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**Moderator: Mr. Robin Raina
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10:00 am CT**

Operator: Good morning my name is (Patrick) and I'll be your conference operator today. At this time, I would like to welcome everyone to the EBIX 2008 Third Quarter Investor Call.

All lines have been placed on mute to prevent any background noise. After the speakers' remarks there will be a question and answer session. If you would like to ask a question during this time simply press star then the number 1 on your telephone keypad.

If you would like to withdraw your question, press the pound key. Thank you, Mr. Robin Raina you may be begin your conference.

Robin Raina: Thank you. Good morning gentlemen, thank you for attending EBIX 2008 Third Quarter Investor Conference Call. I have also have with me EBIX CFO, Robert Kerris.

Our two - our third quarter 2008 results were announced today morning. Let me summarize those results for you from our perspective. Q-3 results were yet

again record results, the best ever in EBIX history in terms of all three measure. The (unintelligible) net income and revenue.

To compare these results to the same quarter last year, (onto) the second quarter in 2008 would reveal to you that the company has shown consistent growth over the last one year.

Future (unintelligible) quarters in the year 2008 has been a record result with each quarter beating all the preceding quarters in our 32-year history as a company.

In the last eight years EBIX has shown a slow and steady improvement in its results with each quarter being a bit better than the previous one.

Our (unintelligible) help OP management has been to create a fundamentally sound company that has cutting revenue stream, good margins and good cash flows, while avoiding a high-risk strategy, even if at times it meant settling for lower top line growth.

From my perspective third quarter 2008 has been a good quarter since it reflects the fundamental - since it reflects the fundamental strength of the company in terms of its ability to better (unintelligible) like the recent - sorry, from my perspective Q3 2008 has been a good quarter since it reflects the fundamental strength of the company in terms of its ability to better (unintelligible) decent financial crisis.

The fundamentals of our business remains strong with revenues split across hundreds of customers. In the year 2008 no one customer is expected to account for more than 3.5% of our revenues.

That fact (unintelligible) position and a (unintelligible) player with higher cutting revenue streams insulated us to a large extent in the first quarter from the fall out of the financial crisis.

In the third quarter of 2008, EBIX reported 37% net margins. The highest ever in its history. This margin compares well to the 31% net margin in third quarter of 2007 or 36% in second quarter of 2008. Again while EBIX has a history of not issuing guidance, yet we have always publically stated our desire to keep on that margins at levels of 30% or more.

So to our (unintelligible) this has been a satisfying quarter. The company supported a total revenue of \$20.17 million for the fourth quarter 2008 compared to \$11.81 million for the third quarter of '07, marking a 71 - marking a 71% increase in revenues.

The third quarter 2008 revenue of \$20.17 million compares well to a \$17.8 million revenue for the second quarter of 2008 marking a 13% increase. Net income after taxes for third quarter 2008 rose 100% to \$7.4 million up from \$3.69 million in the third quarter of 2007.

Net income for third quarter of 2008 rose 17% over second quarter of 2008 net income of \$6.34 million. The company's fourth split diluted EPS for third quarter of 2008 rose 88% to 62 cents as compared to 33 cents per diluted share in third quarter '07 adjusted to account for the split.

The company's fourth split diluted EPS for third quarter 2008 rose 15% to 62 cents as compared to 54 cents per diluted share in the second quarter of 2008 adjusted again to account for a split.

On October 9, 2008 EBIX implemented a 3 for 1 split of the company's common stocks.

And a proportion of increase in the number of EBIX common shares accordingly results for the third quarter of 2008 were based on \$12.17 million fourth split weighted average diluted share outstanding as compared to \$11.04 million weighted average diluted shares in the third quarter of 2007 adjusted for split.

Just for clarity purposes in case EBIX has not undertaken a stock split, Q-3 2008 diluted EPS number would have been presented as \$1.86 versus \$1.62 for the second quarter of '08 or \$1.00 for third quarter '07.

The companies operating expenses for the quarter grew by 49% to \$12.05 million as compared to \$8.09 million for there third quarter of 2007, an 11% increase as compared to the \$10.9 million for the second quarter of '08.

The increase in Q-3 2008 expenses over Q-2 2008 expenses is primarily due to the cost associated with acquisition of Pittsburgh based employee benefits company Acclamation Inc. in August of 2008.

Year to date net income through September 2008 grew by 137% to \$19.4 million as compared to \$8.17 million for the same (unintelligible) 2007. The nine month cumulated - the nine month cumulated and diluted EPS for 2008 grew by 106% to \$1.65 as compared to cumulated and diluted EPS of 80 cents for the same year in 2007.

We are pleased with our ability to (unintelligible) generating sizable cash in a recurring manner. The next cash for provided by operating activities grew by \$8.63 million in the third quarter of 2008.

The net cash provided by operating activities within the nine month period ending 30 September 2008 was \$19.36 million as compared to the net cash number for wider operating activities of \$10.66 million at the end of the six month period ending 30 June 2008.

We are pleased with these results, as our financial results could have looked even better if the U.S. dollar exchange rate had remained relatively confident as compared to second quarter 2008.

The solemn (unintelligible) of the U.S. dollar had negative impact on a consolidated revenue stream to the tune of around \$400,000 in third quarter of 2008 as compared to second quarter of 2008 in Australia alone.

The recent stock split was a sign of our faith in the company's fundamentals. It was also an attempt to increase the liquidity of the stock in the market. I'm often asked lately about the recent price drop in EBIX stock.

In spite of the financial turmoil having a residential impact on the company. I have always believed in the dynamics of the stock market and carry an inherent belief that over the long term the market values of company finally for what it is truly worth.

The words that extend, while I care about protecting investor equity yet I - as a management team we do not obsess about the stock price or make decisions based on where the stock price is.

Instead as all always the EBIX management team remains focused on building a fundamentally strong company with a starting revenue streams, great

margins and a (unintelligible) business that hopefully one day can become the largest insurance office (unintelligible) business in the world.

