

EBIX, INC.
Q3 Investor Conference Call

November 4, 2009
10:00 am CT

Operator: Good morning. My name is Felicia, and I will be your conference operator today.

At this time, I would like to welcome everyone to the 2009 Third-Quarter Investors' Conference 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 and the number one on your telephone keypad. If you would like to withdraw your question, press the pound key. There should be only one question per investor.

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

Robin Raina: Good morning Gentleman. Thank you for attending Ebix's 2009 Q3 Investor Conference call. I have also here with me Ebix's CFO Robert Kerris. Our Q3 2009 results were announced a few hours back. Let me summarize those results for you.

Q3 2009 results were yet again record results – the best ever in Ebix's 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 the preceding quarters in our 33-year history as a company.

As a management team, we have believed in being consistent rather just producing spectacular quarters. You could compare these results to Q3 of 2008 or Q2 of 2009, and all comparisons will show that the present quarter scores over all these quarters on all four key criteria – growth in revenues, net income, diluted EPS and net margins.

Let us delve a bit deeper into that. A comparison of the Q3 2009 numbers to the Q3 2008 numbers reveals that all four namely - revenue, income, EBITDA and diluted EPS grew in this quarter as compared to Q3 of 2008.

	Q3 2009	Q3 2008	Change of Q3 2009 vs. Q3 2008 (%)
Revenue	\$ 23,292	\$ 20,168	15.5%
Operating Expenses	\$ 13,509	\$ 12,049	12.1%
EBITDA	\$ 10,726	\$ 8,923	20.2%
Operating income	\$ 9,783	\$ 8,119	20.5%
Net income	\$ 9,434	\$ 7,398	27.5%
Diluted shares	12,613	12,170	
Basic shares	10,412	9,607	
Diluted EPS	\$ 0.76	\$ 0.62	22.6%
Basic EPS	\$ 0.91	\$ 0.77	18.2%
Net margin	41%	37%	

Revenues in the third quarter of 2009 were \$23.29 million as compared to \$20.17 million in the third quarter of 2008, a 16% increase. Net income after taxes in the third quarter of 2009 was \$9.43 million as compared to \$7.40 million in the third quarter of 2008, a 27% increase.

EBITDA for the current quarter was \$10.73 million (a 46.7% EBITDA margin); a 20% improvement over the \$8.92 million EBITDA (a 44.1% EBITDA margin) in Q3 of 2008

The company's operating expenses for the quarter grew by 12 percent to \$13.51 million as compared to \$12.05 million for the third quarter of 2008.

Results for the third quarter of 2009 were based on 12.61 million weighted average diluted shares outstanding, as compared to 12.17 million in the third quarter of 2008. Diluted EPS in the third quarter of 2009 rose 23 percent to \$0.76 as compared to \$0.62 in the third quarter of 2008. Basic earnings per share in the third quarter of 2009 rose 18 percent to \$0.91 as compared to \$0.77 in the third quarter of 2008.

I am pleased that our net margins after taxes grew to 41 percent in the third quarter of 2009 as compared to 37 percent in the third quarter of 2008.

Let us now compare these results to Q2 2009 results. A comparison of the Q3 2009 numbers to the Q2 2009 numbers reveals that all four namely - revenue, income, EBITDA and diluted EPS grew in this quarter as compared to Q2 of 2009.

