through the quarters or were more likely on a lumpy basis?

**Answer – John Ferrara:** It's going to be -- it will be lumpy in the -- there will be an increase in the second and third quarter and then it will be progressively increasing.

**Question – Robert Renck:** Okay. And the second housekeeping question, I think Phil you talked a little bit about since May you did, I think you had done 90 documents were filed for 50 companies, you did 42% of the filings. And then you talked about, was it 110 companies, that you've done and 80% of those since May so that's approximately 88, or that you're working on filings for them?

**Answer – Philip Moyer:** This is not what's been filed with the SEC --

**Question – Robert Renck:** Great.

**Answer – Philip Moyer:** -- but actually conversions that we've actually done. And what I stated was it was actually as of today, just to give you a sense, I want to make sure you had up-to-date, up to the minute numbers, we actually said that we did over 110 conversions and that represents a little bit over 105 companies.

**Question – Robert Renck:** Okay. Now when you do a conversion, you're doing that under the -- I presume under the Donnelley aegis, and if so how does that translate into revenues when you do a conversion? If your number is 10 to \$20,000, is your 10 to \$20,000 booked -- can we assume it's booked evenly through the year, is it -- how does it work?

**Answer – John Ferrara:** Yeah, the 10 to \$20,000 is actually for, we estimate for approximately four filings throughout the year and that's, we assume four filings with those numbers. And currently we're paid per filing.

**Question – Robert Renck:** So, if you do a conversion but it doesn't get filed, when do you get paid?

**Answer – John Ferrara:** We still get paid for creating a conversion.

**Question – Robert Renck:** And who pays you, Donnelley or the customer?

**Answer – John Ferrara:** Currently it's RR Donnelley.

**Question – Robert Renck:** Okay. And does the conversion, I assume that conversion is part of the 10 or 20,000, or am I wrong?

**Answer – John Ferrara:** That's correct.

**Question – Robert Renck:** Okay. Those are housekeeping questions. I guess a couple of things that I wanted to ask I'll limit myself to 2 questions and let somebody else take a shot if that's okay. What do you think, one of the surprising features in the XBRL mandate was what I considered the late minute addition of the requirement that companies, when they file, have to post within 24 hours or on the same date a filing on the shareholder website. Can you talk a little bit about how you will handle that, is that a market that you're able to handle and how and who do you do it with?

**Answer – Philip Moyer:** Sure. I've talked a little bit about this in the past. First of all is that we're excited about that. We think it's great for investors. We think it's great for reporting companies because it actually allows them to really get their message directly out to investors, and it allows them to shape the information and show the information both in the context of their business and historically and potentially in the context of peers. And so we think that that's fundamentally a very positive thing for the marketplace. As many of you may know that have followed the company for a little while, we actually have had a relationship with shareholder.com in the past where we actually stream SEC filings for companies up on to their website in a similar fashion. And we certainly think as the only XBRL data provider in the world today for the U.S. marketplace, we actually think that that's a great opportunity for actually us to add value to reporting companies, even beyond the filing

opportunity. And so we do fully expect to continue, to empower investor relations solutions for, we see that market as 12,000 plus public companies that we think is a great opportunity for us to help with our data.

**Question – Robert Renck:** As you go on through that as a follow up, is that part of it, shareholder.com I believe is owned by NASDAQ, if I am not mistaken?

**Answer – Philip Moyer:** That's correct.

**Question – Robert Renck:** And about how many companies do they represent?

**Answer – Philip Moyer:** I know it's over 1,000 from last I heard from them. They would have to speak for that, but I just what I'll say to you is I know that they have over 1,000 customers.

**Question – Robert Renck:** Okay, so that means that leaves another 11,000 companies. Who are the other major factors in providing; can you tell us who the other major factors are in providing all those filings for websites?

**Answer – Philip Moyer:** For filings?

**Question – Robert Renck:** I'm talking about for putting them up on shareholder websites.

**Answer – Philip Moyer:** Oh, I am sorry. You mean for doing this kind of IR? There are -- that marketplace has just an absolute plethora of I'll say investor relations offerings that are out in the marketplace. Our goal is to make sure that we're doing a great job of being a great partner with those kind of organizations that craft investor relations websites that add components to investor relations websites that do charting and interesting formatting of annual reports. There's a whole myriad of those kind of providers. We think that we have a very, very attractive way of streaming our data and providing some great components to help people manage the XBRL data that's on their website.

