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Moderator: Robin Raina
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Operator: Good morning. My name is (Ashley) and I will be your conference operator today. At this time, I would like to welcome everyone to the 2009 Second Quarter Investor Conference Call. All lines have been placed on mute to prevent any background noise. After the speaker's 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 one on your telephone keypad. If you would like to withdraw your question, press the pound key.

Thank you. Mr. Robin Raina, you may begin your conference.

Robin Raina: Yes. Good morning. Good morning, gentlemen. Thank you for attending Ebix 2009 Second Quarter Investor Conference Call. I have also here with me Ebix CFO Robert Kerris.

Our Q2 2009 results were announced a few hours back. Let me summarize those results for you. Second quarter 2009 results were, yet again, record results, the best ever in Ebix history in terms of diluted EPS, net income and revenues. Each of the last many quarters has been a record result with each quarter beating all of the proceeding quarters in our 33-year history as a company.

As a management team, we have believed in being consistent rather than producing spectacular quarters. You could compare these results to the second quarter of 2008 or the first quarter of 2009 and our comparisons will show that the present quarter (goes over) all of these quarters on all four key criteria, growth, revenues, net income, diluted EPS and net margins.

Let us delve a bit deeper into this, into these numbers. A comparison of the second quarter 2009 numbers to the second quarter 2008 numbers reveals that all four namely revenue income, EBITDA, and diluted EPS grew in this quarter as compared to second quarter of 2008. Revenue grew 26 percent from 17.8 million to 22.42. EBITDA grew 33 percent from 7.8 million to 10.4 million. Operating income grew 34 percent from 6.91 million to 9.26 million. Net income grew 41 percent from 6.34 million to 8.96 million.

Diluted EPS grew 35 percent from 54 cents to 73 cents. And the basic EPS grew 35 percent from 65 cents to 88 cents. The net margin numbers grew from 36 percent to 40 percent. The diluted share count grew four percent from 11.98 million shares to 12.49 million shares.

Let's now compare these results to the first quarter 2009 results. A comparison of the Q2 2009 numbers to the Q1 2009 numbers reveals that all four namely revenue, income EBITDA and diluted EPS grew in this quarter as compared to Q1 of 2009. Our revenues grew 8.47 percent from 20.67 million to 22.42. Our EBITDA grew 9.47 percent from 9.5 million to 10.4 million. Our operating income grew 10.81 percent from 8.36 million to 9.26 million. Our net income grew 7.5 percent from 8.34 million to 8.96 million. And that diluted EPS grew 5.85 percent from 69 cents to 73 cents. And the net margin numbers remained consistent at 40 percent.

The significant strengthening of the U.S. dollar as much as 15 percent with respect to the Indian rupee, 20 percent with respect to the Australian dollar, 22 percent with respect to the New Zealand dollar, and seven percent with respect to Singapore dollar, as compared to the second quarter of 2008 had an adverse effect on our financial results.

For those of you who like to look at currency neutral results I have some numbers for you. Currency adjusted revenues in the second quarter of 2009 grew to 23.8 million, 33.8 percent increase over the second quarter of 2008. Currency adjusted net income after taxes in the second quarter of 2009 grew to 9.9 million, a 55.6 percent increase over the second quarter of 2008. Basically, what it means is if you were to keep currency rates constant

between Q2 2009 and Q2 2008 Ebix revenues would have been 1.4 million higher and net income would have been \$789,000 higher. Currency adjusted is a non-GAAP financial measure that we use solely for comparing numbers from two different periods without the impact of foreign exchange.

Ebix business is broken into four channels, the carrier channel, exchanges, broker channel and the BPO channel. If you look at the performance of these channels I have few numbers for you. Exchange channel in the second quarter of 2009 grew 40.3 percent from 9.3 million to 13.1 million. The BPO channel grew 104 percent from 1.8 million to 3.7 million. The broker channel went down 24.4 percent from 3.7 million to 2.84 million. The carriers systems channel went down by five percent from 2.8 million to 2.7 million.

When you compare the performance between Q2 2009 and Q1 of 2009 exchanges grew 9.38 percent, BPO grew 10.5 percent. Broker systems grew 14.3 percent. And the carrier systems went down four percent.

When you look at these numbers the broker channel was mostly impacted downwardly by the currency fluctuation and the fact that newer decisions are harder to get by these days. Our broker business is mainly international and thus currency fluctuations impacted the most.

We're not overly concerned with this as the broker channel is one of our most reoccurring revenue bases with a strong business (pipeline) at any time. To add that, our recent strides especially in New Zealand, Europe and Asia have given us reason to believe that this channel will continue to be the strong pillar for Ebix.

The carrier channel was somewhat downwardly impacted and it was mostly impacted primarily because of carriers delaying decisions and delaying budgetary decision in the present economy. Again, we believe that while we have work to do in the carrier channel we believe that there's no reason for concern.

