

**Cover-All Technologies Incorporated
Third Quarter Fiscal 2011 Earnings
November 11, 2011**

Operator: Good morning ladies and gentlemen. Thank you for standing by. Welcome to the Cover-All Technologies Incorporated Third Quarter 2011 Earnings Conference call. At this time all participants are in a listen-only mode. Following the presentation there will be a question and answer session and instructions will be given at that time. Should anyone require assistance on the call today, please press the star followed by the zero.

And at this time I would now like to turn the conference over to Brett Maas with Hayden IR, please go ahead.

Brett Maas: Thank you. I'd like to point out that during the course of the conference call there may be statements made relating to future results of the company they are forward-looking statements as defined in the Private Securities Litigation Act of 1995. Actual results, performance or achievements could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in the company's filings with the Securities and Exchange Commission.

It should also be noted the webcast of today's conference call may be found on the internet by using the company's corporate website www.cover-all.com. And our current version of the webcast will be available shortly for at least the next 12 months pursuant to SEC guidelines.

In addition, in yesterday's press release announcing the financial results there are instructions for accessing the archived version of the conference call via the internet.

At this time I'd like to introduce John Roblin, Chairman of the Board of Directors and Chief Executive Officer of the company, Mr. Roblin the floor is yours.

John Roblin: Thank you Brett and thanks to everyone for joining us today. With me are Manish Shah, our President and Ann Massey our CFO.

Yesterday evening Cover-All reported financial results for the three and nine-month periods ending September 30th, 2011. In summary, Cover-All continues to execute on our aggressive product roll out and growth strategy. We have stated previously that we are focused on becoming a strong technology solutions leader in the property and casualty sector and while we are disappointed in the financial results for the third quarter, we are not at all discouraged. In fact we're energized by the initial favorable marketplace reaction

to our exciting new business intelligence solutions and the NexGen insurance products released in just the past few months. The results for the quarter reflect the fact that we were not able to finalize certain contracts in the third quarter. As we've stated before, the timing and delivery of license revenue is often unpredictable on a quarterly basis.

We can report, however, that we are seeing the most interest in our products and services in our history and have a strong and rapidly growing pipeline. We expect that quarterly results may continue to be lumpy but as we become larger, the effect will be less pronounced. We are currently working on a number of opportunities that will enable us to have a fifth consecutive year of record revenues. We expect the growth in revenues to continue well into 2012 and beyond.

The nature of our business is that the licensing of either NexGen business intelligence or NexGen MIC represent large and multi-year investments by our customers. Their decision about making this investment is extremely important to them and usually involves a large number of people from multiple disciplines. The process often includes extensive budgetary approvals and contract negotiations that will move at the appropriate pace as determined by each customer. As a result, it is difficult to predict with certainty which opportunities will come to fruition on a quarterly basis.

All that being said, let me try to help clarify our direction for you. While we are focused on running the company to deliver strong profits, we are focused on having a company that will deliver strong profits every year while achieving significant top line growth. We have a multi-year plan to become a company that we believe can reasonably be valued in the \$100 million to \$200 million market cap range. Please note, that while this is our goal it should not be considered guidance. We have undertaken a number of initiatives to achieve this goal, some that are visible and some that will play out over time through acquisitions and research and development. In order to be a complete solution provider for the property and casualty organizations including policy administration, business intelligence, claims, billing and more. I would also share with you that our projected 2011 results are within the internal projections that we've set at the beginning of the year.

Since April of 2010, we have made an important business, we have made important business intelligence product acquisition and launched an entirely new NexGen version of our flagship My Insurance Center product. In reality, from a product point of view, we are a new company and our financial results reflect a strong first nine months of 2011.

The sales cycle in the P&C software industry for core solutions like policy administration is long, estimated to be, by many to be 18 to 24 months. We have had our new NexGen MIC products in the marketplace only

since May and we have two customers already. The NexGen BI product, which we believe will have a shorter sales cycle, somewhere in the nine to 12-month range has been in place also since May and we have again two customers utilizing that. In addition, we have expanded our sales team in April and they have grown our pipeline faster than any other time in our history, after only five months.

We understand that financial results are what count and we are committed to deliver them. The results, financial results are a culmination of a lot of hard work to design innovative solutions, develop success stories, market, sell, close customers and then deliver the results they're paying for. Then, we recognize the positive financial impact. We will work to keep you informed as these things happen through as many press releases as we can possibly deliver.

