

EBIX, INC

**Moderator: Robin Raina
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10:00 a.m. CT**

Operator: Good day, ladies and gentlemen, and welcome to the Ebix Inc., 2009 annual results investor call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will be given at that time.

I would now like to introduce your host for today's conference Mr. Robin Raina, President and CEO of Ebix Inc, please go ahead.

Robin Raina: Good morning. Good morning everybody. Thank you for attending Ebix 2009 annual investor call. I have also with me today Mr. Robert Kerris, Ebix's Chief Financial Officer on this investor conference call.

We announced the 2009 financial results earlier today and all of you must have seen those numbers by now. I'll take a few minutes to summarize these results for you. Each of the last nine years has been a record year for Ebix in terms of beating all its results in the last 34 years. This year was no different from the last few to the extent that the financial results for the year 2009 are record results, again, the best ever in our 34 year young history.

To get a better understanding of the results announced today I will also outline a few metrics from the past three years for you. I will also present an annualized run rate based on the Q4 2009 results. This annualized run rate is not guidance on future results, but it simply meant to convey a conservative annual run rate based on Q4 2009 results.

Annualized revenue run rate. First topic. Based on Q4 2009 results Ebix annualized revenue run rate for 2010 would be 125.2 million even if Ebix showed zero revenue growth in 2010. Ebix 2009 fourth quarter revenue rose 55 percent to 31.3 million as compared to 20.1 million in Q4 of 2008, 157 percent as compared to Q4 of 2007 and 237 percent as compared fourth quarter of 2006. Ebix total revenue for the full year of 2009 rose 31 percent to 97.7 million compared to 74.8 million in 2008, 128 percent as compared to 2007 and 234 percent as compared to 2006.

Second topic annualized net income run rate. Based on Q4 2009 results Ebix annualized net income run rate for 2010 would be approximately 48 million. Ebix 2009 fourth quarter net income rose 53 percent to 12.1 million as compared to 7.9 million in the fourth quarter of 2008, 169 percent as compared to fourth quarter 2007 and 625 percent as compared to the fourth quarter of 2006. Ebix net income for the full year of 2009 grew 42 percent to 38.8 million year-over-year, 207 percent as compared to 2007 and 551 percent as compared to 2006.

Third topic diluted EPS. Ebix 2009 fourth quarter pre split diluted EPS rose 40 percent to 92 cents as compared to 66 cents in the fourth quarter of 2008, 130 percent as compared to 40 cents in the fourth quarter of 2007 and 411 percent as compared to 18 cents during the fourth quarter of 2006. The results for the fourth quarter of 2009 and the fourth quarter 2008 were based on 13.2 and 12.2 million weighted average diluted shares out standing respectively.

All of these results are pre split since the three for one split was made effective on 4 January 2010. Ebix diluted EPS for the full year of 2009 rose 36 percent year-over-year to \$3.10, 158 percent as compared to 2007 and 392 percent as compared to 2006. For purposes of ESP calculation there was an average of approximately 12.7 million diluted shares out standing during the year 2009 as compared to an average of 12.3 million pre split diluted shares out standing in 2008.

Next topic net margins. Our net margins continued to improve increasing to 40 percent for the full year of 2009 from 37 percent in 2008, 30 percent in 2007 and 20 percent in 2006. Net margins in fourth quarter of 2009 were 41

percent before taking into account non-recurring charges associated with the acquisitions and 39 percent after taking into account the non-recurring charges associated with the two acquisitions in the fourth quarter of 2009. This compares with 39 percent in fourth quarter of 2008, 37 percent in fourth quarter of 2007 and 18 percent during the fourth quarter of 2006.

Next topic, operating cash flows. For the 12 month ended December 31, 2009, the company generated \$33.9 million of net cash flow from operating activities compared to 26.8 million for the year ended December 31, 2008, a 26 percent increase in operating cash flow year-over-year. CAD generated from operations for the fiscal fourth quarter was 11.8 million up 59 percent year-over-year. This implies annualized cash flow of 47.2 million. Even if Ebix was to operate at the same level of operating cash flows throughout 2010.