So what is next? The current turmoil in the economy and especially the financial market is reason to be concerned for some and reason to be cautiously opportunistic for some.

Whether the glass looks half-full, or half empty depends on the eye of the beholder. I'm reminded of what Warren Buffett recently said and I quote, "a simple rule dictates my buying, be fearful when others are greeting and be greeting when others are fearful."

I believe that the present time is an opportunity to make good accretive acquisitions at opportunistic costs. With our ability to generate the starting strong cash flows it could be a use of our cash to make opportunistic acquisitions in the current fearful climate.

While we are - while we are pleased with the results of this quarter we see this as - we see this quarter simply another step forward rather than a destination.

We remain focused on many opportunities, cross selling a product across different markets, growing our presences in international markets, identifying new acquisitions in markets where we want backdoor entries to (unintelligible), increasing our leadership space in certain areas to help launch new products and sell it to that market.

Why are we doing all this? We are (unintelligible) nearly centering our resource base around the world in addition to designing newer (unintelligible) products that can keep us a few years ahead of our competition.

As always the audio (unintelligible) of this and any of our previous calls, can be heard and downloaded from the investor home page on the EBIX site www.ebix.com.

Also I would encourage you to visit the new comprehensive investor home page on the EBIX site with a (unintelligible) and one stop place to analyze EBIX from an investor perspective.

With that I'm going to hand it over back to the moderator to open the call for questions, thank you.

Operator: At this time I would like to remind everyone if you would like to ask a question please press star then the number 1 on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from the line of (Vincent Trapose).

(Vincent Trapose): Yes hi, congratulations on a great quarter.

Robin Raina: Thank you (Vincent).

(Vincent Trapose): Yes, I wanted to ask what's - with the credit crunch that's happening world wide and you - your company a lot of time have no part of the acquisition cost of your companies that your acquiring alone. Are you going to have to - are you going to find it any more difficult now to try and borrow, to acquire a company?

Robin Raina: Well it's a great question, let me answer it in two pieces.

First of all we're generating sizeable cash flows. To give you an example I talked to a number of - I think \$8.63 million in operating cash flows that we generated in the (first) quarter alone.

So as a last - as of 30 September I think we had \$13.26 million of cash in the bank and keep in mind we continue to generate cash virtually every month. So first of all we have good cash flow within the business alone which are there.

The topic though, I must tell you while there is a credit squeeze we don't honestly see that. After the - to give you an example, after the financial crisis that have happened we have had banks approach us at pretty similar rates to where we were on, you know, as you know we presently have a line at (unintelligible).

We have been offered pretty - a substantial increase in our line at almost the same rates or a dime lower.

And that's a - again we don't presently have a need to borrow. If we do have a need to borrow there are resources available to us. So we don't really see it being a tense situation for us.

(Vincent Trapose): Okay, now one other question. What's the main reason that makes your - that makes your income recurring? Is it long-term contracts?

Robin Raina: No I believe (unintelligible) it makes it occurring as we are in a - look at it that way a very sizable portion of our business. Almost I think 59% this quarter was exchanges alone.

So if you look at that - we - how do we get paid? We get paid based on transactions. We have minimum volume commitments that clients give us. So

we have a (unintelligible) clients - you know, we give them (unintelligible) and they have to pay us based on (unintelligible).

So it depends on every customer has a different deal on exchange it can be. But the model is very transactional oriented.

As long as insurance companies are in business and they have to be clearly while the financial turmoil can happen, they are not going to stop doing business and the (unintelligible) interest line go there business and at the end of the day transactions goes out on the starting revenue stream.

That's the first thing, then in terms of products that we used to license. Those products over a period of time have created strong support with starting revenue streams.

Worked out deals where people have - people commit to us and grow over (unintelligible) like you said. The deals could be five years, could be three years, could be anything.

Where people have given monthly money based on, you know, what we do for them. So it is a number of things that lead up to the credit revenue stream in our business.

We are an infrastructure player, meaning you have to keep that in mind. We - most of the situations where we provide of services, we become a very critical player to that business in the sense that we - the fact that we launch exchanges we do aggregation of carriers we bring in (unintelligible) assign hundreds of thousands of brokers.

So in the process we become some kind of (unintelligible) in the middle which makes the transaction happen and - or and we pick up a small piece of the transaction of sale and that's how we (unintelligible) the current revenue stream.

(Vincent Trapose): When you say exchange and transactional, you mean if someone goes on your - using your software and they, I don't know get a quote or something life insurance or maybe property and casualty insurance, is that what you're talking about by...?

Robin Raina: Not (Vincent) I will say this I will try to answer this but on the other side with all humility I would encourage you to speak to me separately because I can take you through the details of - I don't want to bore all our investors with a very detailed explanation on how we (unintelligible), but I will try to answer it (unintelligible) and then you and me can have a separate discussion.

Basically we are a (b-to-b) exchange, we are not a (b-to-b) exchange. Where people - anybody walks in and just (unintelligible) in. The carriers deploy us - carriers they are for the exchange in turn the deploy this exchange to thousands of their brokers, their so-called elite brokers.

It's (unintelligible) to them and these brokers in turn would use this exchange to at times, you know, it could be an example it could be there was broker who wants to do a comparative and try and - on a life insurance or on a new transaction but then that's just a small piece of the whole transaction.

If we take the - we take a transaction through the entire life cycle of the policy it gets a lot more complicated then that (unintelligible) there's all kind of regulations and process and you have to deal wit all of that. There's money swaps happening and all of that.

All of that are (unintelligible). But - it's a complete life cycle of the policy as we go through it.

But I can take you through a much more detailed discussion later on.

(Vincent Trapose): Okay thank you I'll call you maybe tomorrow about that, thank you very much.

Robin Raina: Thank you (Vincent).

Operator: Your next question comes from the line of (Richard Linert).

(Richard Linert): Thank you good morning Robin.

Robin Raina: Good morning (Richard) how are you?