Going to the numbers: revenues were up 3.5% for the nine months to 13.6 million, a record for the nine-month period and, or any first nine-month period in the company's history. And that's up from 13.1 million a year ago. Operating and net income were both 1.2 million. We continue to believe that our strategic direction is right and that our long-term goals are achievable. We are proceeding ahead on multiple fronts and our past history demonstrates that we have been able to adapt to the challenges presented to us.

Let me be clear, I am not satisfied with the financial results we delivered in the third quarter, but as I've consistently said our results can be inconsistent and it's important to evaluate it on a full-year basis. The issues and challenges which presented themselves in the third quarter are not systemic, they are simply a matter of timing as certain orders shifted out of the third quarter and we expect they will be reflected in future periods.

In the third quarter of 2011, we also announced an Excel group, a leading provider of global insurance and re-insurance coverage had purchased select features of Cover-All's NexGen business intelligence solution and consulting services to support their enterprise business intelligence. They chose our BI solution because they realized it more completely addresses their complex needs as a global insurance carrier. It allows them to accelerate the most demanding aspects of their current business intelligence program by leveraging Cover-All's solution. Excel selected us because of our readily available comprehensive yet flexible insurance focus solution. In terms of proven technologies as well as the depth and breadth insurance knowledge, the NexGen business intelligence solution is a broad and diverse solution capable of supporting various business areas such as underwriting, claims, re-insurance, financials and distribution.

Complementing that breadth is a variety of insurance, is support for a variety of insurance markets such as commercial, personal,

specialty, Lloyds (ph) and other international markets. Further, our design features have scalable architecture to support the heavy processing demands of very data intensive organizations.

Clearly, we took the time in 2010 to expand into the business intelligence marketplace and the investment we made, and the investment we made in NexGen software upgrade, update and replace our Legacy offering. And we believe that this capital investment was time and money well spent. Our year-to-date 2011 results continue to reflect the benefits of this financial and operational focus, as well as providing us with what we believe is a very solid platform for growth for the remainder of this year and into next year and beyond.

Increased spending on new products, sales and marketing and potential acquisitions are critical to our growth strategy. We have increased on-shore and off-shore resources over time to complete certain projects and implementations and to provide support for new customers including implementation and customizations. Some of these investments are appropriately capitalized and when completed we began our 36-month amortization. These costs as well as the sales and marketing costs are higher in Q3 than in Q2, which was planned, yet our total expenses in Q3 are actually lower than Q2 reflecting our very efficient and flexible staffing model.

We strongly believe that our investment and personnel, our innovation and execution have positioned us well to achieve our annual goals for very significant growth and profitability.

Now let me briefly review our results. As mentioned, total revenues for the nine months ended September 30th, 2011 increased 3.5% to 13.6 million, compared to 13.1 million for the same period in 2010. Let's break it down a bit further. License revenue for the nine months ended September 30th was up 123% to 3.8 million compared to 1.7 million for the same period in 2010. Support services revenue, which represents contracted continuing revenue was 6.3 million for the first nine months of the year ended September 30th up 4% from 6 million in the same period in 2010.

You may recall that we combined the two revenue categories, maintenance and application service provider, ASP Services in the first quarter of 2011. Going forward, we are simply referring to this as support services. Again this refers to contracted, ongoing services. The combination of two revenue streams into this single category reflects the evolution of our business and we think it simplifies the break out of our revenue and associated expenses.

Professional services revenue for the nine months ended September 30th, 2011 was 3.5 million, down 35.5% compared to 5.4

million for the same period in 2010. This change reflects our shift in the business model for our business intelligence solutions from a professional services only sales model to a product. This builds on product licenses and recurring revenue support, in addition to professional services customization. Some of the year-to-date growth in our license fees is evidence of the success in this effort. For the nine months ended September 30th, our direct margin was 4.5 million or 33.1% gross margin compared to 5.4 million or 41% gross margin in the same period last year. We saw a significant increase in the cost of revenues for licenses due to the initial amortization of new products that have now been released and appropriately impacted our year-to-date gross margins.

For the nine months ended September 30th, total operating expenses which include both cost of revenue and operating expenses were 12.4 million compared to 11.1 million for the same period in 2010. Sales and marketing expenses for the nine months ended September 30th, 2011 increased 18.3% to 1.3 million up from 1.1 million for the same period in 2010. The increase in 2011 was primarily due to the addition of marketing and sales staff resulting in an increase in personnel related costs and an increase in expenditures related to advertising and promotion. Our goal is to continue to bolster our sales and marketing resources to help us execute our aggressive strategy to grow market share.

