

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

	Three Months Ended		Year Ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Revenues:				
Software licenses	\$ 6,166	\$ 6,054	\$ 23,507	\$ 23,683
Maintenance	19,807	18,573	78,266	72,703
Professional services	6,233	5,343	23,048	20,727
Software-enabled services	63,489	56,140	246,007	211,792
Total revenues	<u>95,695</u>	<u>86,110</u>	<u>370,828</u>	<u>328,905</u>
Cost of revenues:				
Software licenses	1,736	1,996	6,825	7,750
Maintenance	8,797	8,407	34,993	32,712
Professional services	4,110	3,711	15,549	13,954
Software-enabled services	33,034	29,379	126,921	111,516
Total cost of revenues	<u>47,677</u>	<u>43,493</u>	<u>184,288</u>	<u>165,932</u>
Gross profit	<u>48,018</u>	<u>42,617</u>	<u>186,540</u>	<u>162,973</u>
Operating expenses:				
Selling and marketing	7,676	6,319	28,892	25,229
Research and development	9,297	7,956	35,650	31,442
General and administrative	7,360	7,297	28,221	26,462
Total operating expenses	<u>24,333</u>	<u>21,572</u>	<u>92,763</u>	<u>83,133</u>
Operating income	23,685	21,045	93,777	79,840
Interest expense, net	(2,812)	(6,594)	(14,628)	(30,412)
Other (expense) income, net	(603)	(154)	(423)	499
Loss on extinguishment of debt	(1,906)	-	(4,787)	(5,480)
Income before income taxes	18,364	14,297	73,939	44,447
Provision for income taxes	5,104	5,121	22,918	12,034
Net income	<u>\$ 13,260</u>	<u>\$ 9,176</u>	<u>\$ 51,021</u>	<u>\$ 32,413</u>
Basic earnings per share	<u>\$ 0.17</u>	<u>\$ 0.13</u>	<u>\$ 0.67</u>	<u>\$ 0.47</u>
Basic weighted average number of common shares outstanding	<u>77,470</u>	<u>72,316</u>	<u>76,482</u>	<u>69,027</u>
Diluted earnings per share	<u>\$ 0.16</u>	<u>\$ 0.12</u>	<u>\$ 0.63</u>	<u>\$ 0.44</u>
Diluted weighted average number of common and common equivalent shares outstanding	<u>81,194</u>	<u>76,594</u>	<u>80,709</u>	<u>73,079</u>

See Notes to Condensed Consolidated Financial Information.

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

	December 31, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 40,318	\$ 84,843
Accounts receivable, net	47,201	45,531
Prepaid income taxes	788	2,242
Deferred income taxes	889	1,142
Prepaid expenses and other current assets	5,214	5,932
Restricted cash	1,149	-
Total current assets	95,559	139,690
Property and equipment, net	14,304	13,570
Deferred income taxes	1,111	686
Goodwill	931,639	926,668
Intangible and other assets, net	164,995	195,112
Total assets	\$ 1,207,608	\$ 1,275,726
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ -	\$ 1,702
Accounts payable	4,170	3,790
Accrued employee compensation and benefits	19,770	16,854
Other accrued expenses	14,058	11,052
Interest payable	95	1,305
Deferred maintenance and other revenue	46,395	41,671
Total current liabilities	84,488	76,374
Long-term debt, net of current portion	100,000	289,092
Other long-term liabilities	14,081	12,343
Deferred income taxes	28,936	40,734
Total liabilities	227,505	418,543
Total stockholders' equity	980,103	857,183
Total liabilities and stockholders' equity	\$ 1,207,608	\$ 1,275,726

