

SS&C Technologies Holdings, Inc. and Subsidiaries
Consolidated Condensed Statements of Operation
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Revenues:				
Software licenses	\$ 6,074	\$ 3,983	\$ 11,663	\$ 9,803
Maintenance	17,817	16,066	35,836	31,606
Professional services	5,099	5,393	10,488	10,589
Software-enabled services	52,628	41,809	101,805	78,975
Total revenues	<u>81,618</u>	<u>67,251</u>	<u>159,792</u>	<u>130,973</u>
Cost of revenues:				
Software licenses	1,908	2,123	3,836	4,171
Maintenance	8,084	6,853	16,081	13,327
Professional services	3,260	3,512	6,618	7,489
Software-enabled services	27,688	22,033	53,567	42,606
Total cost of revenues	<u>40,940</u>	<u>34,521</u>	<u>80,102</u>	<u>67,593</u>
Gross profit	<u>40,678</u>	<u>32,730</u>	<u>79,690</u>	<u>63,380</u>
Operating expenses:				
Selling and marketing	6,483	5,039	12,635	10,267
Research and development	7,860	6,757	15,619	12,624
General and administrative	6,546	5,099	12,226	10,181
Total operating expenses	<u>20,889</u>	<u>16,895</u>	<u>40,480</u>	<u>33,072</u>
Operating income	19,789	15,835	39,210	30,308
Interest expense, net	(8,058)	(9,294)	(17,075)	(18,644)
Loss on extinguishment of debt	(5,480)	-	(5,480)	-
Other income (expense), net	115	(1,479)	-	(922)
Income before income taxes	6,366	5,062	16,655	10,742
Provision for income taxes	2,004	1,571	3,272	3,353
Net income	<u>\$ 4,362</u>	<u>\$ 3,491</u>	<u>\$ 13,383</u>	<u>\$ 7,389</u>
Basic earnings per share	<u>\$ 0.06</u>	<u>\$ 0.06</u>	<u>\$ 0.20</u>	<u>\$ 0.12</u>
Basic weighted-average number of common shares outstanding	<u>70,960</u>	<u>60,382</u>	<u>65,900</u>	<u>60,372</u>
Diluted earnings per share	<u>\$ 0.06</u>	<u>\$ 0.06</u>	<u>\$ 0.19</u>	<u>\$ 0.12</u>
Diluted weighted-average number of common and common equivalent shares outstanding	<u>74,538</u>	<u>63,376</u>	<u>69,424</u>	<u>63,134</u>

See Notes to Consolidated Condensed Financial Information.

SS&C Technologies Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	June 30, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 88,886	\$ 19,055
Accounts receivable, net	44,744	41,600
Income taxes receivable	7,896	669
Deferred income taxes	1,988	1,780
Prepaid expenses and other current assets	5,243	6,164
Total current assets	148,757	69,268
Property and equipment, net	13,312	14,036
Deferred income taxes	559	499
Goodwill	886,982	885,517
Intangible and other assets, net	199,002	216,321
Total assets	\$ 1,248,612	\$ 1,185,641
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 2,011	\$ 4,270
Accounts payable	3,921	4,804
Income taxes payable	-	703
Accrued employee compensation and benefits	8,341	14,693
Other accrued expenses	12,184	16,938
Interest payable	1,305	2,070
Deferred maintenance and other revenue	45,827	40,400
Total current liabilities	73,589	83,878
Long-term debt, net of current portion	313,387	392,989
Other long-term liabilities	9,574	10,764
Deferred income taxes	47,043	52,023
Total liabilities	443,593	539,654
Total stockholder's equity	805,019	645,987
Total liabilities and stockholder's equity	\$ 1,248,612	\$ 1,185,641

See Notes to Consolidated Condensed Financial Information.