R&D expenses for the nine months ended September 30th decreased 13.5% to 465,000 compared to 538,000 in the same period last year. Operating expenses as a percentage of revenue decreased to 24.2% for the nine months ended September 30th, 2011 compared to 25.9% for the same period in 2010, which by the way also included \$285,000 related to the acquisition of the business intelligence company in 2010.

Operating income for the nine months ended September 30th, was 1.2 million or 8.9% operating margin. This compares to an operating income of 2 million and an operating margin of 15.3% in the same period in 2010. Net income for the nine months ended September 30th, was 1.2 million or \$0.05 per basic and diluted share compared to 1.7 million or \$0.07 per basic and diluted share for the same period last year.

Now, I'll turn to our three months financial results. Total revenues for the quarter ended September 30th decreased 27.5% to 3.4 million compared to 4.1 million, 4.7 million in the same period in 2010. Let's break that down a bit further. License revenue was \$1,200 compared to 278,000 for the same period in 2010. As discussed above, we were not able to finalize certain contracts in the third quarter. Support services, formerly maintenance and ASP, was 2.1 million for the quarter ended September 30th, essentially flat with 2 million in the same period in 2010. Professional services revenue for the quarter ending September 30th was 1.3 million, down 43.3% compared to 2.3 million for the same period in 2010, due in large measure to the planned and

executed strategic shift in our BI business model from a professional services only model to a product, license and support business model over the past 12 months.

For the quarter ended September 30th, 2011 our direct margin was 421,000 or 12.5% gross profit margin compared to 1.6 million or 34.1% gross profit margin in the same period last year. This decrease was due to a decline in license sales and a significant increase in the cost of revenues for licenses, due to the initiation of amortizations for the new products that are now released.

For the quarter ended September 30th, 2011 total operating expenses, which include both cost of revenue and operating expenses, were 4.1 million, flat when compared to the 4.1 million for the same period in 2010. Sales and marketing expenses for the quarter increased 25.2% to 452,000 up from 361,000 in the same period in 2010. Again, this increase was primarily due to the addition in our sales and marketing staff resulting in an increase in personnel related cost and increase in expenses related to advertising and promotion. The 452,000 sales and marketing expense was not offset by any license revenue contracts during this quarter. R&D expenses for the quarter ending September 30th decreased 26% to 151,000 compared to 205,000 for the same period last year. Operating expenses as a percentage of revenue was 33.2% for the quarter, compared to 22.9% for the same period in 2010.

Expenses are actually down by 236,000 when compared, I'm sorry, in Q3 2011 versus Q2 of this year and that includes an increase of \$176,000 increase in amortization of new products. Operating loss for the quarter was 701,000 or a -20.7% operating margin. This compares with an operating income of 522,000 and an operating margin of 11.2% in the same period of 2010.

Net loss for the third quarter 2011 was 710,000 or \$0.03 per basic and diluted share compared to net income of 448,000 or \$0.02 per basic and diluted share in the same period next year.

We continue to believe, to have what we believe is a very strong balance sheet. Shareholders' equity remained at 16.8 million or \$0.64 per diluted share as of September 30th compared to 15.2 million or \$0.60 per diluted share, as of December 31st, 2010. Total assets remained above the 20 million mark compared to 19.5 million as of the end of last year. As of September 30th, 2011 we had 3.7 million in cash and 4.5 million in working capital. Cover-All has no long-term debt.

Other notable balance sheet metrics that speak to the overall strength of the company include a current ratio of over 2.3 to 1 and a book value of, per share fully diluted, of 64%.

Now let me turn the call over to Manish Shah, our President to discuss progress related to our products and services.

Manish Shah: Thank you John and welcome to everyone joining us today. Subsequent to the end of the quarter, we announced details of an OEM partner relationship with IBM for their Cognos business intelligence technology. As part of the agreement we embed certain IBM Cognos software capabilities into our NexGen business intelligence suite. We recognize IBM's leadership position and vast capabilities within the BI tools marketplace, which is one of the hardest areas in the insurance and other industries.