**Question – Robert Renck:** If you're charging, if you're expecting to get 10 and \$20,000 per company, when somebody does the filings, can you give us an order of magnitude as to what you might see in this marketplace now that it's mandated?

**Answer – Philip Moyer:** On the IR, in the investor relation component?

**Question – Robert Renck:** Yeah, yeah.

**Answer – Philip Moyer:** We really haven't the market – the price in that marketplace hasn't been set for that yet. What we're doing – we're doing a lot of work right now with customers to really understand what's of value to them and the price points that's appropriate given the value that we think we can deliver. So, I'd rather not, obviously for competitive reasons and also for marketplace reasons not release that pricing yet.

**Question – Robert Renck:** Okay. And the last follow-up on the part, what role does PR Newswire, a sub of CNW, play in that market?

**Answer – Philip Moyer:** Actually CNW is a sub of PR Newswire.

**Question – Robert Renck:** It's a sub of PR Newswire, okay.

**Answer – Philip Moyer:** I think that they would have to speak for that, but I know that up in Canada that that marketplace is a -- PR Newswire I haven't looked at what they do recently around investor relations components. Canadian NewsWire has done some investor relations work obviously with press releases. But that's really not, that's something that we're not, you'd have to talk to them about that, I'm not sure.

**Analyst:** Jason Stankowski – Castle Peak

**Question – Jason Stankowski:** I kind of had a similar question to just try and understand where things are going with the RR Donnelley relationship. So, if you're paid by conversion, is that the way the agreement is setup and you've just for convenience just talked about it as a generally kind of four documents, so that you're actually paid by conversion? And then does that mean you're recognizing the revenue as you sort of complete the work on the conversions, is that correct?

**Answer – Philip Moyer:** Yes.

**Question – Jason Stankowski:** Okay. So, if roughly take the mid-range of your guidance or your general conversion price of, annual price of 10 to 20, if it is 15, divide that by 4, it's roughly 37.50 per conversion. So, of the 110 conversions you've done so far, somewhere in the \$400,000 ballpark is kind of what you will either have already recognized a slight portion of during presumably June, and then up until today. Is that the right way to look at it?

**Answer – Philip Moyer:** Yeah. Yes, there were some that were in the pipeline that had a slightly lower price pre-mandate.

**Question – Jason Stankowski:** Right, okay.

**Answer – Philip Moyer:** Yeah, but I'll just say that your numbers are within the ballpark.

**Question – Jason Stankowski:** Okay. And so, when do you expect all the comments back in the final – and then after those are back, when do you expect the sort of the final stamp to go on the regulation and for it to be actually a mandate as opposed to this kind of thing that is just out there?

**Answer – Philip Moyer:** So the SEC said that they're opening up a 60-day comment window, and that was on May 30th, and so tomorrow is the day that window closes.

**Question – Jason Stankowski:** Yep.

**Answer – Philip Moyer:** And then, they had suggested that normally it takes them about 30 days to process the comments, and they felt that it would be early fall. They suggested, I've heard some suggestions from them that indicated as early as in September.

**Question – Jason Stankowski:** Okay.

**Answer – Philip Moyer:** We also – what as you can imagine we keep a very close ear to the ground legislatively and we've heard that the Bush administration has encouraged all rules to be on his desk before November 1st. So...

**Question – Jason Stankowski:** Okay.

**Answer – Philip Moyer:** And that would – and I think that gives us some kind of a window.

**Question – Jason Stankowski:** So this is, this is something that Bush would have to actually sign?

**Answer – Philip Moyer:** Well I'm not sure that he – I don't know that he would have to sign it, but what they are trying to do is they are trying to make sure that all new rules and everything else is actually out well before November 1st is what we understand. So, the SEC has the ability to move on this with its Commissioners itself, as I understand it. But I'm more of an expert in EDGAR Online than I'm in legislation.

**Question – Jason Stankowski:** Okay, okay, but so your assessment is that if it's going to go in its current form without too many changes, it should be by the end of the year that we should know whether that it's an official mandate and the demand – the forced demand will be there?

**Answer – Philip Moyer:** Yes, yes.

**Answer – John Ferrara:** It would have to be well before the end of the year, because they all know that the companies, it's got to ready to file the first 10-K so we expect it early fall, well before the end of the year.