	Q3 2009	Q2 2009	Change of Q3 2009 vs. Q2 2009
Revenue	\$ 23,292	\$ 22,421	3.9%
Expenses	\$ 13,509	\$ 13,161	2.6%
EBITDA	\$ 10,726	\$ 10,090	6.3%
Operating income	\$ 9,783	\$ 9,260	5.6%
Net income	\$ 9,434	\$ 8,956	5.3%
Diluted shares	12,613	12,487	
Basic shares	10,412	10,186	
Diluted EPS	\$ 0.76	\$ 0.73	4.1%
Basic EPS	\$ 0.91	\$ 0.88	3.4%
Net margin	41%	40%	

For those of you who like to look at currency neutral results, I have some numbers for you. Currency adjusted revenues in third quarter of 2009 grew to \$23.72 million – an 18 percent increase over the third quarter of 2008. Currency adjusted net income after taxes in the third quarter of 2009 grew to \$ 9.69 million, a 31.1 percent increase over the third quarter of 2008. Basically what it means is that if you were to keep currency rates constant between Q3 2009 and Q3 2008, Ebix revenues would have been \$430,000 higher and net income would have been 180,000 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 – carrier channel, exchanges, broker channel and the BPO channel. To look at the performance of these channels, I have a few numbers for you.

Exchanges this quarter were 61% of our revenues, BPO 15%, Broker systems 13% and Carrier systems 11%. Like Q2 of 2009, Exchanges and BPO – both grew this quarter in comparison to Q3 of 2008 while broker systems and carriers system sales continued to be effected by delayed decisions and implementations on account of carriers and brokers have tightened their budgets and spend on back end systems. Exchanges continued to grow as carriers see it as a way to increase productivity and margins. Reported Broker systems revenues derived from our foreign operations were also adversely affected by the variances in comparative currency exchange rates.

*(dollar
amounts in
thousands)*

	Q3 2009	Q3 2008	Change %
Exchanges	14,151	11,915	18.8%
BPO	3,617	1,851	95.4%
Broker Systems	2,937	3,482	-15.6%
Carrier Systems	2,587	2,920	-11.4%
Totals	23,292	20,168	15.5%

<i>(dollar amounts in thousands)</i>	Q3 2009	Q2 2009	Change %
Exchanges	14,151	13,162	7.5%
BPO	3,617	3,714	-2.6%
Broker Systems	2,937	2,844	3.3%
Carrier Systems	2,587	2,701	-4.2%
Totals	23,292	22,421	3.9%

Our pipeline continues to be good with many well-awaited deals having been agreed to in the last 90 days in the area of exchanges and BPO. 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 revenues growing. We believe that the squeeze in the back end area is temporary and is bound to soon get back soon to a normal mode. Reported broker system revenues derived from our foreign operations were also adversely affected by the variance of the comparative currency exchange rates.

As regards our cash flows, we continue to generate strong cash flows that are bound to continue grow even more, with our recent acquisitions. We are also pleased to communicate that to date \$26.6 million of the original \$35.0 million of convertible debt issued during 2007 and 2008 to WhiteBox, has been paid or converted into Ebix common stock, leaving a remaining balance due on those obligations of \$8.4 million only.

In the last few months, Ebix has made positive strides in many areas. I will elaborate on a few of those areas –

1. New Substantial Ebix Exchange Contracts - We have been able to get commitments from many large financial institutions to adopt our EbixExchange family of services. We are in mutual Non Disclosure Agreements with these organizations and cannot disclose their names as yet, but suffice it to say that these are the very large reputed institutions. These deals are likely to help Ebix grow organically in the year 2010 at a faster pace.
2. New BPO Contracts - We are a leader today in United States in the insurance certificate issuance and tracking markets. Ebix has continued to sign new deals in the BPO area that are likely to help us keep growing the organic revenue streams from the BPO channel.
3. Acquisition of Peak - The acquisition of Peak and EZ Data are rather important events for Ebix. These are both very strategic acquisitions that allow us cross selling opportunities, as also help us take a giant leap forward in terms of making the dream of end-to-end computing

possible. We intend integrating them within Ebix on a war footing and in the most sensible fashion with the aim of leading the industry, accompanied by short term and long term accretiveness for our shareholders.

Peak offers comprehensive, end-to-end insurance software and technology solutions to insurance companies, self-insured entities, and risk management organizations in the areas of workers' compensation claims processing, risk management claims administration, managed care tracking and backend policy administration.