Our pipeline continues to be good with many well established – with many well awaited deals having been agreed to in the last 90 days in the areas of exchanges and BPO with the who's who of the market both in the financial

world and Fortune 500 companies. The economic environment continues to create pressure on insurance companies reducing their spending. But Ebix has continued to use its cross selling to open up new opportunities and keep revenue growing.

We continue to work on improving our balance sheet and are committed towards significantly reducing the debt on the balance sheet. As of June 30, 2009, the total convertible debt balance stood at 19.81 million with 5.31 million maturing in December 2009 and 14.5 million maturing in July 2010. Both the converts are in the money. And the common stock after conversion is already fully counted in a diluted EPS count for the calculation of quarterly and annual EPS results as if it has all ready been converted.

So how do we judge our own performance in the second quarter of 2009?

Most companies look at their performance relative to their peers and competitors to gage the degree of their success. Over the years, like other companies Ebix had to make a choice between top line growth and high margins. We decided to take the difficult route of going for both high margins and decent growth. We decided to charter on our own path by setting new benchmarks for any on- demand software company in the United States in terms of net margins. We have always believed that high margins are not a function of the line of business you are in, but a function of common sense business mathematics which dictates that selling price must be a lot higher than the cost price.

As you know, there has been a considerable slow down in the economy across the world. Our goal has been to build a company that does not just build its business around a great economic time, but is also prepared for its occasional, unpredictable volatility. Our obligation has been to build a company that can thrive in any environment. We believe that a good company needs to capitalize on its strength to grow aggressively in down turns when its competition is unable to do so. The mark of an exceptional company is consistently good performance relative to itself, its peers, and its competitors regardless of economic conditions and competitive threats. We want Ebix to be that kind of a company.

I'm often asked as to how we are able to keep the company growing in such a difficult environment. I'm going to endeavor an answer to this question during the rest of my talk today.

To help us withstand economic downturns and competitive pressures over the years, we took a number of steps over the years which are helping us today. One, we decided to focus ourselves on infrastructure based software services. Most software companies are either product based or service based companies. We decided to become an on-demand software company that focuses itself on becoming an infrastructure player.

We wanted our business to be like an airport. That is required by all airlines whether they have to land a flight or take off the flight. That required Ebix to take a completely different approach from our peers and competitors and we decided to do that with the belief that infrastructure based services are difficult to create, but once created, difficult to dislodge. With each passing day, our exchanges are becoming more like airports that are required by all airlines irrespective of who they are.

Two we decided to get into areas wherein with the right plan we could dominate in a relatively shorter period of time. For example, today we are a premiere insurance exchange in the life and annuity markets in the United States. We're a premiere exchange in the insurance certificate business in the United States. We are the premiere exchange in the property and casualty markets in Australia today. We believe that we can replicate this success across other lines that we have entered and across many other countries around the world.

Three we knew that exchanges are like land grabs with excessive resistance to entry of late entrants into the marketplace. We decided to move aggressively and quickly into some of these infrastructure based areas, where the opportunity was there, but somebody needed to hand hold the prospective customer base on the advantages of aggregation based exchanges. Besides great technology and providing a single window to any user to deal with multiple entities B-to-B exchanges are based on aggregation. Once the

threshold number are crossed, it becomes a catch-22 position for a new vendor to enter the market as the users want aggregation on day one before they commit to using the exchange. We believe that we have crossed these threshold levels of aggregation.

For example, we conducted \$16 million transactions in life insurance in 2008. We conducted 36 million in annuity premiums in 2008. We have 75 of the Fortune 500 companies using our certificate exchange. In summary, we power in excess of 100 billion in premiums on our platforms today.

Four, we saw an opportunity to be the only player in the world who could service life, health, property casualty, annuity, etcetera while addressing all four channels, carriers, brokers, exchanges and BPO services. We decided to grab the opportunity to be the only player who would endeavor to do that across the world while converging data across all of these channels. The opportunity of letting say a large carrier to deal with one vendor instead of hundreds is another huge opportunity for Ebix. As also a rather large opportunity for insurance companies to get more effective and more productive.

Five, we decided to follow the (Ray Kroc's) legendary model of delivering same quality across the world. We today deliver standardized systems around the world with multilingual, multicurrency features, country specific detailed customizations and yet have a common code base with switch on and switch off features. That is a dream for a multinational corporation and keeps Ebix apart for many other insurance software services player.

Next, we invested in building solid, but optimum infrastructure. Great companies consistently build their infrastructures. They strive for the best systems and back office operations. They are highly efficient. They cut waste constantly and the invest continuously. Ebix is not a big believer in excessive division of labor. Ebix corporate philosophy is to retain above average employees who can multitask and share Ebix faith inculcating cross knowledge to all employees. This allows us to eliminate unnecessary redundant and bureaucratic behavior from mushrooming in the company's culture that today breeds an innovation and a can do attitude.