**Question – Jason Stankowski:** The 500 companies that would be required for 2008?

**Answer – John Ferrara:** Correct.

**Question – Jason Stankowski:** Okay, and what other ancillary sales, unless – I'm just trying to understand what the real drivers are, I know you're excited about a lot of the other pieces of the business. But it doesn't seem like any of those really have sort of...

**Answer – John Ferrara:** Have related...

**Question – Jason Stankowski:** Triple digit – multiple triple digit quarter sequentially if they kind of in growth, if they actually get mandated, and so what other sales go along with the mandate that? And can you talk a little bit to the idea of not only public filing companies, but mutual funds and sort of the size of your team and sort of when you guys are going to press more capital behind the Donnelley support, et cetera? And just how big of an opportunity do you guys see this and how are you preparing for it when it actually goes live?

**Answer – Philip Moyer:** Well, couple of things. I think there was a number of questions in there. First of all is what I'll say to you is that remember that our data and subscriptions products are both products that are licensed on an annual basis. So even if we were getting new subscriptions for those, we'd be recognizing basically four weeks out of 12 in this most recent quarter. And so that's not going to really move the needle in the same way that we're able to recognize the revenue associated with the filing as soon as we complete it. And so that's an important indication. The second thing is that data business, because we're selling it for larger financial institutions, those can be a little bit longer sales cycles. But we are, what I'll say to you is, I tried to express that we're seeing increased interest, increased activity, increased discussions. 80% of the US market cap could be filing this data within 7 months and we've got 10 years worth of history for it. We think of it

that as a good value proposition for financial analysts that want to be able to do historical comparisons of what's the new definition of 'as reported'. We're hoping to accelerate that data business and the work that we're doing as you can imagine is the same way that you can't view a PDF document and you can't view an html document without either a browser or else without a PDF viewer. If you go up and try and look at native XBRL, it really is not very interesting and it's unreadable. And so we've got a number of components as well as analysis tools that make it really, really easy to look at that. And so when you think about all the websites that have to be able to view an XBRL document, we look at some great opportunities, a lot more sockets that were available for us to plug in to than were previously available now that a mandate is out there, or a proposed mandate I should say. John Ferrara reminds me on a regular basis it's proposed, I want to remind all our investors that it's proposed at this time.

**Question – Jason Stankowski:** Right.

**Answer – Philip Moyer:** But even beyond that, what I'll say is that that filings business, we talked about 3,500 mutual fund companies. We've talked about Canadian marketplace. Certainly I've talked in the past for the fact that we're seeing XBRL as not just a US phenomenon but we're seeing it as a worldwide phenomenon. We're seeing mandates rolled across; we believe that we maybe up as high as 75% of the world's market cap maybe at a mandated timeframe by the end of this year. And so we see international markets, we see other asset classes. The SEC Commissioner has just come out this past within the past few months talking about the fact that all credit ratings are going to have to start moving into XBRL, but he wants to see all credit rating moving to XBRL among all the rating agencies. There are proxy taxonomies that are out, and that are working their way through on some of the standards' bodies. And so when you think about the fact that we are the one company that stands up and talks about how low cost, how automated this can be, the volume that we see in the marketplace across thousands of mutual funds, across ten of thousands of companies on a worldwide basis, across multiple asset classes, we see lots and lots of volume available, and we are pretty proud of the fact that we are a rate data company that not only talks about presenting the data to an analyst, but actually creating it and being the source of some of the most, the highest quality data in the world as a result. We also see big opportunities in the 8-K marketplace. And so we talk about creating this data, aggregating this data for people, streaming it to investors, and then helping people that actually have to view the information. We view the entire food chain from the document, all the way to the analyst desktop as a significant opportunity for us.

**Question – Jason Stankowski:** Okay, I'll now; I'll get back in the queue. It just seems with the magnitude of the opportunity that there is somehow a slight disconnect in the way that the market's viewing the company and/or your ability to deliver on that with the current people. And may be you can just that last part of my question is what do you see in terms of the staffing and the resources that you need to deliver on that vision and be the go-to guy that actually gets paid. I know you're up there talking about it and there is a lot of numbers and lot of people and a big opportunity, but when do you start allocating resources, when are you willing to raise capital, because the opportunity is obvious to you, and do you need additional capital in order to be the main guy in that business, or do you need to partner with somebody perhaps that can get you there?