All Peak exchange products are available in an On-demand basis while the backend policy systems are available in an ASP and self-hosted basis. 75% of Peak revenues are recurring in nature, in the form of subscription fees, application service provider fees, technical service and support fees.

Peak combined customer base encompasses 450+ customers comprising 40 insurance companies, 5 state governments, and risk departments of a few hundred companies; with little dependence on any one large client, Peak provides us with the kind of diverse customer base that we like with no single customer accounts for more than 10% of revenues.

Peak has been a strong player in the workers' compensation claims, risk management, managed care and the claims processing industry. The addition of these services to EbixExchange is likely to strengthen our position in the fast-growing risk management and claims processing sector of the insurance industry.

4. Acquisition of EZDATA -EZDATA is one of our most strategic acquisitions since this will provide us access to a majority of the life and annuity brokers' desktop in the United States. We have always had the vision to include CRM into the core fabric of the information exchanged in the insurance business. E-Z Data CRM when blended into our life and annuity exchanges provides the insurance industry with a giant leap forward, in terms of making end-to-end, enterprise-wide information exchange rather seamless for the majority of the industry. We believe that this can serve as a catalyst for industry-wide exchange adoption at a faster pace as this will also help us sell CRM solutions in an enterprise manner to our existing exchange clients.

It was attractive to Ebix that E-Z Data serves and covers the full spectrum of financial services distribution. The addition of these services to EbixExchange will strengthen our position in the global On-Demand CRM market, which according to analysts, is poised to reach \$3.8 billion by 2013.

With over 20 years of successful adoption, E-Z Data has been servicing many of the top 20 Fortune 500® life insurance companies and is a leader in the Life insurance CRM market in the United States. E-Z Data Life CRM solutions are now considered the industry leader for agency management, practice management, and enterprise CRM. E-Z Data solutions cover the full gamut of financial services distribution – including insurance companies, general agents, banks, investment dealers, agents, and financial advisors.

85% of E-Z Data revenues are subscription-based and recurring in nature. Further, E-Z Data has offices in California, Virginia, 2 development centers in India, and various offices around the world in emerging markets like China and Japan. We believe that this acquisition will open new

life and annuity channels for Ebix in international markets, including Asia, Australia, Africa, Latin America and beyond.

Our belief has always been that we needed a cutting edge On-Demand CRM to best leverage our life and annuity exchanges across the world and the United States. We looked at many CRM vendors across the world and chose E-Z Data not only because it has the majority of the market share in the United States, but also because of the technology edge that E-Z Data had over all other players in the market. Legacy systems and declining revenue streams, besides having a diminishing customer base, plagued all E-Z Data competitors in the life markets.

5. Future guidance -

In recent times, we have been repeatedly asked by investors for some guidance on the impact of E-Z Data and Peak on our financial results. Clearly, we remain focused on getting the same level of net margins from these two deals as we are used to today. While we are not yet fully prepared to discuss the complete positive impact of the E-Z Data and Peak acquisitions on our results, we feel comfortable enough to define some basic (floor-level) metrics in terms of revenues and net income from these acquisitions.

These four metrics are basically numbers which we feel comfortable announcing. And our goal would be to do, hopefully, a lot more than the numbers that we are going to talk about now.

We expect the two deals to contribute a combined minimum of \$26 million in revenues and a combined minimum of \$7.5 million in net income over the next 12 months. We believe that both these acquisitions are going to be accretive in the short-term, beginning Q4, and in the long-term.

And the margins from these deals will keep improving as the full integration sets in.

Today – this morning, we have announced in a press release some of those integration efforts and what we are trying to do with E-Z Data and our exchange.