We are not a believer in headcounts for the sake of it. We believe that an optimum workforce leads to increased productivity and potentially happier and better devoted employees. This risk cutting has not hurt the company's performance or customer service. In fact, it has improved our operations leading to Ebix not having lost a customer who even accounts for more than 0.3 percent of our revenue in the last eight years.

Next point. We decided to invest in creating effective systems and effective operations. We decided to aggressively consolidate, streamline, standardize, and centralize our back office activity. We believe that an efficient business with controls will help us have a better handle on our own destiny rather than deal with surprises towards the end of each quarter. With 20 plus offices across the globe it was important for us to establish controls that had a check and balance mechanism built into them while not comprising on nimbleness.

For example, everything we do internally with Ebix is automated over the Internet today. To book a flight our employees use our internally developed and mandated tool, iTravel. To ensure a purchase order we follow a system called iRequest. To file an expense report, we use a system called iExpense. To ask for leave application we use a system called iPlan. To request a hire we use a system called iHire and so on - all of this on a common employee dashboard available to all employees at all times. The system thrives on centralized controls, checks, audit trails, and nimbleness with the system tracking timelines or delay points.

Next point. We continue to make substantial technological and other investments in the future. No company has ever had much of a future by cutting costs alone. Success is measured by top and bottom line growth. So we are investing substantially in our businesses to increase our market share, revenue and profits. We invested in CMMi 5 development units in India. We invested in approximately 65,000 square feet of world class space in India, in the form of three fully owned buildings. We invested in creating a learning organization wherein at any time 30 percent of our development staff in India is masters in computer application students fresh from college with the goal of imparting insurance knowledge and technology expertise at an early stage,

and groom them the way we want to. We continue to invest in cutting edge technologies with the goal of being a few years ahead of our competition at all times, even if we have market domination in that channel segment already.

Next point. We have always believed that for consistent success it is important to achieve and maintain at most integrity and great financial discipline. The role of finance is to exercise optimum corporate governance and ensure that there are checks and balances in the system while grasping in detail what it takes to run a successful operation. We believe that ethical behavior doesn't just happen.

It has to be cultivated and repeatedly affirmed throughout the organization. At Ebix acting with integrity is a paramount expectation. It applies to every aspect of our company including finance, employee relations, marketing and sales. Maintaining the highest standards of integrity involved, faithfully meeting our commitments to our customers, our fellow employees, to the board and to all of our shareholders.

We've always believed – next point. We've always believed that the success of any company eventually comes down to the quality of its employees. Building a great team and developing deep bench strength are requisites for any company's long term performance. One of our biggest priorities has been to assemble an exceptionally capable group of senior manager who can drive our future growth by adding talented executives from outside and by promoting the deserving from within.

Ebix today has a strong world class management team with a top group of at least 16 senior executives who have the ability, knowledge, vision and drive to be able to step up to the highest level in Ebix. We have been able to align the interest of these senior employees by aligning their interest with the company to performance based compensation linked to specific goals for each person.

Most of our senior staff has shown their faith in the company's future by choosing to have this compensation in the form of restricted stock rather than cash. The current economic environment has made things harder for any company. The insurance industry world wide has been hit severely by the

present economic crisis. And new capital expense decisions that can be delayed are either being delayed or just being put into cold storage.

To add to that, the strengthening of the U.S. dollar has had an adverse effect on our revenue and net income numbers. Our exchanges continue to do well as they are part and parcel of any insurance company's effort to increase revenues and decrease costs. We believe that steps we took over the years, and the basics that we adhere to every day have helped us insulate us from the economic hardships to some extent. Considering all of that, this has been a satisfying quarter to the extent that it helps underline the fundamental strength of the company today.

Our repetitive revenue streams and infrastructure based transaction services help ensure that Ebix continues to grow its revenues, net income and diluted EPS (inaudible).

Lastly, as always, the audio transcript of this and any of our previous calls can be heard and downloaded from the investor home page on Ebix site www.ebix.com after 2:00 p.m. Eastern Time today. Also I would encourage you to visit the comprehensive investor home page on the Ebix site with a view to providing a 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, press star then the number one on your telephone keypad. We'll pause for just a moment to compile the Q&A roster. Your first question comes from Mr. (Simon Poruet).

(Simon Poruet): Good morning. Do you have a figure for the NOL carry forward at the end of the quarter?

Robert Kerris: This is Bob Kerris. One second, please. That figure would be approximately 34 million.

(Simon Poruet): Thank you.

Operator: Your next question comes from (Harry Long).

(Harry Long): Hi, guys. Absolutely fantastic numbers. I had a couple of quick questions. Mr. Raina, you touched briefly in your remarks on network effects in the exchange line. Could you discuss that a little bit more and the power of the network effect in the exchange line?