SS&C Technologies Holdings, Inc. and Subsidiaries
Consolidated Condensed Statements of Cash Flows
(in thousands)
(unaudited)

	Six Months Ended	
	June 30, 2010	June 30, 2009
Cash flow from operating activities:		
Net income	\$ 13,383	\$ 7,389
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,297	17,598
Stock-based compensation expense	5,232	2,794
Amortization of loan origination costs	2,403	1,145
(Gain) loss on sale or disposition of property and equipment	(2)	3
Deferred income taxes	(6,090)	(5,628)
Provision for doubtful accounts	454	327
Changes in operating assets and liabilities excluding effects from acquisitions:		
Accounts receivable	(2,423)	1,649
Prepaid expenses and other assets	818	1,634
Income taxes receivable	(3,838)	-
Accounts payable	(857)	(145)
Accrued expenses	(10,914)	(7,136)
Income taxes payable	-	(2,549)
Deferred maintenance and other revenue	4,971	3,824
Net cash provided by operating activities	23,434	20,905
Cash flow from investing activities:		
Additions to property and equipment	(2,238)	(621)
Proceeds from sale of property and equipment	52	3
Cash paid for business acquisitions, net of cash acquired	(11,372)	(10,327)
Additions to capitalized software	(99)	-
Net cash used in investing activities	(13,657)	(10,945)
Cash flow from financing activities:		
Repayment of debt and acquired debt	(81,597)	(1,153)
Exercise of stock options	5,396	1,592
Income tax benefit related to exercise of stock options	3,583	-
Proceeds from common stock issuance, net	134,611	-
Purchase of common stock for treasury	(1,169)	(1,776)
Net cash provided by (used in) financing activities	60,824	(1,337)
Effect of exchange rate changes on cash	(770)	1,145
Net increase in cash and cash equivalents	69,831	9,768
Cash and cash equivalents, beginning of period	19,055	29,299
Cash and cash equivalents, end of period	\$ 88,886	\$ 39,067

See Notes to Consolidated Condensed Financial Information.

SS&C Technologies Holdings, Inc. and Subsidiaries
Notes to Consolidated Condensed Financial Information

Note 1. Reconciliation of Revenue to Adjusted Revenue

Adjusted revenue represents revenue adjusted for one-time purchase accounting adjustments to fair value deferred revenue acquired in business combinations. Adjusted revenue is presented because we use this measure to evaluate performance of our business against prior periods and believe it is a useful indicator of the underlying performance of the Company. Adjusted revenue is not a recognized term under generally accepted accounting principles (GAAP). Adjusted revenue does not represent revenue, as that term is defined under GAAP, and should not be considered as an alternative to revenue as an indicator of our operating performance. Adjusted revenue as presented herein is not necessarily comparable to similarly titled measures. The following is a reconciliation between adjusted revenue and revenue, the GAAP measure we believe to be most directly comparable to adjusted revenue.

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Revenue	\$ 81,618	\$ 67,251	\$ 159,792	\$ 130,973
Purchase accounting adjustments to deferred revenue	62	-	142	-
Adjusted revenue	<u>\$ 81,680</u>	<u>\$ 67,251</u>	<u>\$ 159,934</u>	<u>\$ 130,973</u>

Note 2. Reconciliation of Operating Income to Adjusted Operating Income

Adjusted operating income represents operating income adjusted for amortization of acquisition-related intangible assets and purchase accounting adjustments for deferred revenue and other expenses. Adjusted operating income is presented because we use this measure to evaluate performance of our business and believe it is a useful indicator of the underlying performance of the Company. Adjusted operating income is not a recognized term under accepted accounting principles GAAP. Adjusted operating income does not represent operating income, as that term is defined under GAAP, and should not be considered as an alternative to operating income as an indicator of our operating performance. Adjusted operating income as presented herein is not necessarily comparable to similarly titled measures. The following is a reconciliation between adjusted operating income and operating income, the GAAP measure we believe to be most directly comparable to adjusted operating income.

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Operating income	\$ 19,789	\$ 15,835	\$ 39,210	\$ 30,308
Amortization of intangible assets	8,734	7,752	17,408	15,174
Stock-based compensation	3,882	1,525	5,232	2,794
Capital-based taxes	228	342	454	676
Unusual or non-recurring charges	(153)	276	83	361
Purchase accounting adjustments	(60)	(54)	(37)	(105)
Other	(45)	295	161	640
Adjusted operating income	<u>\$ 32,375</u>	<u>\$ 25,971</u>	<u>\$ 62,511</u>	<u>\$ 49,848</u>

Note 3. Reconciliation of Net Income to EBITDA, Consolidated EBITDA and Adjusted Consolidated EBITDA