Next metric customers. An estimated 99.5 percent plus of Ebix clients from 2008 renewed their business with Ebix in the year 2009 meaning that Ebix did not lose a single customer across the world that accounted for more than 0.5 percent of Ebix revenues in the year 2008 or 2009.

Next metric channel revenues. In the fourth quarter of 2009 the exchange channel grew 78 percent year-over-year to \$21.4 million or 68 percent of fourth quarter of 2009 revenues. The BPO channel grew 33 percent year-over-year to four million or 14 percent of the fourth quarter 2009 revenues. The broker channel grew 87 percent year-over-year to 3.4 million or 11 percent of fourth quarter 2009 revenue. The carrier channel dropped 23 percent year-over-year to \$2.5 million or eight percent of the fourth quarter 2009 revenues. We believe that the drop in revenues from the sale of back end systems to insurance carriers was directly related to a freeze in spending related to back end systems by insurance companies. We expect things to improve and the carrier channel to start growing again.

Next metric. R&D headquarters. As a part of our efforts to grow across the world the company has centralized its international intellectual property and development operation in Singapore and India with over 60 percent of its R&D (stab) based in these two countries. Ebix is entitled to a subsidized tax

rate of 10 percent in Singapore and a zero percent tax rate until the year 2015 in India.

Next, topic (cash) forecast for 2010 and beyond. The company expects its blended worldwide income tax rate to be in the range of six to eight percent for the fiscal year 2010 and a gradual increase to a blended worldwide tax rate of eight to 12 percent over the following few years.

Next topic long term debt. As of 31 December 2009 the company had used 23.1 million from a revolving line of credit with Bank of America. Subsequently in February 2010 we replaced this line with a new 10 million term loan over two years. And a and a 25 million revolving line of credit bought at LIBOR plus 1.75 presently implying 1.92 percent interest. The line also has an accordion feature for another 10 million debt. At present we're still only using 23.1 million from this 45 million borrowing capacity.

Next topic, convertible debt. As of 31 December 2009 the convertible debt balance stood at 28.6 million. Since then (Wite Box Advisors) had exercised part of this convertible debt. This means that the total convertible debt as (on date) is approximately 25 million. This convertible debt is at a zero rate of interest and will have the fact of not diluting any shareholders since the company intends to pay for this convert in cash. This 25 million convertible debt today is incurring a non-cash expense of 1.75 percent in our financials as if the interest was being paid in line with FAS 14-1 guidelines.

Next topic accounts receivable. The company's operating cash flow of 11.8 million in the fourth quarter of 2009 speaks for itself. The company's almost perfect customer retention rate has been driven by excellent relations with our customers. And it also reflects in the company not having any material collection issues over the last decade.

Next topic continued evolution. The company's size has continued to increase over the years. And the company has continued to evolve and strengthen its internal controls through the use of quality partners, vendors, tax advisors and statutory auditors. In 2009 the company made use of top quality firms like BKD, Frazier & Deeter, Grant Thornton, Ernst & Young, BDO Seidman,

HA&W and Cherry, Bekaert & Holland for a statutory audit. On a variety of fronts some of these firms are involved in valuation accounting, transfer pricing, risk restructuring and statutory auditing, of course, in our consolidated audits.

We continue to have strong relationships with all accounting firms that we have worked with over the last seven years. And still continue to utilize them. For example, our present consolidating auditors CBH have been our auditor since the last two fiscal years now. For fiscal 2009 our past U.S. audit firm HAW helped us with some income tax matters in 2009. In fiscal 2009 one of our past audit (BDO Seidman) continued to function as our auditors in Singapore, Sweden and Australia and now they have done that for more than five years.

Next topic - cash for future acquisitions. After paying approximately 33.7 million in cash for two acquisitions Peak and EZ Data. And the purchase of a new building in India in the fourth quarter of 2009 the company's cash balance as of 31 of December 2009 was approximately \$19.2 million. With the additional 22 million of borrowing capacity from our accordion line with Bank of America and a continued strong operating cash flow – Q4 2009 operating cash flows annualized would mean 47.2 million operating cash flows. We believe that we are well positioned to use this cash towards making strategic accretive acquisition in the exchange arena worldwide.