(Richard Linert): Good thanks. I'm asking about the environments and maybe the bulk of the (unintelligible) at the end of the quarter, but clearly there is a lot of term oil in the life insurance industry.

Many of the carriers, balance sheets under pressure, it looks some of the brokers and transaction volumes are down a lot. How is that impacting you? And if it isn't, why isn't it.

Robin Raina: Well I respectfully first disagree with the bulk of it happened after the end of the quarter and not necessarily true.

Although the third quarter was a pretty (unintelligible) quarter in terms of what you saw in the market with all the players. I think the key difference you

have to realize is that let's take a simple example of - I don't want to give names there, but let's say a (last) carrier who everybody thought would collapse and a bailout happen.

At the end of the day that carrier isn't going out of business.

They have hundreds of thousands of policies that they're handling. Meaning at the end of the day if we - if companies like us are handling their historical data that carrier for example wants to get the best value in coming days out of that and their - what is their biggest strength?

Their biggest strength is these policies that they have and they're not going to give up on those policies. We are have agreed to be player we're helping keep those policies in place making sure those policies stay in place.

Their policy holder is communicating with them, each in - meaning this is projectional value as the - as these carriers get under more pressure in coming days in fact, we offer more value even because - at that time because what tend to happen people tend to - carriers tend to look at - insurance companies tend to look at (unintelligible).

And then intent to look at the (unintelligible) cost. Your not trying to reduce the revenues. We are (unintelligible) revenues to these carriers so they want to work with us because we are creating market. We are creating aggregation for them.

We are (unintelligible) at times holding their - all their with - kind of indispensable in some ways for them in the sense that e are holding all their data. We are their - we have all their historical data and so on, depending who the customer is.

And so at that point if the customer wants to do a cost guide sometime in terms of manpower and so on, again companies like us are (unintelligible) avenues. We are provide them like (ASD) services, exchanges. What do these exchanges or (ASG) revenues - (ASD) services do. We are pushing paper out of the process. We are reducing manpower in the process.

In fact it becomes a more - in fact it becomes - it becomes a good way of our insurance company to probably to approach us and work more with us because if they start doing that their cost structure can go down.

So what we have seen as (unintelligible) is that you will have some impact on some people, you know, but that is really the value of how wide spread your customer base is, health, meaning that is - it goes back to what I said a few minutes back that today our largest customer would be less than 3.5% of our revenues because we have hundreds of customers - thousands of customers.

So we are really well spread out. You will have some (unintelligible) again I can't give name. But there could be somebody who gets so terribly in fact that there is a - that there is - that some people don't want to (unintelligible) from this carrier anymore worrying about the risk of quoting them.

And so you will have some transaction drop there. But you know what but there are others who have seen this as an opportunity and in fact have turned into expand their base and they want to do more transactions because they think this is a time - opportune time to get the market.

The good news for us is that we have - we have the who's who of the market working with us on all our exchanges, so we're not on - (unintelligible) people are not going to buy - stop buying insurance. You see when times get tough

it's not that people say I'm going to stop taking my insurance the risk is still there.

Meaning you're not going to stop buying insurance, so you're right that insurance companies tend to put a lot of pressure on cost. But you know what that's how (unintelligible) always (Richard). (Unintelligible) have always been when you want to talk about cost reductions please approach us.

Because we will guarantee you cost reductions meaning I walk in at times into large company situations and I tell them why don't we do a deal where I'll guarantee you a 30% cost reduction on what you're spending and let's start from there.

And - because that's (unintelligible). The good news is we haven't seen - we haven't seen any drop that I would want to talk about here.

(Richard Linert): How would you're business breakdown, let's say on the life side between new insurance and between servicing the existing insurance (unintelligible)?

Robin Raina: Well our business is a (unintelligible) exchange it's a very difficult answer to provide to you. Meaning it is a - in the life exchange alone, meaning we have so many multiple products. So I'll have to give you a much more educated answer I couldn't clearly answer this so quickly to you.

(Richard Linert): I didn't real - you said something in your comments which made me think that you're actually earning some of the money you earn in the life insurance side from servicing existing policies and (unintelligible) which I didn't realize. Is that a meaningful part of you business?

Robin Raina: Well life insurance is a, you know, we have many different products so there is one product, yes and then there are - there's another product where the answer would be no. So yes it is a yes and no answer to it. Meaning we do everything (unintelligible) basically.

(Richard Linert): In terms of big picture, the main driver, I thought was more new sales of insurance policies as opposed to servicing existing policies.

Robin Raina: No, no not necessarily. Meaning our business is not - we're a (b-to-b) player (Richard) you got to remember that. As a (b-to-b) player we do all kinds of things for all these players.

And being in this business is so much divided into - we have an expense that for example let's take an area of - meaning even in areas like exchanges.

First of all we do P&C, we do life, we do annuities, meaning we do commercial lines, we do employee benefits. Meaning (unintelligible) extend you the loan, we do (BPO tracking), you know, and everything is so diverse at what we do so it's - I can't really say that it is a big part of our business.

Normally it is a big part of our business it's a part of our business. But again that part of our business we are not an agent, we are not an agent that is taking a commission in a deal and so we - it's not that we are - we are an exchange.

We are a player who's bringing all these brokers together with these agents with these brokers with these large distributors, brokers with carriers - will (unintelligible) bringing multiple parties into it. And signed banks into it, you know.

And all these players are working on - it could be they could be working on servicing, it could be a forced sales situation it could be a presale situation.

So our role is a lot more than just being in one particular area.

(Richard Linert): Second question, totally unrelated. Since the end of the quarter the U.S. dollar has had a major move. Often the Australian dollar relative to it has a major move down if the current rates hold thought he end of the year what kind of impact will that have on your fourth quarter?

Robin Raina: Well lets look at it that way. Meaning I think, yes you're right. First of all there's been a major change. But if you look back at the last quarter some of that change had already change has already started. That is the reason I (unintelligible) \$400,000 number just on revenue alone in Australia.