6. Increased Focus on Sales and Marketing – In the last many months, we have increased our focus on growing our top line in many areas. We have made many new key hires in this area of our business. We have hired two Vice-Presidents and above-level senior managers from reputed organizations in the Exchange area namely Micheal Sladek and Ken Leibow. We have hired a leading senior sales executive from ipipeline Erin Anders recently to help us further grow Exchange sales. We have hired a Vice President for Carrier Sales, namely Rob Copenhaver in addition to a new sales

executive Tony Vandygrift in carrier sales. We have made a few other hires of new sales executive in the broker systems and exchange areas. We are getting ready to hire a new senior executive to spearhead our sales group in Singapore. We are also getting ready to hire new salespeople in Australia to spearhead our life and health efforts in Australia. We recently hired an industry veteran Steve Horneman from Insurance Technologies to lead our worldwide marketing and branding operations. We also created a new marketing group under Neil Van Helden for external and international communications. We are quite excited by all of this as these are investments in the future of Ebix and spell out our efforts to grow sales substantially, as also evolve a common worldwide brand.

7. Increased focus on R&D – Ebix today is one of the few organizations that can not only boast of operating its development units at Carnegie Mellon's highest quality level CMMi5 but also boast about focusing as much as 60% of its employee count on software development. I have had many investors ask me about our low spend on R&D. While our spending on R&D is low, our %age of manpower focusing on R&D is one of the highest in the industry. We have 601 employees in Ebix focused on R&D operations. Our cost is lower than others in the space as we made the intelligent decision of creating a knowledge, brain and learning center in India, which has a lower cost base than in the United States. Not only has that given us a cost edge over others, but it has allowed us to experiment a lot more than others. Today Ebix's basic technology philosophy is to be a few years ahead of its competition at all times. All our services are cutting edge and we have undertaken large projects to rewrite many products and services from scratch imbibing new technology concepts. Each time, Ebix India has delivered in time and kept the company ahead of all our competition in terms of expanse of functionality, ecommerce frameworks, architecture & the most current technology concepts. Over the last few months, we have increased our expanse in India quite a bit. We recently purchased yet another building in a tax free zone in India adjoining our existing building in the tax free zone. This is our second building purchased in India in 2009 in the SEZ tax free zone.

8. Functional SEZ unit with Tax free status till 2014 – Our SEZ operations became functional in India and with the recent purchase of another new building in the SEZ area; we now will have capacity to have at least 620 software developers in the SEZ units in India. The SEZ act of the Govt. of India is meant to offer tax free status for 5 years and 50% tax free status for 5 years after that, with a view to encourage software exporters. In recent times, the Govt. of India has taken many steps to keep encouraging exports in the software sector. One of them was to extend the tax free status of the Software Technology Park (STP) act till 2011. The STP act offers a tax-free status to software exporters who operate outside the confines of the Govt. bonded area till 2011. The STP act asks for pre-payment of possible future taxes after 2011 in the form of 16.3 % minimum pre-payment for future taxes that a company might have to pay for income after 2011. The calculation for the prepayment is based on present income while the payment is for future taxes that might be due after 2011. This prepayment thus has nothing to do with income at the present time except for using the present income as a guideline for prepayment of future taxes. Thus the STP act offers tax-free status till 2011 to all software companies that operate outside the Govt. bonded area till 2011. Ebix decided not to wait till 2011 and instead took Govt. approval to get into the bonded export area called the Software Export Zone (SEZ). We received all the permissions and are today fully functional in the SEZ

area, and thus have a tax-free status till 2014 and 50% tax free status after that. That is a rather important development for Ebix as it allows us the benefits of having hundreds of people operating out of allow tax jurisdiction in addition to access to duty free imports for hardware and infrastructure in that area. Ebix CEO was recently invited by the SEZ Directorate to be honored in a public function for Ebix's accomplishments as also to extend the SEZ's department's support to our efforts to grow in the SEZ area.

9. Recent 3 for 1 Stock Split – We recently announced a three-for-one split of the Company's common stock. The Company anticipates a record date of approximately November 30, 2009. Each shareholder of record at the close of business on such date will receive two additional shares for every outstanding share held on the record date, and trading is likely to begin on a split-adjusted basis on about December 10, 2009.