Robin Raina: Sure, (Harry). You see what basically the thought was the aggregation effects, what truly happened in an exchange environment is that there's a threshold level. What I mean by a threshold level, to give you an example there – what does an exchange do? An exchange is cutting paper out of the process and it is automating the entire insurance process over the Internet.

Now, when you do that, you – in an exchange environment are connecting thousands of entities with each other. Now, when you look at that really – so – if there is one broker who wants to communicate let's say to 20 different insurance companies because this broker is licensed with these 20 different insurance companies. The broker likes to use an exchange, so that the broker only has to do one data entry and in real time, they're both dealing with each other, rather than making 20 different data entries and 20 different (Forex's flowing) at different stages.

Having said that, that's what a broker would like to do. So now when a new exchange player steps in the market and goes back let's say to this broker or one of these 20 carriers and says you know what? I could offer you the same service that Ebix offers but I will offer that to you at a 50 percent pricing discount there is value and then there is little value because the issue becomes aggregation. The issue becomes when a new player they need to walk in on day one with an aggregation because no broker would use that exchange, the new exchange with just one carrier. They're not going to do multiple data entries. They want to be able to still do the same data entry and deal with all of their 20 carriers.

So they're going to tell that new exchange, can you bring me all of the 20 carriers that I worked with today? And when they to go an of those carriers

that carrier is going to say – any one carrier is going to say can you bring me the remaining 50 carriers who are supposed to be on the exchange? Because carriers today are intelligent enough to know that it is important for them to be part of exchanges because they understand the independent agent concept. They understand that everybody – any good elite agent would like to have choice, would like to make sure they can provide the right consulting to their customer. And towards that extent it becomes very important for that carrier to – for the carrier to be in play, that carrier needs to be part of some kind of an exchange, otherwise, they might miss out on that business.

So it becomes a catch 22 for a new software exchange who's trying to launch an exchange to come in and convince this insurance company to sign on in spite of having dramatically lower prices possibly because it's a catch 22. The carrier will ask for the remaining carriers. The broker is going to ask for the remaining carriers, and it gets very difficult.

This is the positive and the negative. Negative for us because if we enter some new market where let's say there is an existing exchange who's successful, then we have the same problem that we're dealing with. How do we (destroy) them? And at times our only choice is to buy them because it's so difficult you know nibble our way through and become the exchange. The good news is that most of the markets across the world don't have that exchange – don't have an exchange. They have a need but nobody has really taken that effort of building these exchanges. That's where the opportunity also lies. And clearly, where we have established ourselves it's going to be difficult for a new player to come in and dislodge. It's like a land grab, as I said.

Did I answer your question?

(Harry Long): Yes, sir. Yes. If I have any more later I'll get back on the line. But just wonderful numbers. You guys should all be very, very proud.

Robin Raina: Thank you.

Operator: The next question comes from Mr. (Vincent Capazi).

(Vincent Capazi): Yes, hi. Very good quarter, as usual. Thank you.

Robin Raina: Thank you, (Vincent).

(Vincent Capazi): I want to say you're – the U.S. dollar last year was stronger than it is this year. Now, this year, the Australian dollar, I know for example is coming up against the U.S. dollar. So is there any way you can tell us how many – how much your earnings would be improved by a given increase in say the Australian dollar? Like, for example, if the Australian dollar went up 10 percent can you give us an idea of how much that would increase your earnings?

Robin Raina: Well, let me – that's a bit difficult to answer the question, and I wouldn't hazard a guess on that because it depends – as you know it only depends on so many different factors. But I think I did say somewhere here. I think when you said initially that the dollar was stronger last year, that's not necessarily true.

In – we are comparing average periods in second quarter '08 to second quarter of '09. Now, there is an improvement in Australian dollar between Q1 of '09 and Q2 of '09, slightly. But when you look at Q2 of '09 and Q2 of '08 really we – our numbers if you were adjusting currency, adjusted revenues, our revenues would have been almost if I have the right number here – our revenues would have been 1.4 million higher. If we were taking the same currency rate from the last year and our net income would have been \$789,000 higher.

(Vincent Capazi): Right. You're right. I actually misspoke. I meant to say that the Australian dollar was higher last year. But now – and then it went down. But now it's now the way up. So I'm just wondering, like I follow the Australian dollar quite a bit because I know we have a big investment in your company so I want to see how it's effecting ...

Robin Raina: Well, let me answer that, (Vincent). Let me try to answer that truly from my perspective, how I think about it. You see when – in my position or in our position as officers of this company, one of the key things that we have learned over a period of time is that we don't want to gamble with our business. We want to make sure that we are consistent in what we do.

Our effort in the coming days will be to try and hedge. And simply because you see while the dollar – while it looks like the U.S. dollar is going down and the Australian dollar is going up, as you know, it has been volatile and it can go either way. We feel we would rather be consistent rather than play and make money simply because the dollar went up or went down. So are we going to try to remove this aspect of currency variations and we're looking at options to hedge currencies. So really I wouldn't worry too much about whether it goes up or goes down, meaning, we'll try to at least look at various ways to reduce the impact of that.