Next topic - R&D focus. The company's vision plan is always to be a few years ahead of its competition and thus we have continued to maintain a strong focus on research and development. The company's R&D centers in India have the highest quality rating from Carnegie Mellon, the CMMI 5 rating. In addition, the company's strong R&D focus can be evidenced from the fact that we have one of the highest ratios in the software industry in terms of percentage of employees who are focused on R&D, with an estimated 60 percent plus of our employee base worldwide continuing to maintain that focus.

Final summary. Over the last decade or so Ebix has been a story of consistency and we believe that the story is only getting better from here. We

like to have a diversified portfolio of customers with little dependence on any one client, nothing extraordinary happened in the fourth quarter of 2009 and we still had a good quarter. We at Ebix like it that way.

I started on this journey of building Ebix in 1999 when this company had reported 19 million in losses after 23 years of continuous losses. This has been a wonderful journey until now but I believe Ebix still has a long way to go. With Ebix gaining in size we're getting a lot more respectability from insurance companies today. And our changes of landing up large recurring deals have increased now.

One of their advantages of having sold a variety of services, namely exchanges back in systems, application, software BPO services etcetera to a rather vast customer base across the world is that we now have a ready made customer base that we know well, who respects us, who has stayed with us and how now can be targeted for cross selling by us. That's a lot better than trying to randomly reach out to customers who would not know Ebix.

We believe that the next decade of growth in the insurance industry will come out of international markets like the BRIC countries Brazil, Russia, India and China. Accordingly it is in our interest to position ourselves in these countries now to hopefully to hopefully take advantage of being an early mover. Our recent acquisition of MCN in the first quarter of 2010 is a small step in that direction.

MCN is a rather immaterial deal commercially today. But it gives us a base in Latin America. And also gives us access to their existing relationships with all of the top life and annuity carriers. With Latin American insurance markets continuing to grow in 2009 at a time when the insurance industry in the United States was heavily under pressure we've taken some baby steps to position ourselves in these markets to hopefully become an exchange player in these markets.

Lastly, let me add that you can visit the investor home page on the Ebix with a view to analyze Ebix further, the audio and the text transcript of this call will be available on the investor page at the Ebix Web site located on

www.ebix.com after 3:00 p.m. Eastern Standard Time. With that, I'm going to hand it over back to the moderator to open the call for questions. Thank you.

Operator: Ladies and gentlemen, if you have a question at this time, please press star then one on your touch-tone telephone. We ask that you all limit yourselves to one question because we do have a full house today. Again, ladies and gentlemen, if you have a question, please press star then one on your touch-tone telephone.

Our first question comes from Mike Latimore of Northland Securities, please go ahead.

Mike Latimore: Yes, good morning. Nice quarter there.

Robin Raina: Good morning, Mike.

Mike Latimore: Just a question for you on gross margin that was down a little bit sequentially. Just wondering if you can provide a little color on that change and whether that is perhaps kind of a new run rate?

Robin Raina: Well, I think, you're talking about – you've got to remember that in the fourth quarter of 2009 we took some one-time non-recurring charges related to the acquisitions of Peak and EZ Data. But having said that, Bob, do you want to address this one further?

Robert Kerris: Yes. It's really an anomaly due to some one-time non-recurring expenses especially with the acquisitions made in the fourth quarter.

Mike Latimore: And then that shows in the cost of services?

Robert Kerris: Correct.

Mike Latimore: OK. Got it. And then also, Robin, you know we're fairly far into the first quarter here and I know you don't give guidance, but can you give any kind of color as to kind of you know some of the business activity, business trends, any kind of color on how things are you know sort off 2010?

Robin Raina: I think I will just – we don't like to issue any guidance as you know. And I would just tell you that we're going pretty strong. And you know Ebix has been a story of consistency. So having said that, I think, we expect the trend to continue through the year 2009 - we expect 2010 to be even better.

Mike Latimore: Yes. And then just last question, FX influence on revenue can you talk a little bit about you know what kind of benefit you might have had on revenue in terms of your – the FX influence?