Since the Company presently does not have a sufficient number of authorized shares required to effectuate the increase in authorized shares after the split, the Company's Board has authorized increasing the authorized share number to 60 million, to handle the split and any possible future capitalization needs. The Company will be holding a special meeting of shareholders so that the increase in authorized shares can be ratified. The Company anticipates holding this meeting during the last week in November.

This stock split is intended to further improve our liquidity and to make our shares more accessible, both to institutions and to the individual shareholders.

10. Further strengthening of the Management team – We have continued to add bench strength to our senior management team across the world. Shareholders often ask me about the strength of our management team. Sometimes that question is necessitated by the false notion that I as the CEO seem to be critical to Ebix's success. Nothing could be further than the truth. Since I have been here for many years from the days when Ebix had \$19 million in losses to now, and have been the main company spokesperson for the last 10 years, it has led some investors to the wrong notion that the success of Ebix is directly associated with me. While I thank those investors for their trust in me, yet the fact remains that it is just not true. My biggest success point as the CEO of this company is that the company today has a very solid senior management team that has the empowerment, vision, day-to-day knowledge, initiative and independent thinking to lead the company in its growth efforts. The company today has 63 Senior executives who have the bench strength to make Ebix a very large player worldwide. Each of these senior executives are responsible for the company's growth today. While I have no desire to leave Ebix in the foreseeable future, yet if that was to happen anytime, Ebix Board will have the difficult job of choosing a successor out of at least 14 senior people who in my viewpoint have the energy, drive and ability to be the CEO of Ebix. I see that as my biggest accomplishment in Ebix.

As always, the audio transcript 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 after 2 pm EST 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 am 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, in order 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 the line of James Behre with Perimeter Capital Management.

James Behre: Hi. We're hearing a lot, of course, about healthcare exchanges and how that's going to be necessary to move around the patient information records and all of the other various healthcare information. Now you already have a great position and exchange in insurance. How are you going – what's your strategy to move that and gain some of that healthcare exchanges that are going to be needed going forward after healthcare reform?

Robin Raina: Thank you. This is a great question and I'm glad you asked that question. Health exchanges, as the – as President Obama puts his policy in place or whichever shape it takes over a period of time, I think what is going to be critical to this policy is that we – the country will need a backbone, a health exchange as you rightly said, a b2b exchange which should basically have hooks into all of the backend carriers and possibly have hooks into all of the different entities who basically could be involved in a health insurance transaction.

Having said that, it's easier said than done. For the government to go out and to do this on their own is going to be almost impossible because it will take them umpteen number of years. There are a few players who have taken such – some strategic positions - these are very small players who have individually gone in and taken strong positions in the backend area. I think Ebix is watching this market pretty carefully. We have a plan in mind. I wouldn't want to talk about that plan per se, because that would be letting the cat out of the bag. We clearly want to be a player in that market. We believe that for us to be a player, it is quite critical for us to own some of those existing backend relationships with the health carriers. If you have those relationships, if you have the exchange in the middle, which can basically take data from one end to another, I think that could be a huge winner in the industry. I couldn't tell you more than that for now. As I said, it would be – it would be premature for me to talk about it as of now. But thank you for your question. It's a great question.

Operator: Your next question comes from the line of Mike Latimore with Northland Securities.

Michael Latimore: Yes, good morning. You mentioned some cross-selling that you think that you said has occurred in the last 90 days. I guess have you cross-sold life speed and employee benefit services, and also you mentioned some BPO wins and certificate traffic wins, and were those in the Fortune 500 category?