(Vincent Capazi): All right. But as of yet, you haven't started the hedge yet?

Robin Raina: We have some amount of hedging we have put in place. Between Q1 and Q2 we did put some hedging in place against (AR between subs). And we have taken a hit (a million hedge) to give you an example in India, well you'll read about it in the 10Q. We have taken a (a million hedge) that kind of helped us a little bit this quarter in the sense that otherwise the impact could have been even more.

(Vincent Capazi): I see. All right, now going – changing the subject a little bit, the \$24 million debt that you have there, I believe, is that due by the end of this year?

Robin Raina: Yes, it is 25 million, 24.95 million. It is due by August of this year. Again, I wouldn't be concerned at all about it. We have various options available right now, meaning I'm not at liberty to right now talk about this. It's something that I couldn't make public at this time but basically we are in very good shape.

(Vincent Capazi): All right. So I can't – I guess can't ask you about issuing shares, right?

Robin Raina: No. You can ask me anything, please go ahead.

(Vincent Capazi): Well, I mean in other words, do – if there any share – can you tell me anything about a share offering that may be happening in the future?

Robin Raina: Well, meaning we don't have any plan as such right now, but you know it will depend. If we – you see if we went in for a share offering it would be a very good sign to the market that we're ready to make a new acquisition. Which means, as you know by our history the market knows that we only get into an acquisition if it is accretive for our shareholders. So if we're going to raise any money in the public market by sale of equity it would be – it means that side-by-side there is another transaction possibly that is going to happen, an acquisition transaction. And if that happens, that's not going to be dilutive. It's going to be an accretive transaction for the shareholders.

So it will – you see I'm not at liberty to talk about whether we are in a – what we are redoing on an acquisition market right now, but you know that we're always in the market. When we get closer to something that is sizeable, smaller acquisitions we're able to fund for within. We continue to generate a decent amount of cash from – internally. And smaller acquisitions we can make from within. But then when you go in and do something larger, there might be a need to go out. But if we do, rest assured, that's not going to be a dilutive transaction, that's going to be an accretive transaction for shareholders.

(Vincent Capazi): All right. Very good. All right. Could you tell me, do you have any competition that's comparable to your exchange kind of thing?

Robin Raina: Well, there is clear competition. I couldn't disregard my competition. I could tell you that the challenge is (Vincent) that we have competition, meaning we could – in every country – you can – you always have to be humble and you always have to. We do dominate in the area that I talked about. Clearly, there will be people who will try to make efforts, and we always have to be watchful. So that's the answer I will give.

But if you ask me, in these exchanges is there anybody meaningful that we would talk about? No, I wouldn't. I don't think so. But does it mean that nobody meaningful can come in, meaning I would say yes. It's a bit difficult, but it doesn't mean that it is impossible, meaning we have to keep watching our back all of the time.

(Vincent Capazi): All right, last question. With the 34 million of NOLs do you have any idea when you're going to have to pay more income taxes?

Robin Raina: Well, I think first of all it's an answer that you know will be looked at you know on a quarterly basis. Right now, we're in the midst of a pretty detailed tax exercise with Ernst & Young. And once we have finished with that exercise we'll have a better handle on when this will be finished because it's worldwide tax strategy which will change a few things for us. So once that is done, I could give you a much better answer on it. But we think we have still some time to go before we worry about NOLs getting finished.

(Vincent Capazi): OK. Thank you very much. And again, it was a great quarter.

Robin Raina: Thank you.

(Operator): And your next question comes from Mr. (Marty Hyman).

(Marty Hyman): Two questions. One could you give some perspective on how you might expect in terms of an op ex to scale with revenues? Even going so far as kind of a target business model, if you would care to.

Robin Raina: Sorry, could you repeat that question again.

(Marty Hyman): How you expect operating expenses to scale with revenues? How you expect growth and operating expenses to move with growth in revenues at the same rate, lower rate, below the gross margin line in particular.

And then second you know in terms of the acquisitions you know you've done or you might contemplate are there other opportunities there to pick up on additional material tax benefits in terms of NOLs. Thank you.

Robin Raina: Thank you. Let me first of all answer the first question related to operating expenses and how we see them proportionately going up or not with respect to revenues and future growth. I think let me first of all this is a bit of a difficult question for me to answer to the extent that we do not issue any guidance you know.

In terms of, I could tell you this that this question to me what it means truly is what do we expect from our margins? I couldn't tell you where our margins would be tomorrow because we don't issue guidance. But I could tell you where we would like them to be. We've always said, we would like our net margins to be 35 percent or higher. We've been consistent right now at 40 percent net margins. And when you look at that, that's where we would like to be. Meaning we don't want to go down on our net margin. We would like to improve it given a chance.

