

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, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Revenues:				
Software licenses	\$ 6,054	\$ 5,029	\$ 23,683	\$ 20,661
Maintenance	18,573	17,534	72,703	66,099
Professional services	5,343	6,017	20,727	20,889
Software-enabled services	56,140	42,465	211,792	163,266
Total revenues	<u>86,110</u>	<u>71,045</u>	<u>328,905</u>	<u>270,915</u>
Cost of revenues:				
Software licenses	1,996	2,195	7,750	8,499
Maintenance	8,407	7,207	32,712	27,559
Professional services	3,711	3,495	13,954	14,154
Software-enabled services	29,379	22,449	111,516	87,528
Total cost of revenues	<u>43,493</u>	<u>35,346</u>	<u>165,932</u>	<u>137,740</u>
Gross profit	<u>42,617</u>	<u>35,699</u>	<u>162,973</u>	<u>133,175</u>
Operating expenses:				
Selling and marketing	6,319	5,133	25,229	20,362
Research and development	7,956	6,920	31,442	26,513
General and administrative	7,297	4,514	26,462	19,197
Total operating expenses	<u>21,572</u>	<u>16,567</u>	<u>83,133</u>	<u>66,072</u>
Operating income	21,045	19,132	79,840	67,103
Interest expense, net	(6,594)	(9,072)	(30,412)	(36,863)
Other income (expense), net	(154)	(162)	499	(1,418)
Loss on extinguishment of debt	-	-	(5,480)	-
Income before income taxes	14,297	9,898	44,447	28,822
Provision for income taxes	5,121	3,876	12,034	9,804
Net income	<u>\$ 9,176</u>	<u>\$ 6,022</u>	<u>\$ 32,413</u>	<u>\$ 19,018</u>
Basic earnings per share	<u>\$ 0.13</u>	<u>\$ 0.10</u>	<u>\$ 0.47</u>	<u>\$ 0.31</u>
Basic weighted average number of common shares outstanding	<u>72,316</u>	<u>60,392</u>	<u>69,027</u>	<u>60,381</u>
Diluted earnings per share	<u>\$ 0.12</u>	<u>\$ 0.09</u>	<u>\$ 0.44</u>	<u>\$ 0.30</u>
Diluted weighted average number of common and common equivalent shares outstanding	<u>76,594</u>	<u>64,542</u>	<u>73,079</u>	<u>63,653</u>

See Notes to Condensed Consolidated Financial Information.

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

	December 31, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 84,843	\$ 19,055
Accounts receivable, net	45,531	41,600
Prepaid income taxes	2,242	669
Deferred income taxes	1,142	1,780
Prepaid expenses and other current assets	5,932	6,164
Total current assets	139,690	69,268
Property and equipment, net	13,570	14,036
Deferred income taxes	686	499
Goodwill	926,668	885,517
Intangible and other assets, net	195,112	216,321
Total assets	\$ 1,275,726	\$ 1,185,641
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 1,702	\$ 4,270
Accounts payable	3,790	4,804
Income taxes payable	-	703
Accrued employee compensation and benefits	16,854	14,693
Other accrued expenses	11,052	16,938
Interest payable	1,305	2,070
Deferred maintenance and other revenue	41,671	40,400
Total current liabilities	76,374	83,878
Long-term debt, net of current portion	289,092	392,989
Other long-term liabilities	12,343	12,779
Deferred income taxes	40,734	50,008
Total liabilities	418,543	539,654
Total stockholders' equity	857,183	645,987
Total liabilities and stockholders' equity	\$ 1,275,726	\$ 1,185,641