Robin Raina: Well, Mike, basically cross-selling is an ongoing process. It's not a one-day process, and you don't really arrive at large deals overnight. Yes, we have taken up and clearly meshed up the sales groups completely. We have laid out an integrated cross selling plan internally. For example, we are telling the EZDATA clients about how we can sell them integrated exchanges with light speed, with Annuitynet, with Winflex and so on, and we're already pretty deep into those efforts. What we are trying to do, rather than go to one player at a time, we're trying to almost create an industry movement. We're trying to bring the key players together into the room with us, and that's where our cross selling really starts. We feel that we do have a winner in our hand, which clearly has value for the industry per se, not just for any one player only. So what we are trying to do – our way of cross-selling is to almost try to create a movement around it by bringing all of the larger players together in a room with us, and that has happened on a very aggressive level as of now in all areas.

In coming days you could see us bundling exchanges with CRM. What I mean by that is it will make it very attractive for CRM clients to use our exchanges, because we'll make it economically attractive. We believe that on a technology basis and functionality basis, we're the only player who can make the industry's end-to-end dream possible in the life and annuity industry. When you consider other areas, like employee benefits, for example, clearly there is cost selling. I can give you some examples. We're interfacing employee benefits into our P&C carrier system. We are right now working on something, an enterprise wide project. We're trying to create a system which will have a P&C backend system, a health system, a life system, a CRM, Exchanges all interfaced together. We believe that this is

one of the most ambitious efforts that the industry has seen. Nobody has tried to do anything like this. Clearly we think we have all the right pieces. We clearly think we have common architecture around all of this. We feel we have the best chance to make that happen. We're also taking cross-selling into international areas. Meaning, think a simple example of wanting to sell employee benefits to our Middle Eastern customers, all our customers in Australia, all our customers in Singapore and so on. So clearly whether it is in the area of risk exchanges, a very simple example of how we cross sell - we sell certificate processing to a lot of Fortune 500 companies. Almost 75 of them are using our certificate exchange. Now, those are risk managers. On the other side, Peak was selling risk management solutions to risk managers also, and to almost 450 large companies. What we have done today is to create an integrated sales team that can go out and sell risk management solutions to our existing certificate clients and certificate solutions to the existing risk management clients, because the end customer remains the same. So all of that is happening today, and this will be an ongoing process, and it will continue at a very brisk pace now. Thank you.

Operator: Again, if you would like to ask a question, press star then the number one on your telephone keypad. Your next question comes from the line of Vincent Capozzi from Covax Securities.

(Vincent Copasi): Yes, hi, Robin.

Robin Raina: Hi, Vincent

(Vincent Copasi): Very nice quarter. I'd like to ask you, when you bought the – especially the EZ Data, could you tell me how much debt that you had to accrue for that?

Robin Raina: Bob, do you want to answer that?

Robert Kerris: Yes, in connection with the EZ Data acquisition, we – or surely before that in August, executed \$25 million of convertible notes, \$20 with Whitebox, and \$5 million with Rennes. That \$25 million was essentially used to satisfy the cash consideration portion of the approximate \$50 million acquisition price for EZ Data.

Operator: Your next question comes from the line of Harry Long.

(Harry Long): Hi, guys. How you doing? Great numbers.

Robin Raina: Hi, Harry. How are you?

(Harry Long): Great. A quick question. Can you guys give me a little bit of color here on the accounts receivable? It looks like they're increasing a little bit. I mean is it related to your acquisitions or just a normal billing cycle?

Robin Raina: I'll let Bob explain that further. It's purely a timing issue. Clearly when you make acquisitions then you'll have some timing differences. That will happen, and that's all you are seeing. Bob, you want to add to it?

Robert Kerris: Yes, our DSO at the end of the quarter stood at 63 days, but since the end of the quarter we've collected sufficient sums of funds from our foreign customers and our DSO has come down. We look at this as strictly a timing issue and are not concerned about any ongoing issues there.

Robin Raina: Harry, we have not had AR issues over the last five years. So it's really a timing issue.

Operator: Your next question comes from the line of Simon Beroge, private investor.

(Simon Beroge): Good morning. I believe you put in some hedges against the Indian rupee. Are those still in place? Do you have any hedges against the Australian or New Zealand currency?