Merging their technology and ours complemented by our domain expertise with property and casualty means we have developed not just a new product but a whole new way of thinking about the insurance business performance management. The power of our domain rich capabilities matched with IBM's industry-leading data analysis and realization technology, makes for a truly differentiated product suite. But the revolutionary aspect of the product lies within the inherent flexibility afforded to the business user. We have put an extraordinary amount of configurability in the user's hands, allowing them to build their own views based on information that's relevant to them. Further, our product-oriented approach allows us to deliver these capabilities much faster than traditionally seen in these types of products.

The NexGen BI suite was released earlier this year and multiple implementations are already underway. We continue to offer these capabilities as part of a single license and support relationship through Cover-All's NexGen business intelligence suite, as well as through our partnership with IBM. We believe, as we have stated previously, that the BI marketplace is very large and that our entrance is very timely and we are aggressively marketing our NexGen BI solutions that we released only a few months ago.

As our press release indicated yesterday, the My Insurance Center NexGen platform was again favorably reviewed by the independent analysts from (inaudible). They called MIC one of the most advanced and considerable systems available in the market. The (inaudible) report provides over 50 policy administration systems in use for commercial lines. Other factors including the number of clients in production and actual client system volumes were also considered in the report.

In the crowded marketplace Cover-All's My Insurance Center NexGen solution was highly recognized in the report in the areas of customer base, breadth of functionality, advanced technology and depth of

service. Scoring high marks across all categories of functionality was not a surprise as we have been diligent to make My Insurance Center NexGen, what in our view, is the most comprehensive solution available in the market. Utilizing our strong industry expertise and building the solution from the ground up, with all modern technology and free of any Legacy costs, we believe affords us a competitive advantage over those solutions that continue to build new facades on top of outdated technology as well as over those solutions that are based on modern technologies but lack functionality, depth and maturity.

We view the report as a lagging indicator as we have enhanced our solutions significantly in the months since the review of My Insurance Center NexGen was undertaken. Our customers are enjoying dynamic growth while we continue to invest, innovate and deliver outstanding products and services to our customer. This visibility and recognition in the marketplace is significantly helping our sales pipeline. We believe that our BI and MIC products are technologically and functionally superior to competitor products and that our products represents focused solutions for the initiatives that are on top of the insurance industries priority list.

We will continue to advance our product offerings to maintain market superiority by innovation and investment in our research and development. With that I'll turn the call back to John Roblin for closing comments, John.

John Roblin: Again, on behalf of the entire Cover-All team and our Board of Directors, I do like to thank you for your continued support and I look forward to answering any of your questions. So with that, let's move forward Brett, or Operator, I'm sorry.

Operator: Thank you. Ladies and gentlemen at this time we will begin the question and answer session. If you do have a question today please press the star followed by the one on your push button phone. You may also decline from the polling process at any time by pressing the star followed by the two. As a reminder, if you are using a speaker phone you will need to lift the handset first before making your selection. Once again, if you do have a question please press the star followed by the one at this time. One moment please for our first question.

And our first question does come from the line of Jonathan Hegranes with Singular Research.

Jonathan Hegranes: Hi John, good morning.

John Roblin: Hi Jonathan.

Jonathan Hegranes: The first question I had was on the cost of revenues regarding licenses and I was wondering, you know what led to the, you know, so much cost being recognized on such little revenue?

John Roblin: I'd be glad to do that. As we build out our product the NexGen My Insurance Center product and also the BI product, some of that build out was capitalized appropriately so, for My Insurance Center in some cases you're replacing existing stuff and for the other thing, you capitalize those and that's what we do. However, when we sell a copy of that product, clearly you don't continue to capitalize anymore, you now begin to amortize and we amortized those dollars over a 36-month period. So, what you're seeing there is the one 36th share of the invested assets, or invested capital that we did to build out the products. And you will see that continue as we go forward. And we put that against the cost of license Jonathan, to do it. But it's not a forever type of thing, but it does tie revenues to the cost of what it took to build out those products.

Jonathan Hegranes: Okay, great that makes sense. Second question, you talked about despite the timing issues still being on track for a fifth consecutive year of record revenues, do you have any more color on that besides seeing at least 4 million in Q4 or, further visibility into next year?

