

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

	Three Months Ended		Year Ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Revenues:				
Software-enabled services	\$ 131,408	\$ 63,489	\$ 406,477	\$ 246,007
Software licenses	7,003	6,166	22,466	23,507
Maintenance	25,767	19,807	93,760	78,266
Professional services	7,577	6,233	29,139	23,048
Total revenues	<u>171,755</u>	<u>95,695</u>	<u>551,842</u>	<u>370,828</u>
Cost of revenues:				
Software-enabled services	78,274	33,034	234,214	126,921
Software licenses	1,727	1,736	6,336	6,825
Maintenance	11,056	8,797	40,394	34,993
Professional services	5,170	4,110	18,973	15,549
Total cost of revenues	<u>96,227</u>	<u>47,677</u>	<u>299,917</u>	<u>184,288</u>
Gross profit	<u>75,528</u>	<u>48,018</u>	<u>251,925</u>	<u>186,540</u>
Operating expenses:				
Selling and marketing	9,230	7,676	33,858	28,892
Research and development	13,301	9,297	45,779	35,650
General and administrative	10,270	7,360	34,797	28,221
Transaction costs	(47)	-	14,275	-
Total operating expenses	<u>32,754</u>	<u>24,333</u>	<u>128,709</u>	<u>92,763</u>
Operating income	42,774	23,685	123,216	93,777
Interest expense, net	(13,741)	(2,812)	(32,501)	(14,628)
Other (expense) income, net	350	(603)	(15,875)	(423)
Loss on extinguishment of debt	-	(1,906)	(4,355)	(4,787)
Income before income taxes	29,383	18,364	70,485	73,939
Provision for income taxes	13,301	5,104	24,665	22,918
Net income	<u>\$ 16,082</u>	<u>\$ 13,260</u>	<u>\$ 45,820</u>	<u>\$ 51,021</u>
Basic earnings per share	<u>\$ 0.20</u>	<u>\$ 0.17</u>	<u>\$ 0.59</u>	<u>\$ 0.67</u>
Basic weighted average number of common shares outstanding	<u>78,912</u>	<u>77,470</u>	<u>78,321</u>	<u>76,482</u>
Diluted earnings per share	<u>\$ 0.19</u>	<u>\$ 0.16</u>	<u>\$ 0.55</u>	<u>\$ 0.63</u>
Diluted weighted average number of common and common equivalent shares outstanding	<u>83,354</u>	<u>81,194</u>	<u>82,888</u>	<u>80,709</u>

See Notes to Condensed Consolidated Financial Information.

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

	December 31, 2012	December 31, 2011
<b>ASSETS</b>		
Current assets:		
Cash	\$ 86,160	\$ 40,318
Accounts receivable, net	91,690	47,201
Prepaid income taxes	9,651	788
Deferred income taxes	5,408	889
Prepaid expenses and other current assets	11,548	5,214
Restricted cash	2,460	1,149
Total current assets	206,917	95,559
Property and equipment, net	55,039	14,304
Deferred income taxes	1,459	1,111
Goodwill	1,566,607	931,639
Intangible and other assets, net	532,883	164,995
Total assets	\$ 2,362,905	\$ 1,207,608
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 22,248	\$ -
Accounts payable	10,528	4,170
Income taxes payable	1,314	-
Accrued employee compensation and benefits	39,812	19,770
Other accrued expenses	22,650	14,058
Interest payable	-	95
Deferred maintenance and other revenue	63,700	46,395
Total current liabilities	160,252	84,488
Long-term debt, net of current portion	989,890	100,000
Other long-term liabilities	17,102	14,081
Deferred income taxes	120,158	28,936
Total liabilities	1,287,402	227,505
Total stockholders' equity	1,075,503	980,103
Total liabilities and stockholders' equity	\$ 2,362,905	\$ 1,207,608

See Notes to Condensed Consolidated Financial Information.