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, 2010	December 31, 2009
Cash flow from operating activities:		
Net income	\$ 32,413	\$ 19,018
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	40,728	36,028
Stock-based compensation expense	13,254	5,607
Amortization of loan origination costs	3,392	2,306
(Gain) loss on sale or disposition of property and equipment	(9)	13
Deferred income taxes	(13,700)	(8,861)
Provision for doubtful accounts	831	213
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	1,066	3,360
Prepaid expenses and other assets	(133)	(284)
Accounts payable	(1,041)	1,549
Accrued expenses and other liabilities	(2,660)	1,646
Income taxes prepaid and payable	2,073	(5,236)
Deferred maintenance and other revenues	(647)	4,493
Net cash provided by operating activities	75,567	59,852
Cash flow from investing activities:		
Additions to property and equipment	(4,834)	(2,559)
Proceeds from sale of property and equipment	59	3
Cash paid for business acquisitions, net of cash acquired	(45,815)	(51,477)
Additions to capitalized software and other intangibles	(509)	(101)
Net cash used in investing activities	(51,099)	(54,134)
Cash flow from financing activities:		
Cash received from other borrowings	-	2,000
Repayment of debt	(108,120)	(19,679)
Proceeds from exercise of stock options	10,813	1,998
Income tax benefit related to exercise of stock options	5,064	-
Proceeds from common stock issuance, net	134,558	-
Purchase of common stock for treasury	(1,169)	(2,215)
Net cash provided by (used in) financing activities	41,146	(17,896)
Effect of exchange rate changes on cash and cash equivalents	174	1,934
Net increase in cash and cash equivalents	65,788	(10,244)
Cash and cash equivalents, beginning of period	19,055	29,299
Cash and cash equivalents, end of period	\$ 84,843	\$ 19,055

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,	
	2010	2009	2010	2009
	Revenue	\$ 86,110	\$ 71,045	\$ 328,905
Purchase accounting adjustments to deferred revenue	11	48	189	48
Adjusted revenue	\$ 86,121	\$ 71,093	\$ 329,094	\$ 270,963

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,	
	2010	2009	2010	2009
	Operating income	\$ 21,045	\$ 19,132	\$ 79,840
Amortization of intangible assets	8,950	8,037	35,085	31,129
Stock-based compensation	4,073	1,244	13,254	5,607
Capital-based taxes	230	123	1,091	795
Unusual or non-recurring charges	(30)	149	174	776
Purchase accounting adjustments	(114)	70	(238)	(93)
Other	(75)	224	39	1,201
Adjusted operating income	\$ 34,079	\$ 28,979	\$ 129,245	\$ 106,518

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 December 31,		Year ended December 31,	
	2010	2009	2010	2009
Net income	\$ 9,176	\$ 6,022	\$ 32,413	\$ 19,018
Interest expense, net	6,594	9,072	35,892	36,863
Taxes	5,121	3,876	12,034	9,804
Depreciation and amortization	10,372	9,321	40,728	36,028
EBITDA	31,263	28,291	121,067	101,713
Stock-based compensation	4,073	1,244	13,254	5,607
Capital-based taxes	230	123	1,091	795
Acquired EBITDA and cost savings	329	1,774	6,392	8,053
Unusual or non-recurring charges	124	307	(325)	1,990
Purchase accounting adjustments	(114)	70	(238)	(93)
Other	(75)	224	39	1,201
Consolidated EBITDA	35,830	32,033	141,280	119,266
Less: acquired EBITDA	(329)	(1,774)	(6,392)	(8,053)
Adjusted Consolidated EBITDA	\$ 35,501	\$ 30,259	\$ 134,888	\$ 111,213

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 December 31,		Year ended December 31,	
	2010	2009	2010	2009
GAAP – Net income	\$ 9,176	\$ 6,022	\$ 32,413	\$ 19,018
Plus: Amortization of intangible assets	8,950	8,037	35,085	31,129
Plus: Amortization of deferred financing costs	496	582	2,127	2,306
Plus: Stock-based compensation	4,073	1,244	13,254	5,607
Plus: Capital-based taxes	230	123	1,091	795
Plus: Unusual and non-recurring items	124	307	(325)	1,990
Plus: Loss on extinguishment of debt	-	-	5,480	-
Plus: Purchase accounting adjustments	(114)	70	(238)	(93)
Plus: Other	(75)	224	39	1,201
Income tax effect (1)	(4,672)	(3,294)	(23,301)	(15,311)
Adjusted net income	\$ 18,188	\$ 13,315	\$ 65,625	\$ 46,642
Adjusted diluted earnings per share	\$ 0.24	\$ 0.21	\$ 0.90	\$ 0.73
GAAP diluted earnings per share	\$ 0.12	\$ 0.09	\$ 0.44	\$ 0.30
Diluted weighted-average shares outstanding	76,594	64,542	73,079	63,653

(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.