John Roblin: I don't at this particular point in time except I would share this with you, when people talk about pipelines and other things, that's all different types of ways to look at that. We do have a pipeline and we have stages in that pipeline where you have customers that, you know, you've just begun to have discussions with, we have other customers who had demos or doing evaluations, we have other customers that are potential customers that were long listed and stuff and it goes all the way down. And we also have some customers that are current customers today that are looking to upgrade from their existing classic products to the NexGen product. So as we take a look at all those things those particular customers, I'm only taking a look when I make this statement about what we were not able to fulfill in that quarter, I'm really talking to three to five people in contract discussions right now. So, it's well down the process, that being said, when you're making a multi-million dollar deal and a five-year commitment, they've got to have the budget, in some cases there's a question say, yes I want to spend it in 2011, in other cases I want to push it into the first quarter.

So the way we handle that is that I believe, and the reason I feel very comfortable making that statement, is some number of those five is going to hit. I would also point out to you that in an average size deal, which is 1 million, 1.5 million, \$2 million thing, one deal would have changed Q3 from a loss of \$0.03 to a profit of \$0.04. So it's a timing issue, I know it's very frustrating for the investor community and frankly it's very frustrating for management, but when I work with our customers they have certain processes

that they have to go through and certain sign offs they have to have and I can't incent them by giving them, you know, very many other things if they haven't gone through that. And then once I have that I have to deliver. So coming back to my point, for those customers that are looking to upgrade, we already have the contract in place and that shortens the cycle. So I feel very comfortable that Cover-All will find a way to deliver on the promise of yet a fifth consecutive record revenue year.

And I would also suggest that these, we've never had this many things in contract, I expect that bodes very well for us in the first part of 2012 and beyond. And one last point, when I make the statement that says it's a most robust pipeline, again it's another one of those things you try to interpret, I mean I have met, literally met or we have had discussions with something like 10 or 15 or 20 new customers in this past three-month period. Because these press releases are really getting a lot of attention in BI and people are really taking a look at this.

Now one last thing for you on this to give you a little bit of color. In Q3, any year in Q3, now if you go back and look at Cover-All's history or other company, you will see Q3 is a tough time and the reason it's a tough time is people are on vacation or whatever. What happened this quarter, and this is not an excuse, we have to deliver and it did not materially impact anything, but with the storms that we had in the Northeast and with the earthquake and with all the other things that happened, property and casualty had one of the worst quarters in its history and quite frankly our customers were much more focused on settling claims and doing what they had to do, rather than sign long-term initiatives.

Jonathan Hegranes: Thank you that helps a lot.

John Roblin: Okay, thanks Jonathan.

Operator: Ladies and gentlemen, if there are any additional questions, please press the star followed by the one at this time. Again as a reminder, if you are on speaker phone you will need to lift the handset first before making your selection.

And our next question does come from the line of Roger Bensen with Number One Corporation.

Roger Bensen: Hi John and Manish.

John Roblin: Hi Roger.

Roger Bensen: One of your competitors, a company named Guidewire has filed a registration statement to go public, which I've been able to

read through on the SEC website. A couple of things stand out. It appears that according to industry literature that it's going to go public somewhere between five and ten times revenue. And I'm thinking that if Cover-All sold at five times revenue, the lower end of that range would be a \$4 stock. It's also very interesting that even at our current variable price we have stockholders equity of twice that of Guidewire on a per share basis. I mean they're a larger company and they've had more venture capital money put into them, and have more employees and all that sort of stuff. But on a per share basis, they currently have stockholder equity about \$0.30 when we have \$0.60. So, it would seem to me that this, when it happens and it does go public, it should draw some attention to Cover-All that is an undervalued stock.

John Roblin: We concur with that Roger, and I think trying to give it a little bit more clarity. You know, one of the interesting things is that Cover-All is the only public company in this space. So, if you take a look at the competitors, be it Duck Creek or be it people like Guidewire up till now, you can't see their results, they're all private. And I guarantee you that there's a quarter-over-quarter aberration. I would also tell you that in some companies there is a tremendous sense that we're going to take venture capital money and we're going to invest it and keep building all this stuff out with the idea that ultimately they'll come back and do that. Cover-All has not followed that approach. Cover-All has basically said we are going to develop these products and we are going to do these things but we're going to do pay as you go, so when you take a look at that balance sheet and other things, we have not burned through (inaudible).

If you take a look at the Guidewire thing going back to 2006 they have grown and that's absolutely right. But during that period, they had a loss of more than \$45 million. During that same period in time Cover-All made something like \$11 or \$12 million and if you take the cost of being a public company and add another 5 million on, we basically made 17 million.