Robin Raina: Well, meaning you know this FX is a rather complicated issue especially with the hedging that we have put in place - I've not yet seen our FX analysis for the quarter (inaudible) but if you looked at the full year analysis, for example, our revenues could have been 1.8 – 1.87 million more if you took them on a constant currency basis. For the quarterly analysis, we will have to take hedging into account.

Before we open up for more questions, I do want to say that we have a very long queue of people – there are almost 200 participants on the call today. We would like to make sure that everybody gets an opportunity, to ask a question. So I'm going to request each one of you to limit your questions to one question. Mike, thank you for your questions.

Mike Latimore: Thank you..

Operator: Our next question comes from Greg Wilbur of Bay Area Micro Cap, please go ahead.

Greg Wilbur: Thank you. Nasdaq twice a month announces the short volume for each of the companies. And six months ago Ebix was in the 200 to 300,000 share with a two to three day to cover. Currently, it's over 10 million and 19 days. Could you comment on that short activity and your perspective on it?

Robin Raina: Thank you, Greg. Thank you for your question. This is – let me try and be as honest as I can on this question and give you my personal feelings on this. Let me give you (inaudible) an example from one of my favorite sports that I like playing virtually every day - ping pong.

I play ping pong almost every day and I like to win each time I play the sport. I believe that my chances of winning the match are higher if I respect the player I'm playing against. And if I can learn from any mistakes that I might have made my game is likely to get better - sometimes the mistakes are highlighted by my opponent's play. I've always liked to play the game hard and fair. I don't want to win any other way.

I feel the same way about the shorts. They support the direction that is opposite to the direction that I support. I'm not so sure whether doing that makes them into an enemy of mine. I feel the shorts provide an important role in the stock market by providing a balance and an opposite view to the long. Sometimes the short have good points which, at least, I've learned from. Sometimes the shorts make you realize that you need to improve your communication and presentation skills. And sometimes the shorts are completely wrong.

In our case, I believe, that the shorts made us more aware of the need to improve our communication disclosure. Fortunately, the majority of the times they were wrong but I believe that we are better off today as a company than we were before the shorts noticed us. I clearly feel they have a role to play in making us a better company today.

I think most of the issues raised by the short were more about disclosure and polish in our presentations. We've tried to learn, adapt, while focusing on individual imperfections that we might have had. I think more than anything Greg, today, we are more determined to succeed but I would like to keep playing fair and square. I can tell you that I have always believed that truth and cash can never be faked. They finally prevail. Consistent focus on fundamentals I believe is finally going to prevail over everything else.

You know I used to study this Latin American intellectual Jose Marti and I remember a quote that he made. And I'm going to repeat his quote. "Like stones rolling down hills fair ideas reach their objectives despite all obstacles and barriers. It may be possible to speed or hinder them but finally it is impossible to stop them." So I think that's the way I feel about the shorts. Hopefully, I gave you an answer Greg.

Greg Wilbur: Yes, but in a related question I noticed in the last three years that the audit firms have changed three times perhaps that's a cause of concern by some who are shorting and took that action for that reason.

Robin Raina: Well, I think, first of all, our auditor firms haven't entirely changed three times. Meaning our past audit firm was acquired by another firm and the partners remained the same. It was simply a name change (Miller) as they were acquired by HAW.

Having said that, I think we are very sensitive to cost, quality of audits and so on. And I think we're one of the few firms who continues to use all of the past firms that we have used across the last seven years. Let's step back and look back at 2003, when we were using BDO Seidman. BDO Seidman today still is our auditor in multiple countries as I said earlier across the world. We are still using HA&W – even in the fiscal year 2009 itself we hired them back for some tax-related work. And, of course, with our statutory auditors CBH, we continue to maintain excellent arms-length relationship.

So the fact that all of our past audit firms since 2003 still work for us today in one capacity or the other - kind of speaks for itself about the nature of our relationship with them or the nature of the relationship that we always had with them. Thank you.

Greg Wilbur: Thank you.

Operator: Our next question comes from (Marty Heimman) of Cougar Trading, please go ahead.