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, 2011	December 31, 2010
Cash flow from operating activities:		
Net income	\$ 51,021	\$ 32,413
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	42,224	40,728
Stock-based compensation expense	13,493	13,254
Amortization of loan origination costs	4,485	3,392
Loss (gain) on sale or disposition of property and equipment	11	(9)
Deferred income taxes	(12,423)	(13,700)
Provision for doubtful accounts	802	831
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	(1,818)	1,066
Prepaid expenses and other assets	(324)	(133)
Accounts payable	278	(1,041)
Accrued expenses and other liabilities	4,076	(2,660)
Income taxes receivable and payable	4,181	2,073
Deferred maintenance and other revenues	4,401	(647)
Net cash provided by operating activities	110,407	75,567
Cash flow from investing activities:		
Additions to property and equipment	(6,222)	(4,834)
Cash paid for business acquisitions, net of cash acquired	(20,577)	(45,815)
Additions to capitalized software and other intangibles	(1,406)	(509)
Other	(1,149)	59
Net cash used in investing activities	(29,354)	(51,099)
Cash flow from financing activities:		
Proceeds from debt financing	100,000	-
Repayment of debt	(291,051)	(108,120)
Proceeds from common stock issuance, net	51,971	134,558
Proceeds from exercise of stock options	8,788	10,813
Purchase of common stock for treasury	-	(1,169)
Income tax benefit related to exercise of stock options	4,934	5,064
Net cash (used in) provided by financing activities	(125,358)	41,146
Effect of exchange rate changes on cash and cash equivalents	(220)	174
Net (decrease) increase in cash and cash equivalents	(44,525)	65,788
Cash and cash equivalents, beginning of period	84,843	19,055
Cash and cash equivalents, end of period	\$ 40,318	\$ 84,843

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 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 December 31,		Year Ended December 31,	
	2011	2010	2011	2010
Revenue	\$ 95,695	\$ 86,110	\$ 370,828	\$ 328,905
Purchase accounting adjustments to deferred revenue	7	11	27	189
Adjusted revenue	\$ 95,702	\$ 86,121	\$ 370,855	\$ 329,094

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 December 31,		Year Ended December 31,	
	2011	2010	2011	2010
Operating income	\$ 23,685	\$ 21,045	\$ 93,777	\$ 79,840
Amortization of intangible assets	9,418	8,950	36,826	35,085
Stock-based compensation	4,278	4,073	13,493	13,254
Capital-based taxes	200	230	354	1,091
Unusual or non-recurring charges (gains)	863	(30)	1,932	174
Purchase accounting adjustments	(65)	(114)	(373)	(238)
Other	-	(75)	(30)	39
Adjusted operating income	\$ 38,379	\$ 34,079	\$ 145,979	\$ 129,245

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, 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. 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 alternatives 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 December 31,		Year ended December 31,	
	2011	2010	2011	2010
Net income	\$ 13,260	\$ 9,176	\$ 51,021	\$ 32,413
Interest expense, net	4,718	6,594	19,415	35,892
Income taxes	5,104	5,121	22,918	12,034
Depreciation and amortization	10,742	10,372	42,224	40,728
EBITDA	33,824	31,263	135,578	121,067
Stock-based compensation	4,278	4,073	13,493	13,254
Capital-based taxes	200	230	354	1,091
Acquired EBITDA and cost savings	-	329	1,192	6,392
Unusual or non-recurring charges (gains)	1,465	124	2,355	(325)
Purchase accounting adjustments	(65)	(114)	(373)	(238)
Other	(147)	(75)	(183)	39
Consolidated EBITDA	39,555	35,830	152,416	141,280
Less: acquired EBITDA and cost savings	-	(329)	(1,192)	(6,392)
Adjusted Consolidated EBITDA	\$ 39,555	\$ 35,501	\$ 151,224	\$ 134,888

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,	
	2011	2010	2011	2010
GAAP – Net income	\$ 13,260	\$ 9,176	\$ 51,021	\$ 32,413
Plus: Amortization of intangible assets	9,418	8,950	36,826	35,085
Plus: Amortization of deferred financing costs	356	496	1,656	2,127
Plus: Stock-based compensation	4,278	4,073	13,493	13,254
Plus: Capital-based taxes	200	230	354	1,091
Plus: Unusual or non-recurring charges (gains)	1,465	124	2,355	(325)
Plus: Loss on extinguishment of debt	1,906	-	4,787	5,480
Plus: Purchase accounting adjustments	(65)	(114)	(373)	(238)
Plus: Other	-	(75)	(30)	39
Income tax effect (1)	(7,469)	(4,672)	(23,635)	(23,301)
Adjusted net income	\$ 23,349	\$ 18,188	\$ 86,454	\$ 65,625
Adjusted diluted earnings per share	\$ 0.29	\$ 0.24	\$ 1.07	\$ 0.90
GAAP diluted earnings per share	\$ 0.16	\$ 0.12	\$ 0.63	\$ 0.44
Diluted weighted-average shares outstanding	81,194	76,594	80,709	73,079

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