**Answer – Philip Moyer:** Well, to that question it's very important, this has been a strategy that we've really undertook as this company, partnering with a company like RR Donnelley, and partnering with a company like CNW. These are organizations that are well-entrenched in the marketplace, that have tremendous relationships. Relationships that are 7 by 24, that are global directly with Investor Relations Departments that we don't have to field armies of people from EDGAR Online to be able to go and have the relationship directly with the customer. Instead what we can do is we focus on what we do best, which is manning our software and ensuring that we produce quality XBRL filings that can be delivered to the customer and can be evaluated with CNW and with RR Donnelley's relationships directly with the customer. And so, it's very important that we try to really maintain ourself as an intellectual property company first and foremost, and that we don't have to field I'll say an army of people directly out in the – in each one of the investor sites around the world. And so, that is first and foremost our strategy for making these XBRL technologies have value to shareholders, because we're able to do it highly efficiently. The second thing is that as John had alluded to, we have done some significant changes to the company to be

able to improve our adjusted EBITDA, and you're seeing millions of dollars worth of cash flow improvements just in this year, I should say adjusted EBITDA improvements within this year alone that we're investing back in the business. We have \$2.5mm revolver and as I mentioned to you we have some very big partners that get rewarded if they're able to capture market share from their competitors. And so they have a vested interest and they've ensured that we have the ability to scale, which is one of the reasons why again partnerships are important to us. And so we have to take, we have to walk before we run and this is 500 companies right now. Remember we do over 12,000 companies every quarter; we are already taking to XBRL. We produced some of those filings in as little as 15 minutes with our data set and so this is the difference of us and our competitors is that we use software to create this as opposed to lots and lots of people. Now we will have to increase some of our people to support the backstop, the relationships that we've put in place. And so John has talked about some of the investments we'll make, but at the end of the day, we strike partnerships with people that are great at customer service, great at deploying resources, great at 7 by 24 support, and we make sure that we are great at producing a quality product for them to deliver to their customers.

**Question – Jason Stankowski:** Okay.

**Answer – John Ferrara:** The other thing I would add to that is that this is going to be a rollout. We need to, everything is not available today. There is a three-year rollout on the mandate. We are fully prepared today to meet the demand to the first 500 companies today if it went into effect. And in the next six months we'll be prepared for the second wave. So, we are planning to stay ahead of the curve, and we think that the revenues that we will generate will be sufficient for us to keep ahead of this year rollout. And then after the securities – the equity securities is when the mutual funds kick in. So, we're staying ahead of the curve, but we don't need to do everything today.

**Analyst: Miles Jennings – Private Investor**

**Question – Miles Jennings:** I just wanted to sharpen something a little bit and I also want to apologize for considering a very forward-looking area, which I know you've all sorts of restriction on. But at the end of Q2, the SEC in its website noted that there are 84 companies that have filed an XBRL. You have a 42% market share, and let's just assume that 42% times 84 is equal to 35 companies. So, I am just going to assume for this purpose that during Q2 EDGAR Online was basically working with 35 companies. Now if you go to the 12,000 and you take 42% of 12,000, you end up with a theoretical 5,040 companies which might conceivably be working with EDGAR Online. And I realize that this is very hard to extrapolate, but I also remember that the current filers are very large companies, and I suspect that the balance of the market is going to be probably more likely to have outsourcing of the XBRL conversion than these large accounting departments. So, now if we take it to the next step, and we take the 5,040 companies at the end of this period and divide it by 35, it's a factor of 144. Well, John Ferrara mentioned in his comments that during Q2 there's was approximately \$300,000 that was related to the XBRL conversion business. If one simply multiplies 144 times \$300,000, you get 43.2mm on a quarterly basis, or \$160mm annually. But that does not include the ongoing second year and third year revenue generated by your early converted companies. So, to me it's all sort of a mystery as to why this isn't a giant market, and I wondered if you could simply just disabuse me of such speculation or perhaps set me straight?