(Marty Heimman): Thanks very much. Could you speak a little bit to the organic growth rate Q4 specifically year-to-year the impact of the acquisitions during the quarter?

Robin Raina: (Marty), this is one question I kind of hate to take but I will answer this. And the reason I hate to take this is because sometimes when companies talk about organic growth rate investors take them with a pinch of salt and anyway do their own analysis. So my suggestion always to them is there's lots of

analysts out there who can give you this analysis. And you can also do it yourself– all of the numbers are filed, so people can do their own analysis.

Our analysis, actually, incidentally tells us that organic growth rate was somewhere beyond 14 percent. But I'll let – I think I'll let the analysts worry about this. We'll continue to working on the fundamentals and keep growing the business.

(Marty Heimman): Any comments about the expected growth from Peak and EZ into 2010?

Robin Raina: I think they were both fantastic acquisitions. We're very pleased with both of them. I think EZ Data was easily one of our most strategic acquisitions that we have made in the last decade of so.

I think the beauty of what we did with EZ Data is that we are now gatekeepers to data for a life broker or for a life – for an investment advisor, in the field of wealth management we basically control data flow in and out of that broker. It clearly increases our chances of selling exchange and CRM both. Since we already were dominating in the exchange market, our chances of selling more CRM systems in an on-demand manner completely interfaced into exchangeS have increased dramatically.

We're extremely pleased with the progress– how it has gone on. The response that we received from the large carrier audience is great, so we expect 2010 to be a very good year for both Peak and EZ Data.

(Marty Heimman): Thank you.

Robin Raina: Thank you.

Operator: Our next question comes from (Vincent Capazzi) of Kovak Securities, please go ahead.

(Vincent Capazzi): Hi, Robin. How are you doing today?

Robin Raina: Hi. Hi, (Vincent).

(Vincent Capazzi): Hi. I wanted to say it seemed like a very good quarter there you have and I appreciate that and we really like that. Your revenues from the fourth quarter of '08 to the fourth quarter of '09 increased 55 percent. But your accounts receivable less deferred revenue, I think, increased 85 percent. Can you answer to why the discrepancy there? And can you tell us what the DSOs are?

Robin Raina: Yes, sure. I let Bob answer this and then I'll add to it.

Robert Kerris: I'll speak to it. Our DSO at the end of the year stood at 67 days and this is up slightly about five days from the same level of last year. And we look at this increase as being a temporary matter as we continue to integrate our acquired customer bases into the company and into our processes.

Robin Raina: (Vincent) part of it is that when you make these acquisitions and you've got to remember that as you're suddenly having increases in revenue and there will be some time for the cycle to set it up.

But I think we have done fantastically well on that front – if you look at our history across, I mean forget one or two years, say a decade and look at our collection record. We've never had any material issues on anything virtually so we're pretty pleased with that. And we believe it will continue moving. I think our relationship with clients is so strong that believe me we do not spend any time internally worrying about collections.

(Vincent Capazzi): Good.

Robin Raina: Thank you.

(Vincent Capazzi): Thank you.

Operator: Our next question comes from (Kevin Cook) who's a private investor, please go ahead.

(Kevin Cook): Hi. I might have missed this in the call but I didn't hear you say anything about the growth of sales – sales growth rate. The customers have stayed with

you but have you been increasing sales as well as increasing the amount of money that you're making off of them.

Robin Raina: No. I think (Kevin) I'm going to encourage you to read through the transcript of what I spoke. I spoke at length about revenue increases and so on. And I would highly encourage you to read that.

(Kevin Cook): Yes, but what about sales – revenue but is it – (greater) margins or are you selling more?

Robin Raina: Well, both. We're selling more, our margins are going up and our revenues are going up. Our marketing group's size has increased – the size of our sales team has increased meaning if you look at the last two quarters we've doubled our sales teams across the world - virtually doubled it.

And our marketing size, the size of our marketing teams has increased. We've made some very strong investments in senior managers across the world especially in the last I would say 180 days and that is starting to show results. We're continuously seeing new contracts – just to look at some of the press releases we made, for example. Meaning, I think, we did a release sometime back on that.