So we feel very good about where our position is, that we in fact can go out there, in (inaudible) I referenced the fact that Cover-All is not going to just be a policy administration platform. We are going to provide the full platform, and I don't think I've ever said it quite as clearly as I said it in this one. So we are going to be policy admins and BI. I also said that we're going to be claims, and I also said we're going to be billing. So, we can provide that full solution. So when we get all those capabilities we will be a direct competitor, our friends at Guidewire to move forward. And the piece we've already built, My Insurance Center, is by far the most difficult thing to build and we have it and we're going to be adding these other components on and we believe that that because of our presence in the marketplace will open up a whole bunch of new opportunities for us. We're also going to be dealing more in the area of tools to allow those customers that want to do some of their own types of things.

So we're absolutely serious about being a major player in this, but we're also absolutely serious about paying for it in our, our means.

Roger Bensen: That's very good and you brought up an interesting point, your being the only public company, I mean obviously there, you know, policy management systems is part of computer sciences and all but it's lost in there, but it is very true that in order to get a real following you need, in any industry, more than one public company. It's like, well McDonalds is by far the biggest and the best hamburger company, having Burger King or Wendy's or that sort of stuff helps their awareness. And that will probably happen once Guidewire gets public.

John Roblin: Yes, and going back to your point, and this is I think another example, I mean they literally are spending huge amounts of money on marketing which is totally appropriate to try to grow that. Cover-All, our philosophy is (inaudible) we were going to have the product before we start to invest in sales and marketing. And the investment in sales and marketing that we're really seeing now is starting to pay off and we're going to double that or do even more to get more of that type of thing out there in the street.

But one other thing that I would also share with you and, which is kind of interesting is, there's always excitement around a new entrant in a marketplace and so you go out there because you don't have to, it's just new and it's like Guidewire is one of those new names. Cover-All has had the issue about while we have a history, our competitors would refer to that as old technology and old things. So it's really difficult to re-identify yourself or reposition yourself as the new company that I referred to in our discussion.

So you will also see us try to take a look at how we can identify ourselves, but it's not just a name change it's the whole publicity, it's the whole way we do things and that's why I'm doing such a big deal here about, we're going to be providing the full support spectrum here.

Roger Bensen: Sounds good to me. Next year should be a really good one.

John Roblin: We're excited as heck, and that's why when we have numbers like this, you know, you have a quarter which, you know, it is a doggone, why does this happen because we're feeling really good. But for reality of the business world is that's what happens. But we are absolutely convinced that we are on the right track and we're going to re-double our efforts and move it forward.

Roger Bensen: Thanks a lot.

Operator: And at this time there are no further questions. I would like to turn the call back over to Roger for any closing comments. Excuse me, actually I take that back, we did have another question that has just queued and it does come from the line of Bill Chapman with Morgan Stanley.

Bill Chapman: Hey guys, good morning.

John Roblin: Hi Bill.

Bill Chapman: Manish, on your equities interview you mentioned going international in 18 months, could you expand more of what you guys are thinking on that?

Manish Shah: Sure. Bill as you might have been, but for the other listeners, I mean the international market is quite large. It is about the same size in the property and casualty as the United States, of course fragmented across the countries. And you know going back to what, you know, Roger mentioned about Guidewire I mean one (inaudible) of their revenue comes from the international market so, it is quite there. So what we are trying to do is first, our products are ready for international market but we are basically going in two routes, we're going with the My Insurance Center there, we need to expand a bit of a product offering in terms of our claims, which is necessary for international market which, we try a process of doing it. And then we are taking our Business Intelligence product, which is already ready and is actually you know, using it by the multi-national companies whose headquarter in U.S.

Now what we are going to do with that is we are going to, we are going to pursue the route of the channel partnerships and the channel partnership is that we are going to basically work with the companies who sole focus or primary focus is on the services, which means that they provide the service business rather than the product business and they are basically looking for differentiation from their competitors and that will help us. Where we, they can take our product where we will give them a sort of a franchise, so to speak in terms of taking our products and you know we get the product and the license revenue and some of the franchising revenues on that, while they are able to basically use that product and differentiate them from their competitors as for the speed of the market or speed of the implementation.

So we are right now exploring the right fit for us who will take us into the international market. So that's basically the high level view on it. I think the market is, as I said, roughly the size of the United States.