**Answer – Philip Moyer:** Well it is a very large market. There's going to be 12,000, when the mandate becomes a mandate, there's going to be some 12,000 companies that have to file. And they have to find some solution. We have one solution, we have the best solution today. Three years from now when all these companies are going to file, it's going to be a different marketplace. There may be – there will be competition that may affect the pricing. We know where we are today and we expect it over this period. So the market is big. We think we have a first mover advantage and we're going to get our fair share of that market. But we can't predict three years out market shares. I guess one of the things I would draw your attention to, and this is not EDGAR revenues, it's very important to note this, but the SEC on page number 92 of the proposed rule explained that they did an analysis of the amount of the money it would cost, it costs all the voluntary filers that are filed, but not all the, but a sample of all the voluntary filers. And their estimate was that, for the first filing for a company, this is a single filing and that it cost the company \$30,000, over \$30,000 to do

their first filing. To do their first detailed footnote tagging -- filing, it would cost over \$38,000 and that over time it would drop back off to approximately \$25,000 per filing. If you take \$25,000 and multiply it times four filings, 100,000 filings, it's \$100,000 per year times with 12,000 companies that are publicly traded in the United States and that have to file, you see a massive, massive market, and from our perspective, from a company of our size that's a large marketplace.

**Question – Miles Jennings:** Correct.

**Answer – Philip Moyer:** And when you look at the solution and the numbers that we've talked about, you can understand why we have a value proposition to companies in that space.

**Question – Miles Jennings:** Yeah.

**Answer – Philip Moyer:** Now, we fully expect that there is going to be competition and that competition will rise to meet us and so we would never sit on a phone call like this and suggest that a 42% market share will be sustained over the next three years as all these companies move. But you can understand why we are talking about this filings revenue and also why we think it's going to be something that we're going to want to talk about on a quarterly basis going forward.

**Question – Miles Jennings:** Thank you. I did have just a couple of more questions, if I may. The Donnelley deal is exclusive in the United States between the two of you. And this CNW deal in Canada, is that restricted to Canada or could CNW file some London company's filings that have intercompany requirements.

**Answer – John Ferrara:** That's, it's restricted to Canada.

**Question – Miles Jennings:** Okay. On this Thomson Reuters deal, I was sort of curious what the pricing might be, so I just called up Thomson and they were very happy to give the fixed price. So, I don't see why there is such a great secrecy. And one thing that they did say was it's a fixed price and there is no discount for multi-feed platforms. And so this appears to be an add-in to an existing product, and the figure that they gave me just if I were subscribing to it sounded very reasonable. And the Thomson rep said that it was in the area of \$2,500 a subscription. And I guess that people have different ongoing Checkpoint configuration of their account, and so it may or may not be a large cost in terms of one of the subscribers. Is this in the ballpark, or is the pricing of the Checkpoint add-in...?

**Answer – Philip Moyer:** Well the Checkpoint add-in, the Checkpoint I-Metrix product that, I'm not sure if that's the correct price in my understanding, so I would...

**Question – Miles Jennings:** Okay. I'll keep trying, but I'm not going to bother them don't worry.

**Answer – Philip Moyer:** Checkpoint, that may be the Checkpoint product, but our relationship with them, unfortunately we have confidentiality as to how much money we get from them, that's a part of our contract. And so, if I give a price for them it's not necessarily good proxy for how much we get from them.

**Question – Miles Jennings:** Yeah. I understand the split revenue arrangements probably, and I'm not going to pressure on this, not that I could, but I, with \$4,800 price for an individual subscription for full service, it seems as though it's going to be a fairly large annual subscription, but good for the value received. Just one last question, if I may Philip. Could you give me a sense of the number of page views per month in Q2 that your space has received?

**Answer – Philip Moyer:** If you can hold on, just one minute. Yeah, we received a little bit over 8mm page views.

**Question – Miles Jennings:** And that's per month, right?

**Answer – Philip Moyer:** That was this past month, yes.

**Question – Miles Jennings:** Yes, okay great.

**Answer – Philip Moyer:** I'm sorry, yes this past quarter, the average, yes.

**Question – Miles Jennings:** Average monthly over the last quarter?

**Answer – Philip Moyer:** Yeah.

**Question – Miles Jennings:** Congratulations again, you guys have done a great job and I'm so happy about this Donnelley arrangement, and I'm sure things are starting to heat up and you were nice to give us an up-to-date account. Thank you.

---

**Analyst:** Robert Renck – R.L. Renck & Company

**Question – Robert Renck:** Phil, I'd like to just see if perhaps you could touch a little bit upon the composition of the data solutions, really the data solutions and licenses business. The major components in that would be XBRL and the architect product and one-time business?