We did a release talking about the deals that we just signed since October, meaning we're continuing to sign a who's who of the insurance industry or in the investment industry – and keep in mind some of those deals have not generated revenue yet. Meaning when you sign some of the larger deals and some of the larger names that we have signed on our exchanges, on our CRM system- those deals only start delivering revenue once you have gotten them up, live and running in production. It takes a period of four to five months at times to get them up and running. So we believe in 2010 you're going to see all of the benefits of all of the deals we've announced.

We don't announce all the deals but I think it was in the last release that we announced almost 40 new contracts, virtually in all kinds of areas and they're all bound to give us revenue in 2010.

(Kevin Cook): Great. Thanks.

Robin Raina: Thank you.

Operator: Our next question comes from (Scott Kirk) of T Caps, please go ahead.

(Scott Kirk): Yes, my questions have been answered, thank you.

Operator: I'm showing no further questions at this time, sir.

Robin Raina: Excellent. I think thank you everybody for being on the call. Since we don't we see any more questions at this...

Operator: I am showing one more. Did you want to take it, sir?

Robin Raina: Sure we will.

Operator: OK. I'm showing a question from Kent Holden of HAM Funds, please go ahead.

Kent Holden: Yes, good morning. Congratulations on the quarter. Going back to the Cougar trading question can you give us the revenue for those two acquisitions during the fourth quarter?

Robin Raina: I think we don't break our revenue by acquisitions as they are a part of our channel revenues. We break our revenue by channel and so you will see that in the K.

Kent Holden: OK. And then do you have a geographic breakdown of the revenue?

Robin Raina: Yes, we will in our 10-K. We will give you the geographic background. So in a few days you'll see the K come out.

Kent Holden: All right, thank you.

Robin Raina: Thank you.

Operator: And I am showing another question, sir, from David Schiller of Quad Capital, please go ahead.

David Schiller: Hi. Could you just comment on the relationships with your customer AIG some have been maybe concerned that they were a pretty sizeable customer for you. Today, the acquisition announcement of Met Life does it really impact you guys?

Robin Raina: Well, first of all, I think that's a very good development for us. Meaning the good news is Met Life is a very large customer of ours. Actually – Met Life and AIG both are very important customers. Met Life is actually a slightly larger customer than AIG. AIG does not account for more than one percent of our revenues. It's actually less than one percent of our revenue.

As AIG broke into various organizations this year, each of those companies signed an individual deal with us. Our revenue from AIG should go up. In 2010, we are expecting our revenue to be at least 40 percent higher than in 2009 from AIG. And the simple reason is as AIG ran into the issues that they ran into, they focused a lot on productivity. And we gave them a few ideas on how we can make their business a little bit more productive in some of the area that we work with them on. And they took us on it. And each of those companies signed contracts with us.

Now, having said that Met Life is one of our very key customers on many fronts. To give you an example - I just came out of a CRM conference where Met Life gave a presentation and talked about how committed they are to the Ebix CRM solutions. Met Life has, you know, tens of thousands of life agents in the U.S. and investment advisors that they work with. And they are heavily committed to Ebix on the CRM front. So I think it's actually not a bad development for us. Either way it would have been good for us.

Kent Holden: Got it. Thank you.

Robin Raina: Thank you.

Operator: And I am actually showing another question from (Simon Barouche) a private investor, please go ahead.

(Simon Barouche): Hey, Robin.

Robin Raina: Hi, (Simon).

(Simon Barouche): (inaudible) you mentioned some financial organizations outside the insurance business. I assume maybe you mean banks, for example. Do you see that becoming a significant part of Ebix's revenue in the future?

Robin Raina: It actually is a – (Simon) it's a great question. First of all, it is starting to become a decent part of our revenues even today. Some of the exchange services that we provide are to broker-dealers, and investment advisors. We are more and more getting committed to the wealth management space.