EBITDA represents net income before interest expense, income taxes, depreciation and amortization. Consolidated EBITDA, defined under our Credit Agreement entered into in November 2005, is used in calculating covenant compliance, and is EBITDA adjusted for certain items. Consolidated EBITDA is calculated by subtracting from or adding to EBITDA items of income or expense described below. Adjusted consolidated EBITDA is calculated by subtracting acquired EBITDA from consolidated EBITDA. EBITDA, consolidated EBITDA and adjusted consolidated EBITDA are presented because we use these measures to evaluate performance of our business and believe them to be useful indicators of an entity's debt capacity and its ability to service debt. EBITDA, consolidated EBITDA and adjusted consolidated EBITDA are not recognized terms under GAAP and should not be considered in isolation or as an alternative to operating income, net income or cash flows from operating activities. EBITDA, consolidated EBITDA and adjusted consolidated EBITDA do not represent net income, as that term is defined under GAAP, and should not

be considered as an alternative to net income as an indicator of our operating performance. The following is a reconciliation between EBITDA, consolidated EBITDA and adjusted consolidated EBITDA and net income.

(in thousands)	Three months ended June 30,		Six months ended June 30,		Twelve months ended June 30,
	2010	2009	2010	2009	2010
Net income	\$ 4,362	\$ 3,491	\$ 13,383	\$ 7,389	\$ 25,012
Interest expense, net	13,538	9,294	22,555	18,644	40,774
Taxes	2,004	1,571	3,272	3,353	9,723
Depreciation and amortization	10,184	9,025	20,297	17,598	38,727
EBITDA	30,088	23,381	59,507	46,984	114,236
Stock-based compensation	3,882	1,525	5,232	2,794	8,045
Capital-based taxes	228	342	454	676	573
Acquired EBITDA and cost savings	-	857	192	2,025	4,041
Unusual or non-recurring charges	(267)	1,755	84	1,283	791
Purchase accounting adjustments	(60)	(54)	(37)	(105)	(25)
Other	(45)	295	161	640	722
Consolidated EBITDA	33,826	28,101	65,593	54,297	128,383
Less: acquired EBITDA	-	(857)	(192)	(2,025)	(4,041)
Adjusted Consolidated EBITDA	\$ 33,826	\$ 27,244	\$ 65,401	\$ 52,272	\$ 124,342

Note 4. Reconciliation of Net Income to Adjusted Net Income and Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share

Adjusted net income and adjusted diluted earnings per share represent net income and earnings per share before amortization of intangible assets and deferred financing costs, stock-based compensation, capital-based taxes and other unusual and non-recurring items. Adjusted net income and adjusted diluted earnings per share are not recognized terms under GAAP, do not represent net income or diluted earnings per share, as those terms are defined under GAAP, and should not be considered as alternatives to net income or diluted earnings per share as indicators of our operating performance. Adjusted net income and adjusted diluted earnings per share are important to management and investors because it represents our operational performance exclusive of the effects of amortization of intangible assets and deferred financing costs, stock-based compensation, capital-based taxes and other unusual and non-recurring items that are not operational in nature or comparable to those of our competitors. The following is a reconciliation between adjusted net income and adjusted diluted earnings per share and net income and diluted earnings per share.

(in thousands, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
GAAP – Net income	\$ 4,362	\$ 3,491	\$ 13,383	\$ 7,389
Plus: Amortization of intangible assets	8,734	7,752	17,408	15,174
Plus: Amortization of deferred financing costs	554	575	1,138	1,145
Plus: Stock-based compensation	3,882	1,525	5,232	2,794
Plus: Capital-based taxes	228	342	454	676
Plus: Unusual and non-recurring items	(267)	1,755	84	1,283
Plus: Loss on extinguishment of debt	5,480	-	5,480	-
Plus: Purchase accounting adjustments	(60)	(54)	(37)	(105)
Plus: Other	(45)	295	161	640
Income tax effect (1)	(6,701)	(4,467)	(13,029)	(7,969)
Adjusted net income	\$ 16,167	\$ 11,214	\$ 30,274	\$ 21,027
Adjusted diluted earnings per share	\$ 0.22	\$ 0.18	\$ 0.44	\$ 0.33
GAAP diluted earnings per share	\$ 0.06	\$ 0.06	\$ 0.19	\$ 0.12
Diluted weighted-average shares outstanding	74,538	63,376	69,424	63,134

(1) An estimated normalized effective tax rate of 35% has been used to adjust the provision for income taxes for the purposes of computing adjusted net income.