John Roblin: Bill, I'd like to add just one thing to that. We've been talking international in these calls and stuff for the last couple years and the overall thing is we have made several different approaches in that market, the fundamental thing came back to us on a couple of points. Number one is, if you

have a product that you really can deliver on what Manish has just described and then you really have something that you can go and start to work with these channel partners and get it up and running. When you're a small company and you don't have the product it's really difficult to get the traction that you have. So what's fundamentally changed is we now have these products, we now have these capabilities so now we're a lot more welcome in that overall discussion. So we feel a lot better about this particular thing. You follow?

Bill Chapman: Yes, good.

John Roblin: I mean it's frustrating but if we've said things like we are looking at strategies or whatever, we don't abandon those at all, but what we do take, and here's the second piece of it. When you deal offshore and you're taking a look at the services that they're looking for, they are not looking for best of breed components. More often than not they're looking for a full solution, which means you've got your policy administration, your claims and your billing. And that type of thing. That's more how that marketplace works, and by the way, that's also a piece of the marketplace in the U.S. the smaller, mid-size companies are looking for that type of solution as well. So that has also influenced as we listen to what the customers are looking for and what it's going to take to compete, that also has influenced us in the direction that we're going.

Bill Chapman: Okay, let me ask you on the BI, now that you have quite a few demos, you've heard maybe some of your customers talk about what else they're looking at, and you guys have looked at competing offerings, you're still very confident this is head and shoulders on features and functionality versus the competition on the BI?

Manish Shah: I think we are more confident now that we know that we are getting a very, very good feedback from those calls. Clearly, you know, at first there is at first, you know, people needing to know more information and we are having a follow-up meetings now on those things where, you know, it sounds too good to be true kind of a thing and you know they are recognizing the speed at which they're going to be able to address the issues that they had in the production using our solution. So we're very confident, I guess, more importantly is, at this point we, our entry was very timely and our strategy that we executed was also very, very timely that puts us apart into the spectrum so, certainly you know we have an advantage there and we have all intention to realize it.

Bill Chapman: And our price points are in the ballpark of the competitors?

Manish Shah: Our price points are very, very attractive actually. Because the first of all, you know, of the competitors price points are very unpredictable. They don't even go with a fixed price because that's mostly the services business. So, it ends up going in time and material project so to speak

and then it can prolong for, months and they will end up paying the prices. So typical price points that we have seen is sometimes, you know, not only it's unpredictable but it's also, you know, three to four times higher so it's no brainer in terms of, you know, somebody getting that predicted, reasonable price, which addresses the core issues of their business.

Bill Chapman: Okay, let me ask one last question on the salesmen, John you mentioned doubling your efforts, now you're talking about keeping the same number of salesmen and just doubling efforts or are we adding more salesmen?

John Roblin: We're going to be adding more.

Bill Chapman: Okay, I wanted to make sure I understood that right. Okay.

John Roblin: Absolutely right Bill. And you'll be hearing more stuff around that, it's pretty broad.

Bill Chapman: Okay so you can compete against Guidewire whose had exponential growth according to their S-1 and, you know, and this is what the call is, definitely what you're communicating to us.

John Roblin: Yes.

Bill Chapman: Okay, let's see, guess that's it, thanks guys.

John Roblin: Thank you. Thanks Bill. Manish, just a quick question, do you have any feedback from the customers that have licensed the product about BI?

Manish Shah: Yes, I mean, you know, we have two implementations as I mentioned going on. One implementation most likely is going to go into production in a week or two, which is a great thing and they're in the late stages of their testing. And we are getting now emails, very, very complimentary emails and I will just read out a quote for you, you know, as the end of the call humor, is, they shared an email where one of their beta testing users, states that; 'while we really like this product, if you ever take it away from us we will kill you.'

John Roblin: But we don't know how to use that in the marketing place, but at any rate the point is people, Manish's point, can't really believe it and so we're really excited about where this is. That being said it takes a little bit of time to get some of this stuff up.

So again, I want to thank everybody for taking the time. I wanted to thank you for your support, I want to thank you for your interest

and the thoughts and other things. Like I say, we feel very, very excited about where we are and we're trying to portray that to you. We recognize very clearly that if we have to translate those things into real results and you've dealt with us before and you know that we know how to do that and that's where we are.

So thank you again and have a good day.

Operator: Thank you sir. Ladies and gentlemen this does conclude the conference for today. We do thank you for your participation, you may now disconnect your lines at this time.