Our revenue could have been \$400,000 higher if I had the same exchange rate as second quarter and third quarter, so that's one thing. Again this is a moving target. As a company we have a lots of subsidiaries, lots of intercompany transactions happening between companies that's a really difficult answer to give you that what is an impact - direct impact of that.

But again this is a area which we are very - we keeping a very close watch on and there are multiple ways to try to handle it and reduce the impact of it.

I'll leave my answer like that. But I would - you're question is should there be a big concern about that area I mean, I would say right now I wouldn't be extremely concerned about it unless if we continue seeing this huge drop then sure.

But we are hoping actually if you look at the other rate on now Australian dollar has started coming up. The U.S. dollar keeps strengthening and seemingly the Australian dollar bottom out I would like to say it became in the last - well week or 10 days you have seen that - you would have seen the Australian dollar starting to climb back.

(Richard Linert): Yes, bottom is 60 and then I think it's at 67 or...

Robin Raina: Plus, plus you also have to remember that meaning it's a - ultimately the impact is on your net income, meaning your - if your revenue goes down so does your expense goes down.

And then it's a function of, you know, meaning how we deal with each other as a company.

(Richard Linert): Okay thank you, congratulations on another great quarter.

Robin Raina: Thank you.

Operator: Your next question comes from the line of (Mark Fry).

(Mark Fry): Hi good morning gentlemen. I just wanted to focus on the exchange. Is this total debt and if we look at just your transaction volume and you comment on, you know, how that's been trending over the past three to four months.

Robin Raina: Well meaning if you look at our revenues coming out of our exchanges, our exchanges - both our exchanges. Let's look at the U.S. exchanges also Australian exchanges. Our revenues have gone up (unintelligible) between the second quarter and the third quarter in all three exchanges.

Australian exchange, P&C, life exchange and our annuity exchange. All three have gone up consequently.

What we are also seeing - you are - there is going to be some impact because of - some of the, you know, some of the no names that have, you know, again I hate to give names there but again some of the as you know there's a lot of talk in the media about some of the names that have - I wouldn't say that they have - they have been finished.

But I would say that they would have been impacted.

So some of them have been impacted to our (unintelligible) where some broker for example (unintelligible) on their business and will want - will shy away until their rating - their AMS rating or their S&P rating improves.

So that's - yes that will have a negative impact. But I will tell you the other side. On the other side we're only conducting - because look at the annuity business of ours.

As our - meaning if I look back at - a few months back we - I know the last number that I saw was 90 days back, where we were conducting almost \$36 billion in premiums now I would have liked to say that number has gone up simply because our revenues have gone up from that annuity exchange.

Now when I look at that \$36 billion number that compares to \$230 billion number that is happening in the market which means we don't have the whole market.

A lot of annuities and transactions are still happening on paper which means at any time we have a few customers who have been signed up and are being brought onto the platform.

Those transactions kick in only when they go alive. And we don't pick up that revenue until then. Even if they pay us any money we won't pick up that revenue until the service is actually performed and the transaction is happening.

At any time we have those as we keep bringing those new distributors live - those new distributors live and there are large who's who of the market and as we bring them live the transaction number will keep going up.

And we're seeing - we're seeing that (unintelligible) off set. Any of the drops that you would think of keep - as I said while we are the largest (unintelligible) for example in the annuity exchange market, we don't have the whole market.

We only have \$36 billion out of the \$230 billion market which means that there is a lot more to be acquired and a lot of the larger names who are there some of them will find us and whoever bring live one on our platform the transaction number should obviously go up.

(Mark Fry): Okay and so the annuity business that you were talking about, you know, obviously...

Robin Raina: I can give you an example of that but that's - it's pretty - it's pretty constant across all our exchanges.

(Mark Fry): With the consolidation that's been occurring in the financial services industry, what impact has that had on your business that you - with Merrill Lynch and Wachovia and the annuities market?

Robin Raina: You see again I won't specifically talk about Merrill Lynch or Wachovia because they are all our customers and, you know, so is WA Mutual, so is AIG and so on. I can - each one is a different answer and I hate to go into specifics on the call because some confidential stuff that we are aware of and we're not allowed to talk about it.

But having said that the only thing I will tell you is as of now all these players have continued to move with us and continued to actually sanctioned newer projects. It - because they - in more than ever it is quite critical for them to keep their business going.

But and finally it's all about business they're not going to give up on their business. And these players - some of the players that you named have very largable (unintelligible) business and they've done - for example without their annuities and you name the few players.

These are very profitable operations of theirs. So their not going to give up on their profitable operations. Meaning and so - and so (unintelligible) very complicated because every player there'll be a different answer that I could give you but for confidentiality reasons I wouldn't.

I would say right now that (unintelligible) was surprised to say that it has not effected us negatively.

(Mark Fry): Okay.

Robin Raina: We got a bit lucky - if we got a bit lucky we might see a few promise (unintelligible).

(Mark Fry): Okay and in terms of the way structure contracts for, you know, the exchanges what - is it typically like a one-year contract or is it a multiyear contract that you would have with a carrier?

Robin Raina: Typically these contracts are automatically renewing at the end of the year. It is basically we prefer - we prefer one year's contract automatically renewing at the end of the year.

You know, we prefer that and there are reasons for it from a revenue (unintelligible) perspective. It's gets a bit complicated after that . If you sign too long contracts in that time you have to treat them differently.

So it is much better to sign - it also gives you flexibility - you see finally it depends on your confidence in your business and it depends upon if you sign a five year contract then you have done a terrible job your customer is going to find a rate (unintelligible) some way to terminate it. But if you're are doing a good job and you are - it just depends on the level of integration.

Our business is so tightly integrated into theses players that it does not (unintelligible) my decision for somebody to suddenly get up and say you know what I'm going to dump you. It takes a long - it takes a lot more than that to do something like that.

(Mark Fry): I was thinking then they want to negotiate price a little bit as a...

Robin Raina: Well meaning we - meaning again I can't go into specifics there but I would say that we don't necessarily dislike that, let's put it that way. We like the idea

of - some of these contracts have lock in (unintelligible) so it's not that - maybe we could have a price lock.

