

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

	Three Months Ended March 31,	
	2010	2009
Revenues:		
Software licenses	\$ 5,589	\$ 5,820
Maintenance	18,019	15,540
Professional services	5,389	5,196
Software-enabled services	49,177	37,166
Total revenues	<u>78,174</u>	<u>63,722</u>
Cost of revenues:		
Software licenses	1,928	2,048
Maintenance	7,997	6,474
Professional services	3,358	3,977
Software-enabled services	25,879	20,573
Total cost of revenues	<u>39,162</u>	<u>33,072</u>
Gross profit	<u>39,012</u>	<u>30,650</u>
Operating expenses:		
Selling and marketing	6,152	5,228
Research and development	7,759	5,867
General and administrative	5,680	5,082
Total operating expenses	<u>19,591</u>	<u>16,177</u>
Operating income	19,421	14,473
Interest expense, net	(9,017)	(9,350)
Other (expense) income, net	<u>(115)</u>	<u>557</u>
Income before income taxes	10,289	5,680
Provision for income taxes	<u>1,268</u>	<u>1,782</u>
Net income	<u>\$ 9,021</u>	<u>\$ 3,898</u>
Basic earnings per share	<u>\$ 0.15</u>	<u>\$ 0.06</u>
Basic weighted-average number of common shares outstanding	<u>60,785</u>	<u>60,362</u>
Diluted earnings per share	<u>\$ 0.14</u>	<u>\$ 0.06</u>
Diluted weighted-average number of common and common equivalent shares outstanding	<u>64,542</u>	<u>62,888</u>

See Notes to Consolidated Condensed Financial Information.

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

	<u>March 31, 2010</u>	<u>December 31, 2009</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 21,189	\$ 19,055
Accounts receivable, net	44,367	41,600
Income taxes receivable	6,539	669
Deferred income taxes	1,773	1,780
Prepaid expenses and other current assets	6,057	6,164
Total current assets	<u>79,925</u>	<u>69,268</u>
Property and equipment, net	13,707	14,036
Deferred income taxes	331	499
Goodwill	900,021	885,517
Intangible and other assets, net	<u>211,117</u>	<u>216,321</u>
Total assets	<u>\$ 1,205,101</u>	<u>\$ 1,185,641</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 2,138	\$ 4,270
Accounts payable	3,867	4,804
Income taxes payable	767	703
Accrued employee compensation and benefits	5,096	14,693
Other accrued expenses	13,815	16,938
Interest payable	8,029	2,070
Deferred maintenance and other revenue	<u>50,126</u>	<u>40,400</u>
Total current liabilities	83,838	83,878
Long-term debt, net of current portion	394,026	392,989
Other long-term liabilities	9,899	10,764
Deferred income taxes	<u>50,253</u>	<u>52,023</u>
Total liabilities	538,016	539,654
Total stockholders' equity	<u>667,085</u>	<u>645,987</u>
Total liabilities and stockholders' equity	<u>\$ 1,205,101</u>	<u>\$ 1,185,641</u>

See Notes to Consolidated Condensed Financial Information.

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

	Three Months Ended March 31,	
	2010	2009
Cash flow from operating activities:		
Net income	\$ 9,021	\$ 3,898
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,113	8,573
Stock compensation expense	1,350	1,269
Amortization of loan origination costs	584	570
(Gain) loss on sale or disposition of property and equipment	(2)	2
Deferred income taxes	(2,359)	(2,089)
Provision for doubtful accounts	146	349
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	(1,178)	(4,223)
Prepaid expenses and other assets	193	208
Accounts payable	(966)	45
Accrued expenses	(7,156)	(3,369)
Income taxes receivable and payable	(2,989)	(3,869)
Deferred maintenance and other revenue	8,785	9,668
Net cash provided by operating activities	15,542	11,032
Cash flow from investing activities:		
Additions to property and equipment	(998)	(102)
Proceeds from sale of property and equipment	52	-
Cash paid for business acquisitions, net of cash acquired	(11,372)	(3,550)
Additions to capitalized software	(51)	-
Net cash used in investing activities	(12,369)	(3,652)
Cash flow from financing activities:		
Repayment of debt	(2,659)	(531)
Exercise of stock options	953	534
Income tax benefit related to exercise of stock options	2,009	-
Purchase of common stock for treasury	(1,169)	(657)
Net cash used in financing activities	(866)	(654)
Effect of exchange rate changes on cash	(173)	(488)
Net increase in cash and cash equivalents	2,134	6,238
Cash and cash equivalents, beginning of period	19,055	29,299
Cash and cash equivalents, end of period	\$ 21,189	\$ 35,537

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 March 31,	
	2010	2009
Revenue	\$ 78,174	\$ 63,722
Purchase accounting adjustments to deferred revenue	80	-
Adjusted revenue	\$ 78,254	\$ 63,722

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 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 March 31,	
	2010	2009
Operating income	\$ 19,421	\$ 14,473
Amortization of intangible assets	8,674	7,422
Stock-based compensation	1,350	1,269
Capital-based taxes	226	334
Unusual or non-recurring charges	236	85
Purchase accounting adjustments	23	(51)
Other	206	345
Adjusted operating income	\$ 30,136	\$ 23,877

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 March 31,		Twelve months ended March 31, 2010
	2010	2009	
Net income	\$ 9,021	\$ 3,898	\$ 24,141
Interest expense, net	9,017	9,350	36,530
Taxes	1,268	1,782	9,290
Depreciation and amortization	10,113	8,573	37,568
EBITDA	\$ 29,419	\$ 23,603	\$ 107,529
Stock-based compensation	1,350	1,269	5,688
Capital-based taxes	226	334	687
Acquired EBITDA and cost savings	192	221	7,021
Unusual or non-recurring charges	351	(472)	2,813
Purchase accounting adjustments	23	(51)	(19)
Other	206	345	1,062
Consolidated EBITDA	31,767	25,249	124,781
Less: acquired EBITDA	(192)	(221)	(7,021)
Adjusted Consolidated EBITDA	\$ 31,575	\$ 25,028	\$ 117,760

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. Adjusted net income and adjusted diluted earnings per share as presented herein are not necessarily comparable to similarly titled measures. 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 March 31,	
	2010	2009
GAAP – Net income	\$ 9,021	\$ 3,898
Plus: Amortization of intangible assets	8,674	7,422
Plus: Amortization of deferred financing costs	584	570
Plus: Stock-based compensation	1,350	1,269
Plus: Capital-based taxes	226	334
Plus: Unusual and non-recurring items	351	(472)
Plus: Purchase accounting adjustments	23	(51)
Plus: Other	206	345
Income tax effect (1)	(6,328)	(3,502)
Adjusted net income	\$ 14,107	\$ 9,813

Adjusted diluted earnings per share	\$ 0.22	\$ 0.16
GAAP diluted earnings per share	\$ 0.14	\$ 0.06
Diluted weighted-average shares outstanding	64,542	62,888

(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.