We also believe that on exchanges, once you grow beyond a particular point there can be game changer moments which could possibly improve our net margins. Now, is that a guarantee? No, it is not. It is something that we are going to endeavor to go work towards and something that we're committed to. But I couldn't issue specific items to you with any of this. '

On acquisitions with respect to NOL's, meaning acquiring any NOLs. But of course, we keep our eyes open to look out. We're looking at, you know we don't want to make an acquisition just for the sake of an NOL. We – if an NOL – if we are able to inherent an NOL which is sizeable enough (good fee) you know meaning (section 382) kicks in once you acquire a company which limits your NOL acquisition.

However, we're really open to that meaning – but it has to be – we don't – we want to make an acquisition for the sake of growth, for the sake of dominating in the market. And getting an NOL is a plus you know and that's the way we're looking at it.

(Marty Hyman): Thanks much.

Robin Raina: Thank you.

Operator: And your next question comes from Mr. (Joseph Garner).

(Joseph Garner): Robin.

Robin Raina: Hi, (Joe), how are you?

(Joseph Garner): Very good. Thank you for the strong performance in the quarter. We appreciate that.

Robin Raina: Thank you.

(Joseph Garner): We were wondering – you had mentioned the health insurance platform in your opening comments. I'm wondering if you could give us an update there on how that particular exchange and business line is coming along for you. Have you been hitting the threshold points there? And what is your strategy and expectations in that market going forward?

Robin Raina: (Joe), that's a great question. And I almost should have talked about it. Employee benefits, there are two areas. Let me break my answer down in two parts. The first is employee benefits and then I'll talk about health plans, the back end health plans.

We entered the employee benefit market as an on demand software company offering employee benefit solutions to large CPAs, to large insurance companies and so on. Today, we have around nine million ensured life on that platform. That's how employee benefit is kind of you know you gage your success based on how many lives you on your platform because that's how you get paid out, so based on each life.

Now, having said that we are not the leader. There are larger players. We are almost – I would say we are probably in size now getting to be the third ranked player in the market. We believe we can dominate in this market. We believe there is a big opportunity for us to become a larger player. You will see us consolidate the market in employee benefit. We think that especially the current time is an opportune time to make a few acquisitions, consolidate some platforms, bring them on to a more cutting edge platform.

We believe in a concept what we call revolution with evolution. What we like doing when we acquire some of these disparate platforms is we try and create this revolutionary product and however we call it revolution with evolution because we want it to be a revolution from a technology perspective and functionality perspective. But it should – but it has to be an evolution for the customer in terms of moving their own data. What I mean is that we don't

want to pass the pain of our revolution to the customer. We want to pass the gains of our revolution to the customer.

So having said that, we try and marry this revolution with evolution. And our goal is to consolidate the market and bring in – and become the largest employee benefit exchange in the U.S. We also believe there is an opportunity to take this employee benefit play across the world. Now, there are markets like for example, Asia, where there's clearly a market. There is Europe, for example, where there's a market. We are looking at Latin America with a lot of interest. Places like Brazil. There's a market for employee benefits. And with a little bit of customization that market considering we all ready have a region to these markets, we feel that we can take these platforms into these markets.

And so in recent times, for example, we have just started a Latin American division out of Miami trying to go out to the Latin American markets and employ benefits.

The second part of the answer would be related to the health you know plan market. This is a rather you know exciting time in the health market. As you know many of Obama's new plans there is this talk about building B- to-C exchanges. There's talk about building a national insurance health exchange in the middle to try and drive productivity. Now, some people see that as a threat. And some see it as an opportunity. We see it as an opportunity.

Our belief is that you know building a B-to-C exchange is relatively easier. When I say earlier, I mean you can have basic concept but it depends on what does the B-to-C exchange really do? Is it really interfaced with a back end system of insurance companies, of the health – large health insurance companies? Clearly that will be the need; otherwise this insurance exchange wouldn't work.

But to make that happen, if there is a need for really a B-to-B health exchange because there needs to be hooks, they need to be interfacing hooks into the back end, back end systems of large health insurance companies or any health insurance company so that they can deal with this new plan.

Now, when you think about that, that means there is a need for a B-to-B exchange and somebody ought to do it. We feel that we want to enter that market. In coming days, you could possibly see us make some strategic acquisitions to get them into that space. To be an early entrant in trying to build that B-to-B exchange at the back. But to be an early entrant you want to use what is already available and there are some strategic acquisitions that take us there rather quickly. And that's the – so we're keeping our eyes open to that. I'm sorry (Joe) to give you such a long answer, but I thought it was a great question for me to address.

(Joseph Garner): Sure. I appreciate that. I'd be curious as to what you see the market potential in the health market as compared to what you've seen in the life and annuity markets?

Robin Raina: Well, in terms of size, meaning it's not – I wouldn't say – in my mind it's not – from a B-to-B player perspective, it's not necessarily a larger market than the life and annuity markets. We feel that finally life markets will be the largest markets for a software company like us. And there is life and opportunity all across the world. But I would – that doesn't undermine our thought about health but clearly that's the way we see it. We feel that life has a bit more opportunity.

