

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

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Revenues:		
Software-enabled services	\$ 145,383	\$ 135,739
Software licenses	7,499	6,070
Maintenance	25,526	26,015
Professional services	7,402	5,394
Total revenues	<u>185,810</u>	<u>173,218</u>
Cost of revenues:		
Software-enabled services	85,691	80,727
Software licenses	851	1,274
Maintenance	9,931	10,520
Professional services	5,026	4,920
Total cost of revenues	<u>101,499</u>	<u>97,441</u>
Gross profit	<u>84,311</u>	<u>75,777</u>
Operating expenses:		
Selling and marketing	11,898	9,464
Research and development	13,587	13,802
General and administrative	11,801	10,515
Total operating expenses	<u>37,286</u>	<u>33,781</u>
Operating income	47,025	41,996
Interest expense, net	(7,098)	(12,505)
Other (expense) income, net	<u>(686)</u>	<u>146</u>
Income before income taxes	39,241	29,637
Provision for income taxes	<u>12,793</u>	<u>8,208</u>
Net income	<u>\$ 26,448</u>	<u>\$ 21,429</u>
Basic earnings per share	<u>\$ 0.32</u>	<u>\$ 0.27</u>
Basic weighted average number of common shares outstanding	<u>82,722</u>	<u>79,340</u>
Diluted earnings per share	<u>\$ 0.30</u>	<u>\$ 0.26</u>
Diluted weighted average number of common and common equivalent shares outstanding	<u>86,901</u>	<u>83,770</u>

See Notes to Condensed Consolidated Financial Information.

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

	<u>March 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 78,371	\$ 84,470
Accounts receivable, net	87,787	91,221
Prepaid income taxes	12,279	19,932
Deferred income taxes	5,587	6,526
Prepaid expenses and other current assets	15,661	16,567
Restricted cash	1,477	2,460
Total current assets	<u>201,162</u>	<u>221,176</u>
Property and equipment, net	53,213	51,697
Deferred income taxes	1,008	1,077
Goodwill	1,533,941	1,541,386
Intangible and other assets, net	<u>439,043</u>	<u>459,988</u>
Total assets	<u>\$ 2,228,367</u>	<u>\$ 2,275,324</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 23,306	\$ 23,212
Accounts payable	8,974	8,368
Income taxes payable	-	2,169
Accrued employee compensation and benefits	16,145	44,664
Other accrued expenses	26,869	26,028
Deferred maintenance and other revenue	<u>64,810</u>	<u>62,561</u>
Total current liabilities	140,104	167,002
Long-term debt, net of current portion	706,544	751,295
Other long-term liabilities	16,116	14,913
Deferred income taxes	<u>107,851</u>	<u>110,406</u>
Total liabilities	970,615	1,043,616
Total stockholders' equity	<u>1,257,752</u>	<u>1,231,708</u>
Total liabilities and stockholders' equity	<u>\$ 2,228,367</u>	<u>\$ 2,275,324</u>

See Notes to Condensed Consolidated Financial Information.

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

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Cash flow from operating activities:		
Net income	\$ 26,448	\$ 21,429
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24,936	24,752
Stock-based compensation expense	2,975	2,106
Income tax benefit related to exercise of stock options	(2,453)	(2,679)
Amortization of loan origination costs and original issue discount	1,520	1,388
Loss (gain) on sale or disposition of property and equipment	53	(7)
Deferred income taxes	(1,441)	(3,919)
Provision for doubtful accounts	184	184
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	2,956	(1,751)
Prepaid expenses and other assets	1,165	2,624
Accounts payable	(1,765)	(4,267)
Accrued expenses	(26,343)	(23,463)
Income taxes prepaid and payable	7,986	668
Deferred maintenance and other revenue	2,333	3,578
Net cash provided by operating activities	38,554	20,643
Cash flow from investing activities:		
Additions to property and equipment	(2,758)	(2,044)
Proceeds from sale of property and equipment	-	7
Additions to capitalized software	(856)	(202)
Other	983	-
Net cash used in investing activities	(2,631)	(2,239)
Cash flow from financing activities:		
Repayments of debt	(45,000)	(45,000)
Income tax benefit related to exercise of stock options	2,453	2,679
Proceeds from exercise of stock options	3,993	8,931
Purchase of common stock for treasury	(3,492)	-
Other	(512)	(1,055)
Net cash used in financing activities	(42,558)	(34,445)
Effect of exchange rate changes on cash	536	(1,281)
Net decrease in cash	(6,099)	(17,322)
Cash, beginning of period	84,470	86,160
Cash, end of period	\$ 78,371	\$ 68,838
Supplemental disclosure of non-cash activities:		
Excess tax benefit related to stock option exercises	\$ -	\$ 12,710

See Notes to Condensed Consolidated Financial Information.

**SS&C Technologies Holdings, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated 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 the 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)	<b>Three months ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Revenue	\$ 185,810	\$ 173,218
Purchase accounting adjustments to deferred revenue	-	114
Adjusted revenue	<u>\$ 185,810</u>	<u>\$ 173,332</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 the 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 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)	<b>Three months ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Operating income	\$ 47,025	\$ 41,996
Amortization of intangible assets	21,326	21,018
Stock-based compensation	2,975	2,106
Capital-based taxes	6	-
Unusual or non-recurring charges	1,328	(410)
Purchase accounting adjustments	(27)	65
Adjusted operating income	<u>\$ 72,633</u>	<u>\$ 64,775</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 March 2012, 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 alternatives to operating income, net income or cash flows from operating activities as indicators of our operating performance. The following is a reconciliation of EBITDA, consolidated EBITDA and adjusted consolidated EBITDA to net income.

(in thousands)	<b>Three months ended March 31,</b>		<b>Twelve months ended</b>
	<b>2014</b>	<b>2013</b>	<b>March 31, 2014</b>
Net income	\$ 26,448	\$ 21,429	\$ 122,914
Interest expense, net	7,098	12,505	35,872
Taxes	12,793	8,208	31,877
Depreciation and amortization	24,936	24,752	99,964
EBITDA	\$ 71,275	\$ 66,894	\$ 290,627
Stock-based compensation	2,975	2,106	9,255
Capital-based taxes	6	-	188
Acquired EBITDA and cost savings	-	-	394
Unusual or non-recurring charges	2,014	(556)	(551)
Purchase accounting adjustments	(27)	65	(144)
Other	(49)	211	(25)
Consolidated EBITDA	76,194	68,720	299,744
Less: acquired EBITDA	-	-	(394)
Adjusted Consolidated EBITDA	\$ 76,194	\$ 68,720	\$ 299,350

**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 they represent 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)	<b>Three months ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
GAAP – Net income	\$ 26,448	\$ 21,429
Plus: Amortization of intangible assets	21,326	21,018
Plus: Amortization of deferred financing costs and original issue discount	1,520	1,388
Plus: Stock-based compensation	2,975	2,106
Plus: Capital-based taxes	6	-
Plus: Unusual and non-recurring items	2,014	(556)
Plus: Purchase accounting adjustments	(27)	65
Income tax effect (1)	(5,982)	(7,889)
Adjusted net income	\$ 48,280	\$ 37,561
Adjusted diluted earnings per share	\$ 0.56	\$ 0.45
GAAP diluted earnings per share	\$ 0.30	\$ 0.26

Diluted weighted average shares outstanding	86,901	83,770
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(1) An estimated normalized effective tax rate of 28% has been used to adjust the provision for income taxes for the purpose of computing adjusted net income.