**Answer – Philip Moyer:** Let me characterize this as follows. We have what I'll just call generically an electronic documents business where we're streaming documents to institutional organizations, to websites through shareholder.com, those types of relationships where we're streaming all these SEC filings. We have our fundamentals product, which is things like the XBRL dataset that we provide and also we provide that out to investors, hedge funds, financial institutions, to audit firms, to and to some websites. And then we also have a set of, I'll call them a little bit more unique data products. So we have some ownership products and IPO products that we create. And so those are what I'll call the off-the-shelf products. We also have the filings business, and we also have the custom solutions business. And that's where people come to us and ask us to use our platform to create unique XBRL or other data sets. Last quarter in that section it was the NASDAQ that we've talked about and we've talked about potentially going into some other asset classes in that market. So, I'll say there is documents, there is fundamentals, there is some of the unique data sets that I mentioned, ownership and IPO, custom and filings are in the data solutions.

**Question – Robert Renck:** Okay. And the filings, I think you used a number of what 300,000?

**Answer – Philip Moyer:** Yes.

**Question – Robert Renck:** And that was what you recorded in the last quarter?

**Answer – Philip Moyer:** Yes.

**Answer – John Ferrara:** Correct.

**Question – Robert Renck:** Okay. Are these -- within the data solution, filings is clearly an identifiable subsector that we can give, that one can understand the economics. The other, when I say one can understand the economics, it's bigger than a bread box. Is filings the largest section -- sector?

**Answer – Philip Moyer:** Today?

**Question – Robert Renck:** Today I would imagine it is not.

**Answer – Philip Moyer:** That's correct, it's not.

**Question – Robert Renck:** Okay, what is the largest sector of data solutions and licenses?

**Answer – Philip Moyer:** Boy, it is split between the documents, the fundamentals and I would say between the custom work.

**Question – Robert Renck:** The custom work is what you call -- I think you've previously called prior management called architect.

**Answer – Philip Moyer:** No, no fundamentals will be called architect.

**Question – Robert Renck:** Okay.

**Answer – Philip Moyer:** And fundamentals includes architect, it includes a number of different I'll just call it instantiations of our fundamental data set and our fundamental data process.

**Question – Robert Renck:** Okay. As you look at -- is there any fundamental, what's the similarity, why are they all grouped together, or is that historic accident?

**Answer – Philip Moyer:** What we try to do, it's a little bit of I'd say a little bit of an historic accident, but we -- in the data products we have right now, we try to do things that we're getting licensing revenue for. Filings, as you can imagine is a -- we're starting to get more just kind of one-time fees, but I'll simply say that that entire data business we actually use the same software across that entire business to produce our product. And so historically the contracts have looked very similar. They were annualized contracts and they were recurring contracts. We were getting some good recurring revenues. They were much larger contracts and we were using the exact same technology to produce that. And we still do use the exact same technology whether or not we're creating a custom data set, whether or not we're creating a filing, or whether or not we're creating some of the fundamentals I talked about. The benefit of our platform is that it's flexible to go and do those things.

**Question – Robert Renck:** Okay. And the last follow-up in this area, do you -- in looking at and I think you're in effect laying out that you're an end-to-end solutions provider unless I'm overstating, but assuming that I'm not, one of the applications that came across my desk this morning from a company is, it was the offering of services to distribute research reports believe it or not in XBRL. Have you seen that in the marketplace, does that fit your definition?

**Answer – Philip Moyer:** Yeah, I saw that exact same thing. So, XBRL there are two standards that – there were two standards that were out in the marketplace, XBRL and REXML which was for research. It's an XML specification for analysts to publish their research in an XML format. The great news is that REXML and XBRL have moved very close together and are essentially I believe the work is done, I maybe overstating this, but it's very close to being done to being the exact same specification. One of the things that's exciting to us, as you can imagine is we talk to financial institutions, is that our I-Matrix Tool can not only read XBRL, but it can save as XBRL. So it can actually produce XBRL. Not that I'm would suggest today that we're 100% compliant with this merged specification, but if you can look forward into the future, one of the really exciting things is that as an analyst produces a piece of research, you can actually click on that research and go back into the data that created it and ultimately back right to the document. One of the exciting things about our product is that we enable you to actually click on any element that you've produced in your research in our tool and go literally back to our data set, what the accounting definition is and ultimately back to the document. That's why we're excited about the fact that we literally go from the document, through the creation of the data, right to the analyst desktop. I think that's going to be a huge value proposition in the future.

**Question – Robert Renck:** Isn't this one of the areas that you've got some patents pending on, is the dropping of XBRL into spreadsheets?