And you know there is a bit more appetite for technology also there, whereas health has operated in the hands of a few players. There are not that many insurance companies, for example in health as compared to what's there in life. So that by itself puts some constraint.

(Joseph Garner): Thank you very much.

Robin Raina: Thank you, (Joe).

Operator: At this time, there are no other questions in queue. I would like to remind everyone, if you would like to ask a question, press star then the number one on your telephone keypad. Your next question comes from Mr. (Harry Long).

(Harry Long): Hi, guys. This is kind of a quick one. You know I'm getting basically when I'm running valuation numbers and this is just my own back of the envelope

thing. I mean it looks if you even take the latest quarter and multiply it by four; you guys are basically at a PEG ratio of like 0.25. And I think you know just as an investor kind of you know when one wonders why is a company that cheap?

I think the simple answer seems to be – there are many reasons right, but the simple answer would seem to be that you know you guys are innovating a lot of new ways of doing business. And a lot of things that investors are totally unfamiliar with in terms of your product lines, in terms of the way you guys executive, in terms of I mean different things they've never seen at any other software company. And so you know your Web site, I think is absolutely fantastic you know with the case studies and describing the different channels. But I was just hoping you know maybe just you know this is just a communication thing simply because people who aren't in the industry it's literally like trying to understand like a new language.

If you guys could do something on your website or somewhere else, maybe in a PDF where you basically take investors through you know what does a transaction look like on an insurance exchange. You know what's it like when somebody is inputting data into it all of the way to transaction completion? I think people kind of need an intuitive feeling.

Robin Raina: Yes, (Harry), thank you. Have you finished your question? Sorry.

(Harry Long): Yes, sir. Yes.

Robin Raina: OK. (Harry), let me answer first the valuation question and then try to give you my feel on it. Meaning as you know and you know how what my thought process is on it and what the company's thought process is on it, meaning while we believe we are undervalued, we respect whatever the market has done. We have never worried too much about where our stock prices is. We like to focus on our numbers and do our thing in a positive manner and hope that the market starts realizing that we're a consistent player and we don't like flash in the pants kind of performances.

Now, having said that in my perspective on why we achieved this clearly we are complicated, like you said. The second problem with is it that most people

try to put us in this common box of insurance software play – of insurance play. Most people try to look at us and say well, this is a software company for insurance. If insurance is getting badly impacted with all of the trouble around the insurance industry they ought to get impacted. And how can they be succeeding out there.

I think we do not get marks for being an on demand software company. When you look at the fact that meaning you have on demand software companies getting a PE between 87 and 30. And here is Ebix with a forward PE of less than 15. So I think there is a bit of a – the differences are mainly because of we're being put in a box. And I think some of it is we take responsibility for some of it meaning as I told some of our – in a recent presentation I was telling some people that I think one of the problems we're dealing with is we have a bad CEO in me and who sticks to his guns. Who sticks to his guns about not issuing guidance. Who doesn't speak to as many analysts.

We are starting to realize meaning that while we don't want to speak to as many analysts and imbalance ourselves and just focusing on what an analyst wants, we do feel today we have started feeling that many it won't hurt us to have some analysts, some good analysts, though, write the report. There's a lot of analyst interest today. A lot of analysts would like to cover the stock it's just that as long as – we feel as long as analysts do a professional job and we are not you know we're not spending umpteen number of hours with those analysts. It would actually serve the investor community well, and Ebix well to have a translator in the middle.

What you're basically asking for, the forms, the stuff, that's basically what an analyst does in a simple lingo that investors understand. We are – you know when we put it on our websites and go into minute detail we feel a bit uncomfortable because some of it is competitive data. Some of it is data where we don't want to be leading some of our competitors into what has to be done. Some of it can be very highly basic and we could do that and that point is well taken. At a high level we could define it.

But I think as we go forward, as we get some good analysts covering the story they will become better translators than we are. Today, currently like I said,

currently how I have operated as a CEO and how our management team has worked under me here we had almost worked hard to keep analysts away from us. But we're starting to realize that it wouldn't hurt to have some good seasoned analysts cover the story and bring it in simple language to people that investors understand.

(Harry Long): I mean basically even if it was something just like a one page PDF where you know it was little diagrams and pretty pictures. And someone could say well you know this is what an exchange is and they kind of intuitively feel like they understand it.

Robin Raina: OK.

(Harry Long): I just feel like there's kind of like that gap. Where for most people it's not as tangible – I mean by the nature of the business, right as a company that sells soda or razors. And if you can make it tangible for them I think that's really the key. But that's just my own thoughts.

Robin Raina: (Harry), that's a good point.

(Harry Long): But you guys have the best numbers in the world.