Robin Raina: Again, we do have hedges against – it's primarily a hedge between the Indian rupee and the U.S. dollar, and basically that hedge is still in place.

Operator: Your next question is a follow-up from the line of Michael Latimore with Northland Securities.

Michael Latimore: Yes, hi. Just on the acquisitions, did you get any NOLs with those acquisitions?

Robin Raina: Bob, do you want to answer that?

Robert Kerris: The answer to that question is no, we did not get any NOLs with these acquisitions.

Michael Latimore: OK and Robin you mentioned new exchange customers as point number one. Were those the annuity ones that you had a press release around or are there other ones?

Robin Raina: Oh, a lot of them are annuity ones. We have a few of them in the employee benefit area; we have a few in the life area. So it's kind of all quite widely spread out, and it's – some of them are names that we are quite pleased about. These are large names that we would – anybody would like to have, and we had been courting them for a long time.

What we are more excited about was we've stolen them from our competition. And that, we believe, will be a very strong blow to our competition. And so we kind, of like that.

Operator: Your next question is a follow up from the line of (Vincent Capazzi), (Kovak Securities).

(Vincent Capazzi):Yes. Hi. I got inadvertently cut off before when I was talking. So I'm back again. I was asking about the – how much debt was used to buy the E-Z Data? And you were telling me that you had the convertibles that you used. But is that in addition to the debt that was done – I mean to the convertibles that was paid off in August?

Robert Kerris: These are new converts, yes.

(Vincent Capazzi):Oh, these are new converts.

Robert Kerris: Correct.

Robin Raina: These are new converts. The previous \$35 million converts that we had in place are all counted in our diluted share count. Secondly, this 35 million converts that we had with (white box) is now down to \$8.4 million. Is it \$8.6, (Bob) or \$8.4 million?

Robert Kerris: \$8.4 million.

Robin Raina: \$8.4 million now - so that's pretty much where we are. So you can look at the new \$25 million convert plus the old \$ 8.4 million convert. So that's the two converts open today. It adds up to \$33.4 million as compared to \$35 million that we used to have in the past in January of 2008.

Operator: Your next question comes from the line of (Ronald Smith), private investor.

(Ronald Smith): Hello, good morning. For the bottom line for the small basic investor here as far as guidance which I understand you're kind of shy about, but can you tell us for the next couple of months what we may be looking at.

Robin Raina: I think in over the next couple of months we have all ready talked about – I've issued some kind of guidance in this call in terms of at least the E-Z Data and Peak part of the deal in terms of the impact that they could have on us. Now, again, we – I must repeat that again that's a base number. Does not mean that's the number we would like to report.

We would like both these acquisitions to deliver income at the normal margin levels that we are used to. And we believe that both of these will be accretive in the short term. Now, I've only addressed these two acquisitions per se in terms of guidance, but then we have our existing businesses and so on. We feel good about the future. We feel good about the short term future of the company and the long-term future of this company. And we do not have a tendency of issuing more guidance than this. We felt that we had to take a departure from our practice of issuing no guidance and do it as an exception for these two acquisitions, simply because these are two deals done at the same time, with both of them being strategic. And we have had lots of calls from investors trying to understand the impact of these deals - at least at the base level that we think these deals contribute to the company. So we felt it was fair for us to go out and at least define some forward metrics. And if we can beat those metrics by whatever percentage I think that would all be gravy and would be all good.

Operator: Your next question is a follow up from the line of (Simon Barouche), private investor.

(Simon Barouche): Hi, Robin.

Robin Raina: Hi, (Simon).

(Simon Barouche): First of all, the interest costs that are associated with those two acquisitions, I'm guessing that the debt that you've taken on that you wouldn't have taken on if not for those two acquisitions would be about 33 million if I'm calculating correctly. Is the interest cost on that 33 million included in that 7.5 million net income base calculation?