But it'll automatically renew so there's and there could others where there could be - there could be (unintelligible), there could be price increases that we could ask for, it could also be (unintelligible), you know, if you haven't crossed (unintelligible) of transactions you would still have to pay x amount of money and so on. So it gets a bit more complicated then that.

We as I said we prefer automatically renewing annual contracts. Let me say this. In my career at EBIX and it's not even a question of last few years. In my career now at EBIX or if I had to step back and look at the last eight years. We have not lost a customer who accounted for more than .3% of our revenue.

(Mark Fry): Well that's an excellent track record. Okay let me just...

Robin Raina: Anywhere in the world so that I can tell you it's not only U.S. anywhere in the world.

We've had - again a 25 - .3% larger than - because of the smaller - at times we had an agency broker market - the smaller base they're it could be (unintelligible) - and somebody it's not really - we're not - we're important to this business but a small broker will think differently and not only critical they get price competitive and so on.

So that's why I said more than .3%.

(Mark Fry): Right, okay. And just to make sure I understand the revenue model it's carriers that are the ones that pay the fees associated with the exchange. So brokers or agents do not have to pay any fees...

Robin Raina: Correct.

(Mark Fry): Just switching topics that something you can comment on your entry into how benefits and claims processing business with the Acclamation Systems acquisition, how that's been going.

Robin Raina: It's been a fantastic acquisition and as you will have evidence to pursue the (unintelligible) if we we're happy with Acclamation we both probably wouldn't have proceeded to access.

In Acclamation we inherited a very strong management team. We inherited a very good customer base and we inherited a product that we can be all very proud of, a product call Luminex.

They have very sound customers that who, you know, the who's who of the market. AIG for example is one of our large customers on the employee benefits side and it's a very solid business for AIG the employee benefits business.

And it's a very - it's a business that is so tightly integrated into what these - how this (unintelligible) look, how the carrier look and how the (unintelligible) look that for somebody to even move in it takes time.

For example we - in the press you would have probably read as we were making a bid on how taxes, we talked about they are third largest customer moving - making a move to us.

As the third largest customer made to move to us our platform our employee benefit platform. It's going to just move over night. That data conversion, the

whole process it will probably go on until May next year for them. They will still remain on two platforms almost for that amount of time.

So it's gets very - and this is, you know, if it's in the (unintelligible) in the back end, this is an employee benefit system. It's a (unintelligible) system, it's an end-to-end system, very high speed and I would say it doesn't get many - we were very impressed of what we have seen until now and the business is doing quite well.

So we intend to continue growing on the fence of what we have today with Acclamation and grow our market size and the employee benefits phase.

(Mark Fry): Can you comment on some of the synergies you were trying to seek with the (Health Access) bid?

Robin Raina: Well - but you see with (Health Access) that synergy that's finally about a greater value for our shareholders and clearly they have some good customers who we value and we also have a very high success rate of moving for example I just talked to you about their third largest customer.

The fact that we were able to bring that customer over to our platform and can (unintelligible) what it means that we know how to handle those customers and how we can address that customer base.

We thought that without access customers we can provide a solution which is - which can be long term for those customers. We also felt that the synergies are very solid. First of all their public. The cost of being public as you know is quite heavy.

And if somebody wants to acquire them who is already public a lot of this will also go away.

On top of it there's a normal redundancies between all renovation when you bring two organizations together your going to see a lot stuff - redundancy as we move forward and finally if we were to acquire them they'll at some point in the future they would be one product and as you do that your cost of product development and so on go dramatically down.

So obviously we sell lots of synergies and value. They also have good knowledge on the claims side - the (BTO) side and without we could - that could (unintelligible).

So those are things that we are - why we were looking at them.

(Mark Fry): Okay thank you and in terms of the revenue model for this particular area can you give us a little more color on that?

Robin Raina: On the employee benefits (arena)?

(Mark Fry): Yes.

Robin Raina: It's pretty similar to the exchange models meaning it's very similar to the exchange model in terms of again there are - it is kind of the (unintelligible) becomes the number of life.

As you bring more lives on the employee benefit platform you keep discovering more money. So you're almost getting paid, you know, as - a each of the (unintelligible) as each of the carriers keep deploying it and keep bring in more lives on it you keep discovering more revenue streams.

It also depends on how you're servicing that stuff. The more you are servicing the customer in a (ASB more) are you - everything the customer and (unintelligible) they - the again the revenue seems (unintelligible) in the sense that the (ASB more) is a lot more effective for the customer, a lot more effective for us.

A lot more easily serviceable for us, a lot more better on the margins for our (unintelligible), the cost structure for our - better on the when I say better on the cost of that I mean overall it's a very effective solution, cost effective solution for everybody.

And so it depends on the (unintelligible) but it tends to be very (unintelligible) the employee benefit business. Simply the call your not going to expect the carrier ABC come on the platform and suddenly say I'm going to get out.

It takes a long time just to get live. And by the - and once you're live your going to use the platform for a very long time otherwise you'll probably - people think a decent amount of time to make a decision to move your platform on precisely for that reason.

(Mark Fry): I see and just switching topics again here is your recurring revenue still at about 70%?

Robin Raina: It's actually a bit better than that but let's suffice to say it's definitely more than 70%.

(Mark Fry): Okay and any thoughts on some of your other lines? It looks like your - you weren't experiencing too much growth in your broker systems or your (TQO) outsourcing services markets.

Robin Raina: No actually, no let me correct you here actually our broker market in the U.S., you are correct. In the U.S. the brokers market we have officially said multiple times in various calls and over the last few years, that that's been - that was a fundamental base.

If you go a few years back, eight years back that's all that exists. We reduced our (unintelligible) on it until their margins were lower.

The margins on the broker business, on the P&C broker business (unintelligible) business, are very low. So we don't tend to focus heavily on it today so it's not a big focus area for us to grow that revenue simply because for known reason and because the margins are low.