Robin Raina: Thank you. Now, (Harry), your point is well taken and we'll work to it.

(Harry Long): Thanks a lot, guys.

Robin Raina: Thank you.

Operator: Your next question comes from Mr. (Jeff Smith).

(Jeff Smith): Hi. I missed – maybe I misunderstood you immediately after you spoke about guidance you talked about growing within your current markets and there may be a game changing event. I don't know if I heard that correctly?

Robin Raina: Yes. Well, I mean what I basically meant was I didn't guarantee a game changing moment but I did say that – what I said was that once you get into exchanges, and once you start gaining in size. And once you start deploying them in different places across the world you at some point reach a level

which is – there can be a game changing moment. A game changing moment to us means that you cross certain levels where you become so critical to the whole process that your – your revenues keep going up and your expenses are not going up as much. So then your margins tend to become a lot higher than they are today.

And that's what I was referring to. We're not there today. But that's the game changing moment we would like to work towards.

(Jeff Smith): So how close would you be to that event?

Robin Raina: I couldn't answer that. I'm sorry, I couldn't answer that. That would be too loaded a question for me to answer.

(Jeff Smith): OK. All right. Thank you.

Robin Raina: But thank you for the question.

(Jeff Smith): All right.

Operator: Your next question comes from Mr. (Mark Lindy).

(Mark Lindy): Hi, Robin, good morning.

Robin Raina: Good morning, (Mark).

(Mark Lindy): A quick question. At the start of the call, you referenced exchange growth versus 2Q '08 of 40.3 percent.

Robin Raina: Yes.

(Mark Lindy): Where did that growth come from, from a country standpoint? Was a good portion of it Australia? Or was it fairly consistent?

Robin Raina: Well, it was fairly consistent. The exchange grew virtually in every area; I mean and keep in mind that Australia has been badly impacted by exchange rates. But in local currency terms they continue to grow. Our life exchanges have grown. Our annuity exchanges have consistently grown. Our P&C

exchanges in Australia have grown. So virtually it has been consistent across the board.

(Mark Lindy): Great. It was a very impressive number.

Robin Raina: Thank you.

Operator: And your next question comes from Mr. (Kurt Barton).

(Kurt Barton): Yes. I was wondering, I was looking on your investor relations presentation you had online I was wondering if you could break out possibly your organic growth that you've had over prior years? I noticed you put out from '07 to '08. Could you maybe guide us towards what was going on in '06 or '05 a little bit earlier than that?

Robin Raina: Sure, we will. We'll make sure that we'll change all of that?

(Kurt Barton): OK. Thank you very much.

Robin Raina: Thank you.

Operator: And the next question comes from Mr. (Paul Callal).

Robin Raina: (Paul)?

Operator: Mr. (Paul Callal), your line is open.

Robin Raina: I think we lost him. Would you get to the next question?

Operator: And your next question comes from Ms. (Eileen Siegel).

(Eileen Siegel): Yes, hi. Right now, your earnings are benefiting from an extremely low tax rate which seems to be temporary. Once you work through the NOLs and the tax holiday maybe out in 2011 what should I think of as a tax rate?

Robin Raina: Well, first of all a tax holiday is until 2014 meaning we have – and then after 2014 you know we have a 50 percent tax holiday in 2019. And you're basically referring to India.

Now, when you look at our overall tax rate I could not hazard and give you a number because it's too early for me to give you a number and tell you this is where we think we are headed. But like I said, we are in the midst of a tax strategy. We do not think there's going to be dramatic changes on our tax rate. I think you will see a gradual change. And that gradual change will happen over a period of time. You're not going to see some dramatic changes there. And that part of it is because we are widely spread out. And we have tax advantages of being in different places around the world.

(Eileen Siegel): What portion of your earnings are subject to the tax holiday?

Robin Raina: The tax holiday is only in India. The tax holiday is only in India. In the U.S. we have NOLs that we – that are only usable in the U.S. But then as I said, we have a tax structure worldwide that takes advantage of India, where India gets paid on an (arms length) basis based on (classifying rules). And that allows India to –see India's tax rate as quite advantageous to us.

(Eileen Siegel): So looking out after you've used all of your NOLs, we're not looking at a typical 30 to 40 percent tax rate kind of long-term?

Robin Raina: No. You're not looking at that rate. And like I said, it's very difficult for me to give you a particular number right now. But clearly because of the mix in the strategy but what you want to see is a gradual up swing. You could possibly see over a period of time these rates climb up to possibly 10 and 11 and so on. You're not going to suddenly see the rate jump up to 30 or 29 or 25.

(Eileen Siegel): OK.

Robin Raina: Yes, thank you.

Operator: At this time there are no other questions in queue.

Robin Raina: Thank you very much. I think it's been a good conference all. And we look forward to speaking to all of you once we announce our third quarter results. Thanks again. And with that I close the call.

Operator: And this concludes today's conference all. You may now disconnect.

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