So take some of the larger banks. You know when you consider players like Bank of America, U.S. Bank, Merrill Lynch, Wachovia Securities and I could give you lots of names like that Ameriprise, they're all our clients today. And we're seeing a lot of activity in this space. We also believe that there is a very thin line dividing insurance investments and long-term savings. In each of these areas, there's a lot of cross selling opportunities.

And a lot of these financial institutions and banks are trying to cross sell and that's where Ebix comes in. Because Ebix understands all of these three segments Ebix can continue to allow them to cross sell.

We will keep defining ourselves more and more in coming days - you could see us taking a larger space with these banks, investment advisors and so on in the area of CRM, exchanges etc. You could see us launch newer products, newer services, in the on-demand service markets related to, for example, I'll give you a simple example like servicing (open) annuity policy or compliance issues related to them. Don't be surprised even if you see us slightly going into the area of bank assurance.

And we have worked with banks like HSBC for such a long time and we have done pieces of bank assurance for them across the world and we're now trying to see – we're trying to evaluate whether we want to take a larger position in that bank assurance play. And play more in that market. Thank you, (Simon).

(Simon Barouche): Thank you.

Operator: And I'm showing another question from (Eric Matthewson) of Crescent Capital, please go ahead.

(Eric Matthewson): Good morning, Robin. Congrats, again, on the quarter. Just really, really good stuff.

Robin Raina: Good morning, (Eric).

(Eric Matthewson): Can you spend a second on your exchange model and how you're paid? How that typically works? I'm just curious as to how much leverage you have beyond what you've all ready experienced.

Robin Raina: Well, I think, (Eric) maybe I can either take this. It's a very detailed answered but I'll try and cover it at a very high level. And after that if you still feel you have more questions I think we'll take it offline.

But at a high level we make money three different ways through the exchanges from all of our clients. One - we get paid for transactions. And those transactions are on a tiered basis. We define minimum volumes, minimum tiers, every year based on that whether there's one transaction or X number of transactions, if they fell into that tier they give us that tier of money. And once they cross that tier they pay us some extra amount of money. That's one way we make money.

what is a transaction? Transaction can be anything. Transaction could be a (para med) exam. Transaction could be a e-signature policy being signed. Transaction could be servicing of an annuity. The transaction would be simply a pre sales transaction. It could be anything and we make money at multiple points.

Now the transactions who pays for it? The transaction could be paid for by the insurance company. It is also paid for by the bank, by the broker dealer, it could be by the broker itself. Now, sometimes a carrier might say that I want to pay for both sides because a particular broker is a very important broker for me and I'll pay for their side of the transaction too.

The second way we make money - is from carriers and other clients paying us development dollars— as more and more our platform becomes a standard in the industry, carriers and banks and all of the broker dealers are very interested to make sure that this service continuously is compliant with regulations, that it's continuously getting enhanced with each and every passing day.

So we have formed a user group for them. All of these users get together, pay a membership fee to become a user. They actually fund that – their – (our) development. All of the development that we do on an ongoing basis in the area of enhancement customization gets funded by all of these large insurance companies or banks. And they then divide the cost amongst them. And that is also another source of assured revenue to us.

Beyond that the third way we make money is from non-recurring charges set up charges - which could involve amount of customization - where they could actually come to us at times and say can you interface this platform with our platform? Can you build workflows for us?

And that's all non-recurring. So that's another way we make money. Now, so in terms of leverage you see beauty lies in the eyes of the beholder meaning Ebix philosophy has never been to misuse our dominance. Meaning, if your question is could we increase our prices? Could we could increase our prices and maybe get away with it. Sure but do we want to do that. Meaning we have always tried to be reasonable. We will never just increase prices for the sake of it and be seen as making use of our dominance.

We will increase prices as we go along in a sensible manner - as long as it is sensible. And we clearly will do that but I don't think we want to do it at the cost of (sounding) that we are a dominant player and being seen as misusing our strength.

(Eric Matthewson): Thank you.

Operator: And now I'm showing no further questions, sir.

Robin Raina: Thank you. Having said that we would bring the call to a close today. Thank you for attending our annual investor call. We will be talking soon. Thank you.

Operator: Ladies and gentlemen, that does conclude today's conference. You may all disconnect and have a wonderful day.

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