However if you look at international market the P&C - the international market we continue to grow our broker base.

We continue to do well in those markets and we will - we'll clearly - it's actually a much more profitable market and one of the reasons for it being more profitable is our focus is on the larger and the super brokers between those brokers that assigned the size of the carriers the AON, the (Mash), the (Vilals) the (unintelligible) of the world.

And these guys have a lot more ability that I see but just a bigger - they're used to seeing a bit more money, they're used to demanding professionalism and a very high quality of services and that's what we focus on international markets and that we continue to extremely well.

On the (BPO) side of things, our (BPO) business is the tracking business continues to grow it's a steady but continues growth. That business is basically under (unintelligible).

There are (BPO) tracking business that we do. That business you will see we prefer the (unintelligible) continuous steady growth but (unintelligible) in that business you will see us in coming days make a few announcements on that business.

We continue to be extremely bullish on the (b-to-b) (BPO) business. Insurance might say (BPO) business. I can't say more than this at this minute but I would suffice to say that we intend to grow that business quite - quite a bit over the next 12 months.

(Mark Fry): I see and any comments on the insurance carrier systems business and...

Robin Raina: Insurance carrier system business we are not the largest of players. We have always said that that's a business we need to do. We have done very well as compared to - when you compare for example '07 versus '08.

Or when you compare '06 versus '07. You will see we have continued to do extremely well. However that is - when I say well, that's (unintelligible) for own performance.

I don't (unintelligible) ourselves amazing well on that - on that - in that area simple because we're not a leader in the market. The leaders in that market are still the (CFC's), the leaders of the world and we need to become a much more better player there and again you have to remember that we are a new player in the market and considering that we have done well.

But that doesn't mean we are leader in that market. We will continue to grow. One of our big focus is right now is to invest in (sale liquidity).

We have great products, very well liked by customers and, you know, absolutely we continue to - we have been rated pretty sizeable revenue streams as compared to what we used to do meaning in - again you see that (unintelligible) is back - the (three) is back we didn't have a carrier system product.

So it doesn't (unintelligible) and then we made an acquisitions in that area between the two, we even the acquisitions that we made we made an acquisitions of a company of (Infinity Consulting).

The revenue stream at that time was approximately in revenue terms fourth quarter they were doing around \$1.3 million or so and when you look it in more detail terms today we're close to \$2.7 million a quarter just out of that acquisitions which means we have doubled that revenue stream since we bought it.

So we have done well, however it's irrelative. For relatively great performance I could say it was a 100% better than, you know, our goals are 100% as compared to June of, you know, of '06 for example if you look at the quarterly performance because that's our run rate right now.

But then when I compare it to the (CFC)'s of the world I would say they are they are the leaders we are not.

And so that gives us a lot of reason to continue to grow our sales force and continue, you know, keep a - it's always good to know the area that you're not

yet strong in and this is one area that where we are not yet strong in but we are emerging (unintelligible) as a stronger player than we were.

(Mark Fry): Okay and your strategy there would be to be a more of a niche focus? On the (CFCs) or...

Robin Raina: No you will see us do few things, yes of course we have area that we will be niche like medical malpractices and so on, the answer will be yes. But rarely will focus on regional players at times - our times on, you know, more focused area of the business.

But then - we today have this product which can be used by multi billion dollar companies and we already have for example one whose deployed our new platform and is very happy with that platform.

So having said that our intention - these - that's why we have two different products in the carrier business area. One product is targeted at the larger end of the market.

More general purpose can handle - you can put 40 different lines - different product lines on it virtually. Keep in mind the P&C carriers this is not for life insurance carriers, this is only for P&C, so you could put the largest of carriers in an (AFC mold) on a (unintelligible) mold, whatever they want.

On our (unintelligible) technology like dot net and so on. And then you have another product this is also on dot net but this is targeted right now at the more niche carriers. So hopefully that answers your question.

(Mark Fry): Yes that's great and one last question. I'm going to shift to your balance sheet and noticed a shift in your other comprehensive income, I was wondering if you could comment on that over the previous quarter?

Robert Kerris: Yes I'll take that that is essentially the effect of the foreign currency translation adjustments and what we talked about previously in terms of the adverse changes in the exchange rates.

(Mark Fry): Okay well thank you very much gentleman and good luck in the next quarter.

Robert Kerris: Thank you.

Operator: Your next question comes from the line of (Mark Lindy).

(Mark Lindy): Hi Robin, congratulations on the quarter. I was going to ask for some additional detail on Acclamation but for the most part you gave it. Can you give us some idea though what the revenue was that Acclamation at least their contribution for the quarter and just some of the financials?

Robin Raina: Well I could give you the revenue right now and I don't have the net info numbers in front of me but basically Acclamation accounted for around \$2.05 million for the two month previous in the last quarter.

It's a very strongly profitable unit today. I would like to say that pretty much (unintelligible) units until net margin, you know, the good- the good news here from a (unintelligible) is that when I look at my different divisions and my employee benefits or the exchange or the (BPO) of the carrier.

I don't have a problem with worrying about that this one particular division makes a lot of margins so I should focus on that.

Fortunately all our divisions are pretty close in the next margin numbers. So you look at this number of 37% that you're seeing is rather consistent. So Acclamation numbers and again it's a good question. Acclamation is - you not having any number you have two months of Acclamation and you have to factor that in.

On says, you know, next quarter we'll have a complete quarter for Acclamation the three months of acquisition.

(Mark Lindy): Got it, thank you keep doing what your doing.

Robin Raina: Thank you.

Operator: Your next question comes from the line of (Joseph Garner).

(Joseph Garner): Good morning. You've answered most of my questions but I just have a few additional ones for you.

Robin Raina: Please go ahead.

(Joseph Garner): Okay first of which was I was wondering if you could break out the revenue growth in terms of how much was organic versus what was contributed by acquisitions over the last 12 months?

Robin Raina: Over the last 12 months, I think I'll need to do a much more detailed job to give you more concise answer than that. Unfortunately I don't have a definitive answer for you.