Robin Raina: Well, I think, first of all I want you to understand – yes all interest costs are included in the calculation. And, again, like I said the 7.5 million is a base number. So this number could be anything. It could be a 9.5, or it could be an 8 million number, or it could be a 10 million number. Again, our intent was to define some basic numbers here.

Having said that, the first thing is I don't know where you got the 33 million from, maybe Bob can comment on it. The way I understand it we took a 25 million line – a 25 million convert, 20 million from Whitebox, five million from Rennes. Both of them were issued at a premium to the market. And you know there's a particular way you handle that calculation - in terms of reducing Ebix income by a notional imputed interest cost - even though both of these deals had a zero interest.

However, FASB 14-1 talks about some (imputed) interest rates which we had to compute and we are going to be doing that and that starts beginning October and that's how we're going to treat it. Yes - we're not talking about non-GAAP numbers. Anything we have always talked about typically is GAAP numbers. And we're talking about everything, all of the costs being – all interest being included in our calculations.

Robert Kerris: And Simon, I understand your \$ 33 million number is nothing more than that 8.4 million remaining off of the original 35 million of convertible debt plus the two new instruments at 25 million.

(Simon Barouche): Understood. OK. Great.

Operator: There are no further questions at this time.

Robin Raina: OK. I think that's pretty much all for the call that we had today. Thank you very much for being on the call and we look forward to meeting all of you and speaking to all of you pretty soon.

I must say something here before I close the call. I want to end the call by saying two things. One, I want to say at Ebix we are planning some kind of Meet the analyst, meet our management team kind of a trip somewhere in New York over the next few months where we can bring all of the Ebix senior managers in a room, bring analysts and key investors who want to ask questions.

As a company, we've always believed in focusing on our work. And I think it also helps us in trying to deal with investors in a more organized fashion giving them a fair look into the company. We'll give a demo of all of the products that we have. We will walk people through any questions they want to ask. We will expose them to most of our top management. You know we can't bring 63 people out there but we can possibly bring 14 or 15 senior managers out there. And so we're virtually trying to do that.

The second thing which I've been repeatedly asked, over the last you know many months, so I thought I should briefly touch on it. Whenever the stock price goes down, I get a lot of calls from shareholders asking me you know the price is down, what's the company response? And I always tell them, you did not call me when the price was going up to issue an explanation. By the same token, I don't think the company has to respond when the price goes down. This is part and parcel of the markets. As a pragmatic company, we do not look at stock prices and run the company. We run the company based on fundamentals, based on integrity, based on consistency of execution. We want to deliver whatever we can deliver in the best possible manner - with the utmost integrity.

Having said that, if the price goes down we all probably feel a bit sad about it but at the same time I don't think that deters us from doing anything. We don't make decisions based on stock prices.

I personally, as a shareholder, as an investor, as the CEO of this company have showed enough faith in the stock and the company. I think I'm a living example of somebody who has seen the stock go from less than \$3 pre split (when I joined the company 10 years or more back) to where it is today. Actually I think it was close to \$5 at that time pre split and obviously it's at a different price right now having touched \$204 pre-split.

At the same time, I as a shareholder have retained my stock, held on to it, barely sold anything. Whatever little I have sold till now was primarily to pay my taxes. As a shareholder, as a CEO, I've always felt the best job for a CEO has to be to just deliver and let the numbers do the talking and not really get worried about or get excited about the increases in stock value or get disappointed with the drops.

So I wanted to say this in this call simply because I have taken so many questions, so many calls at different points on this issue; that I felt that I needed to address that issue once and for all. We will do what is best for this company, while keeping our heads high. If that results in the stock price going down, then that's what we deserve. If it leads to price going up, then that's what we deserve. We are going to just do our business in the best possible manner. We believe in the company's future and we'll stick to the basics, to make an attempt to keep moving this company forward.

Having said that, I will end the call. Thank you all for being here. Thanks a lot.

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

END