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

	Year Ended	
	December 31, 2012	December 31, 2011
Cash flow from operating activities:		
Net income	\$ 45,820	\$ 51,021
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	75,814	42,224
Stock-based compensation expense	5,590	13,493
Income tax benefit related to exercise of stock options	(3,531)	(4,934)
Amortization of loan origination costs and original issue discount	9,215	4,485
Loss on sale or disposition of property and equipment	13	11
Deferred income taxes	(6,350)	(12,423)
Provision for doubtful accounts	413	802
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	(14,051)	(1,818)
Prepaid expenses and other assets	7,579	(324)
Accounts payable	1,835	278
Accrued expenses	3,015	4,076
Income taxes receivable and payable	5,039	9,115
Deferred maintenance and other revenues	4,021	4,401
Net cash provided by operating activities	<u>134,422</u>	<u>110,407</u>
Cash flow from investing activities:		
Additions to property and equipment	(17,187)	(6,222)
Proceeds from sale of property and equipment	374	-
Cash paid for business acquisitions, net of cash acquired	(967,149)	(20,577)
Additions to capitalized software	(1,105)	(1,406)
Other	87	(1,149)
Net cash used in investing activities	<u>(984,980)</u>	<u>(29,354)</u>
Cash flow from financing activities:		
Cash received from debt borrowings, net of costs	1,304,037	100,000
Repayment of debt	(425,600)	(291,051)
Proceeds from common stock issuance, net	-	51,971
Proceeds from exercise of stock options	14,354	8,788
Payment of contingent consideration	(1,800)	-
Income tax benefit related to exercise of stock options	3,531	4,934
Net cash provided by (used in) financing activities	<u>894,522</u>	<u>(125,358)</u>
Effect of exchange rate changes on cash	<u>1,877</u>	<u>(220)</u>
Net increase (decrease) in cash	45,841	(44,525)
Cash, beginning of period	40,318	84,843
Cash, end of period	<u>\$ 86,159</u>	<u>\$ 40,318</u>

See Notes to Condensed Consolidated Financial Information.

February 14, 2013 12:09 PM

**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 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.

	Three Months Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
(in thousands)				
Revenue	\$ 171,755	\$ 95,695	\$ 551,842	\$ 370,828
Purchase accounting adjustments to deferred revenue	285	7	1,100	27
Adjusted revenue	<u>\$ 172,040</u>	<u>\$ 95,702</u>	<u>\$ 552,942</u>	<u>\$ 370,855</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 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.

	Three Months Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
(in thousands)				
Operating income	\$ 42,774	\$ 23,685	\$ 123,216	\$ 93,777
Amortization of intangible assets	21,373	9,418	65,118	36,826
Stock-based compensation	1,792	4,278	5,590	13,493
Capital-based taxes	-	200	(785)	354
Unusual or non-recurring charges	(37)	863	15,754	1,932
Purchase accounting adjustments	233	(65)	894	(373)
Other	-	-	-	(30)
Adjusted operating income	<u>\$ 66,135</u>	<u>\$ 38,379</u>	<u>\$ 209,787</u>	<u>\$ 145,979</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 between EBITDA, consolidated EBITDA and adjusted consolidated EBITDA and net income.

(in thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
Net income	\$ 16,082	\$ 13,260	\$ 45,820	\$ 51,021
Interest expense, net	13,741	4,718	36,856	19,415
Taxes	13,301	5,104	24,665	22,918
Depreciation and amortization	25,194	10,742	75,814	42,224
EBITDA	68,318	33,824	183,155	135,578
Stock-based compensation	1,792	4,278	5,590	13,493
Capital-based taxes	-	200	(785)	354
Acquired EBITDA and cost savings	40	-	35,531	1,192
Unusual or non-recurring charges	(387)	1,465	31,629	2,355
Purchase accounting adjustments	233	(65)	894	(373)
Other	124	(147)	(17)	(183)
Consolidated EBITDA	70,120	39,555	255,997	152,416
Less: acquired EBITDA	(40)	-	(35,531)	(1,192)
Adjusted Consolidated EBITDA	\$ 70,080	\$ 39,555	\$ 220,466	\$ 151,224

#### 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)	Three Months Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
GAAP – Net income	\$ 16,082	\$ 13,260	\$ 45,820	\$ 51,021
Plus: Amortization of intangible assets	21,373	9,418	65,118	36,826
Plus: Amortization of deferred financing costs and original issue discount	1,401	356	3,360	1,656
Plus: Stock-based compensation	1,792	4,278	5,590	13,493
Plus: Capital-based taxes	-	200	(785)	354
Plus: Unusual and non-recurring items	(387)	1,465	31,629	2,355
Plus: Loss on extinguishment of debt	-	1,906	4,355	4,787
Plus: Purchase accounting adjustments	233	(65)	894	(373)
Plus: Other	-	-	-	(30)
Income tax effect (1)	(5,527)	(7,469)	(38,561)	(23,635)
Adjusted net income	\$ 34,967	\$ 23,349	\$ 117,420	\$ 86,454
Adjusted diluted earnings per share	\$ 0.42	\$ 0.29	\$ 1.42	\$ 1.07
GAAP diluted earnings per share	\$ 0.19	\$ 0.16	\$ 0.55	\$ 0.63
Diluted weighted-average shares outstanding	83,354	81,194	82,888	80,709

(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.