At the same time I will - I will - there is a sheet if you go into - I think I'll point you to our last quarter when we filed our Q. Q? Based on the specific document there which actually talks through no acquisitions had happened would the revenue would have been varies it today.

And you will see our organic growth is pretty sizeable.

(Joseph Garner): I was going to say you have been getting significant internal revenue growth I guess maybe just to generalize it a little bit more. Did you continue to see significant internal revenue growth during the quarter even, you know, you obviously had contribution from Acclamation but above and beyond that.

Robin Raina: Yes, (Joe), let me answer the question, I don't have an issuing guidance on those two pages and so on however I will say that clearly that's our intent. Meaning our intent is to continue growth from within.

Now it does get a bit, you know, I have answered this question multiple times earlier that it does get a bit, you know, hazy in the sense that when you look at organic versus in-organic. But our way of handling things is we (unintelligible) so tightly at times that in a particular area.

So let's take an example that we were into the broker systems area fast example we brought - bought a company in Australia and net result is we gave up on certain things that we were doing already.

Because we like to make sure that it's precise it's - the integration is immediate, it is done in a manner which makes the things seem less is (reductive) of Q&A costs and development costs and in turn it is a best thing for our customers.

So net results is that we at times decide in this particular area let us give up and to give you an example - for example the selling the products called (unintelligible) in a market like the Netherlands. And then we bought (unintelligible) and this is form a (unintelligible) example.

We have decided we are going to start selling (unintelligible) because (unintelligible) consulting we thought this product would be easier sell, would be a much faster sale and so on. So we gave up on the revenue stream which we new we would have.

Or - and we do all this every other day. Virtually on acquisitions which is already pin line writing that but then the measure should be once we made that acquisitions how much do we glue it is the question also because that becomes organic at some point, you know.

So when you look at that - when you consider that question I will tell you look at our history of any acquisition and I will walk you through each one of them.

You can look at any of our acquisitions so I could get started with any one and you will see that the minimum growth quarter - from the time we bought it on a quarterly basis in that particular quarter when we bought it to today.

The lowest number that I can see is almost 67%, 67% growth since that quarter that we bought it to where it is now. We have had acquisitions of growth of 100% or more in their revenue since we bought it.

So it depends on how you - what you do, how you cross sell, how you integrate so it gets a bit more complicated then that.

We don't really internally start discussing this is organic and this is inorganic because the moment you start doing that you're creating a (unintelligible) of, you know, same (unintelligible) doesn't really stand and we want everybody to believe the same.

This is one company, these are our products there, you know, everybody has to own everything. So we integrate very, very nicely everything.

(Joseph Garner): Okay. You talked earlier about the foreign exchange impact particular - relative to the Australian dollar, are a number of your costs also in the local currency in Australia which might mitigate the bottom line impact.

Robin Raina: Well let me answer that, yes your absolutely right meaning the cost is in the local currency of (unintelligible) and so is the revenue. So (unintelligible) in fact is mitigated as you likely said.

So now your left with a net income number and that's the net income number that could get mitigated, but then there are other - you see it's very difficult for me to kind of go through in detail (unintelligible) and but our subsidiaries also.

Because we try to keep our costs in check so different subsidiaries work for each other and the companies pay each other for the work that they do for each other and again that's on a P&L basis that is all, you know, balanced.

But at the end of the day there might be some ways to mitigate that. Some of the impact the foreign exchange because of companies having to pay each other on (unintelligible) basis for the work they do for each other.

(Joseph Garner): Okay and a final question that I had for you today, that you once again showed some very significant improvements in your operating profit margin and I'm just wondering if you could comment at all in terms of whether or not you see opportunities for additional leverage of the business as you grow it to perhaps drive that margin higher in the future?

Robin Raina: You see I didn't answer - I didn't answer that question. Who would imagine to be 12%. I never told the market that that's what we will get to. I have always said the companies goals has always been and I said this three years back when our margin used to be much lower, I said our goal is to keep our margin at 30% or higher that's our intent.

Now where do we go from here? I let the numbers speak for themselves in the future I don't want to issue any guidance or any - or any - don't want to (weigh) any expectations right now.

(Joseph Garner): Was there any thing unusual in the third quarter that would have caused the margin to be higher than normal?

Robin Raina: No the good news is it's a very matter of fact quarter. There is nothing - it's there is not even - that if you ask me is there a particular deal that I could point to say or we'll this deal really accounted for this. The good news like I said in our business there's - that our business is very well spread out.

So there's no real one thing that I could pin point that truly impacted our revenue or our margin numbers. We put up a matter of fact kind of quarter and as I said our margin possibly could have been a bit better if you consider the fact of the exchange rate that we just talked about.

Even (unintelligible) , you know, (unintelligible) with respect to second quarter.

(Joseph Garner): Okay well thank you very much and congratulations.

Robin Raina: Thank you.

Operator: Your next question comes from the line of (Bill Wolthendon).

(Bill Wolthendon): Hi good morning.

Robin Raina: Good morning (Bill).

(Bill Wolthendon): Just a couple quick questions I wanted clarify something you said earlier when you were discussing the exchange business and you - I think you mentioned that in the sales pitch that you consider these companies that they can save 30% of cost? Was that the right number?

Robin Raina: No what I - yes - what I said to you was and this is not something we always walk in and (unintelligible) but what I mean is we come across once in awhile a situation where there is a live carrier and it typically happened on the back end side.

You know, on the carrier business side and there's a carrier who's using historically legacy systems and they say well - and we walk in and we one of the pitches we immediately give them is why don't we do a deal.

Forget everything else we'll kind of guarantee your 30% cost reduction if that's what appeals to you because that's not a discount number to be - yes the legacy system sent to be so expensive and again, you know, they tend to

require so much of man power internally that, you know, if you go on to newer technologies cost start falling off very quickly.

(Bill Wolthendon): Okay and then just on the - on the (Health Access) I think you talk about the rationale for the acquisition but I think the most recent data point is they rejected the offer are you sort of done there or you going to consider maybe proxy battle? Or I'm just a little perplexed why they...