**Answer – Philip Moyer:** We do, we do.

**Question – Robert Renck:** Okay. And are you a supplier in that area, or is this something that's kind of out on the horizon?

**Answer – Philip Moyer:** In the research area today?

**Question – Robert Renck:** Yeah.

**Answer – Philip Moyer:** Only to the respect that people are saving the files that they are creating in our format and moving them around among groups of investors that are in – or I should say groups of analysts inside of companies. But I wouldn't suggest today that we have a – we haven't established our brand in that research area.

**Question – Robert Renck:** Okay. And in the credit rating standards that you had alluded to, in reading the McGraw-Hill comments, it seems that the mandating or the use of ratings in XBRL they seem to have some issues with it. Have you been following that debate, and do you have any opinions as to how you might work with any of the credit rating agencies?

**Answer – Philip Moyer:** We have been following the overall debate and we've been – I've talked on previous calls about the fact that we really think that that marketplace, had people been looking at really what the actual loan level details were on those assets, we think that there would have been a better ecosystem than just three rating agencies, which I think the rating agencies would actually be happy about, because it's always good to have somebody give you advise and second guess your work. It actually makes your work, improves the quality of your work. So what I'll say to you is that we looked very, very closely and what I'll simply say is that we were very close to the release of a data set in this past quarter for that marketplace that actually provided that kind of transparency. But the participants had gone so low in that marketplace that we felt there would be distraction from very little revenue opportunity in the current climate. But it is a space that we have been very, very closely tracking, and we think that whole marketplace both the assets that underlie the credit derivatives and also the ratings that are given to those asset backs and those credit derivative, all of that can really, really be -- the transparency can be brought to that marketplace and also linkage again right back to the document and back to the asset creator.

And so short answer is that we think it will be very valuable to take credit ratings to XBRL as well as the assets that underlie those on the XBRL.

**Question – Robert Renck:** How far long you are in the work on that, other than the fact that the markets gone away for the moment?

**Answer – Philip Moyer:** We've been working, what I'll say to you is that we've been working on it for over nine months and so it's not as complex of a taxonomy, it's more of a volume business which is we specialize in. So we were very far along down the path, again it was just a matter of the participants are just not there. The deal flow has dropped to negligible amount. We've seen a drop in by well over 70, 80% from what has been in the past. And as I said the participants are just not there, and the participants are the people you sell the data to.

**Question – Robert Renck:** At the moment, and now we've got discounted assets and the investment bankers are ruled out. We will now be the experts, the guys who bring the deals out generally windup being the ones who restructure the bankruptcy.

**Answer – Philip Moyer:** Okay.

**Question – Robert Renck:** I'm talking about corporate entities as opposed to this. So, you haven't abandoned it necessarily.

**Answer – Philip Moyer:** We haven't abandoned it. We actually think of it as very valuable piece of intellectual property, and we look forward in the future to that marketplace coming back and we hope we can add value to it.

**Analyst: Miles Jennings – Private Investor**

**Question – Miles Jennings:** I just wanted to note that going back to John Ferrara's comment about approximately \$300,000 from these XBRL conversions. And then, Phil, you're commenting about the number of conversions made up until today vs. the end of the quarter. If you take that \$300,000 and assume that it's based on the 84 company that the SEC reported, it does come out to, and assuming that the split with Donnelley is 50%, which I don't know is true or not. And then you look at assuming all 110 conversions were part of this revenue in some way, it basically ranges from 21,800 to 28,500 per conversion, depending on the number of companies that one would assume for it. So for purposes of discussion in the future, it appears as though you're receiving about 50% in this venture, and it does appear that the revenue is somewhat over \$20,000, probably closer to 23, \$24,000. Does that sound reasonable?

**Answer – Philip Moyer:** No. A very, very important distinction. The 84 companies or the 84 filings that are up on the SEC website, those are only done by a handful of companies. And I'm sorry about 84 companies YTD, but to the end the quarter, what we're saying is that that's all the companies that have filed with the SEC, and a very important thing that we actually discussed on this call, that I want to really make clear of, because we think it's a very good piece of news, is that we've been doing a lot of companies' filings that are not filing up with the SEC, that are not showing up on the sec.gov website. And so we talk about doing 110 filings, only a fraction of those companies have actually filed with the SEC. These other companies are doing XBRL conversions and they're experimenting with XBRL ahead of the mandate.

#### Disclaimer

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

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

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2008. CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.