Robin Raina: I will say this, that we will answer what they have - what's out there. They have presented some facts out there with - some data out there which is not factual so I think it is our responsibility to first of all answer those.

We have been reasonably disappointed with the way it has been handled and we are pursuing - we will pursue different options. We are going to consult a counsel and see what next step we need to take.

Again if there is function of - you see one is to decline it - we understand getting an offer declined, if it was not a high enough offer or being declined when your investor base doesn't support it.

If we're getting hundreds of calls from investors of (Health Access) would like who thinks (unintelligible) is a great offer. So we're at a tremendous loss to understand which part of it is not - isn't really going through.

So we will tend to answer it because there is a lot of like - I said they've put a lot of data out there of - and I would like to say first of all we believe it was misrepresented, we also believe that some of the data that has been presented is not factual in our view point and believe it is our right to correct the record.

And also meaning we are not emotional about anything, you know, I am - as a management team we are clinical about what we do. We don't get to attached to something that we have to put (unintelligible) however as I said in the beginning in my comment if something makes sense for the - our shareholders we're going to pursue it.

(Bill Wolthendon): Okay.

Robin Raina: And until the time it makes sense. At the time we feel that it is not making sense for our shareholders we're going to leave it there's no question about it. And if - and our offers have reflected that. They've been - they have been constructive keeping our shareholder interest in mind and keeping (increasing) value in mind.

But again we understand the thought of, you know, what has happened. I think what has kept up in play in concealing them is a simple reason that we see a (ground) swell of support for our offer.

And - on the (Health Access) side so we're going to attempt - we are going to look at all our options in the coming days and then decide what exactly we're going to do.

(Bill Wolthendon): Okay great thanks for that. And just lastly is there anything out there, you know, like currency or the (live) large numbers or the macroeconomic environment that would prevent you guys from your continued string of sequential growth?

Robin Raina: That's a difficult question to answer that meaning as I always say in all my calls there are no guarantee to growth anywhere for any company. Again

incentive to continue the growth, the incentive to do the right thing and make a fundamentally strong company.

Now towards that if - do I see anything on the horizon that could dramatically infect us badly or anything like that? No I don't. But again we're living in an environment where we will - everyday's a new day.

At the same time like I said I - you're talking to somebody who does not like to exaggerate or does not like to - have big expectations so I kind of hate to give an answer - a bigger answer than that.

But I would say that we - I think the proof lies in the pudding if you look at our consistency and look at what we've received over the last few years, eight years. And again look at the - what we have always said. We would like to let our numbers speak for ourselves and in the process we'll continue working at it.

(Bill Wolthendon): Fair enough thanks Robin.

Robin Raina: Thank you.

Operator: Your last question comes from the line of (Walter Ramsley).

(Walter Ramsley): Hello Robin, congratulations great quarter.

Robin Raina: Thank you.

(Bill Wolthendon): Hey going back to that organic growth rate in the second quarter as I recall doing this cost off the top of my head, the way it was calculated in 10-Q it came out to approximately 17%, I mean is there more or less where it stayed?

Robin Raina: Probably, may I frankly don't have the numbers in front of me but like I said, meaning in a few quarters of this - you see it becomes - first of all it is difficult to define what is organic and what is not. Meaning...

(Bill Wolthendon): I know...

Robin Raina: I understand of example - we just also (unintelligible) for example which is presently an acquisitions but the moment - the moment you start growing it at some point, you know, you got to call it organic many - you understand that - it's not ready revenue that just falls and - that - if you're growing revenue that means that's new revenue, you know, and I would like to call that organic.

So it gets a - but yes meaning you have a correct number for Q-2.

(Bill Wolthendon): Okay and the operation in India? I mean I know it - the Australian line hurts it by \$400 K should the currency in India help and how much was there?

Robin Raina: Well India is a cost center India is primarily a cost center India is a - there's not been a - there's not really been anything meaningful on the currency fund but I could offer you about with respect to the third quarter in respect to India.

But overall India continues to do extremely well if that's your question and we'll continue to grow our manpower in India and we continue to grow. We're investing in new infrastructure there all the time.

(Bill Wolthendon): Okay and among the insurance carriers that you're currently working with have any of them indicated either officially or unofficially any plans to cancel or curtail any relationships at the end of the year?

Robin Raina: We do not know of any carrier who has orderly or in writing communicated with us today, that they intend to terminate in the next 90 days or in the next 12 months.

(Bill Wolthendon): Okay.

Robin Raina: And again I make that statement orally and in writing we do not know anything like that as of now.

(Bill Wolthendon): Okay the short-term debt that the company has can you tell me when that comes due?

Robert Kerris: That's our line of credit and that has a another year on it but we fully expect to renew that we, have a very good relationship with our commercial bank.

(Bill Wolthendon): Okay the convertible buying, can you review for me again what conversion rate...

Robert Kerris: Those are both conversion instruments with a (white box). The interest rate is 2.5% they by the way on their first notes of December of '07 have converted to date approximately 6 minor principle.

As far as the conversion on that if you can hang on one second the first note is convertible at the rate of \$21.28 - \$21.28 cents per share and the second note which is executed in July compared to \$28.00 per share.

(Bill Wolthendon): Okay so the first one was for \$20 million and the second for \$11?

Robert Kerris: The first one's for \$20 million, the second one's for \$15 million. Of the first \$20 million they've converted 6 minor principles so far.

(Bill Wolthendon): Yes I understand what you're saying, okay sorry about that I got a little mixed up. Okay great thanks again appreciate it.

Robert Kerris: Thank you.

Operator: And there are no more questions in queue.

Robin Raina: Okay well thank you everybody for attending our investment call. We hope to speak to you soon next as we finish our fourth quarter results and announce our financial results next year now. Look forward to speaking to you again.

Robert Kerris: Thank you.

Robin Raina: With that I'll close the call.

Operator: This concludes today's conference call you may now disconnect.

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