

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

| | Three Months Ended | | Nine Months Ended | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2014 | September 30, 2013 | September 30, 2014 | September 30, 2013 |
| Revenues: | | | | |
| Software-enabled services | \$ 149,285 | \$ 138,123 | \$ 440,215 | \$ 411,909 |
| Software licenses | 9,196 | 8,184 | 26,561 | 20,880 |
| Maintenance | 25,595 | 26,178 | 76,812 | 77,603 |
| Professional services | 8,522 | 7,020 | 23,542 | 19,788 |
| Total revenues | <u>192,598</u> | <u>179,505</u> | <u>567,130</u> | <u>530,180</u> |
| Cost of revenues: | | | | |
| Software-enabled services | 84,978 | 79,875 | 256,709 | 240,847 |
| Software licenses | 892 | 1,286 | 2,549 | 3,908 |
| Maintenance | 9,990 | 10,150 | 29,998 | 30,953 |
| Professional services | 5,523 | 4,884 | 15,859 | 14,689 |
| Total cost of revenues | <u>101,383</u> | <u>96,195</u> | <u>305,115</u> | <u>290,397</u> |
| Gross profit | <u>91,215</u> | <u>83,310</u> | <u>262,015</u> | <u>239,783</u> |
| Operating expenses: | | | | |
| Selling and marketing | 11,581 | 10,849 | 35,682 | 30,876 |
| Research and development | 13,935 | 13,117 | 41,461 | 40,558 |
| General and administrative | 11,336 | 11,480 | 38,095 | 33,197 |
| Total operating expenses | <u>36,852</u> | <u>35,446</u> | <u>115,238</u> | <u>104,631</u> |
| Operating income | 54,363 | 47,864 | 146,777 | 135,152 |
| Interest expense, net | (6,071) | (9,036) | (19,738) | (33,325) |
| Other income (expense), net | 1,532 | (110) | 787 | 2,406 |
| Income before income taxes | 49,824 | 38,718 | 127,826 | 104,233 |
| Provision (benefit) for income taxes | 8,997 | (4,748) | 33,306 | 13,219 |
| Net income | <u>\$ 40,827</u> | <u>\$ 43,466</u> | <u>\$ 94,520</u> | <u>\$ 91,014</u> |
| Basic earnings per share | <u>\$ 0.49</u> | <u>\$ 0.53</u> | <u>\$ 1.14</u> | <u>\$ 1.13</u> |
| Basic weighted average number of common shares outstanding | <u>83,532</u> | <u>81,784</u> | <u>83,127</u> | <u>80,779</u> |
| Diluted earnings per share | <u>\$ 0.47</u> | <u>\$ 0.51</u> | <u>\$ 1.08</u> | <u>\$ 1.07</u> |
| Diluted weighted average number of common and common equivalent shares outstanding | <u>87,392</u> | <u>86,068</u> | <u>87,125</u> | <u>85,126</u> |

See Notes to Condensed Consolidated Financial Information.

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

| | September 30, 2014 | December 31, 2013 |
|---|-------------------------------|------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 75,080 | \$ 84,470 |
| Accounts receivable, net | 90,122 | 91,221 |
| Prepaid income taxes | 14,863 | 19,932 |
| Deferred income taxes | 3,925 | 6,526 |
| Prepaid expenses and other current assets | 13,384 | 16,567 |
| Restricted cash | 1,477 | 2,460 |
| Total current assets | <u>198,851</u> | <u>221,176</u> |
| Property and equipment, net | 53,507 | 51,697 |
| Deferred income taxes | 1,506 | 1,077 |
| Goodwill | 1,523,971 | 1,541,386 |
| Intangible and other assets, net | 392,024 | 459,988 |
| | <u> </u> | <u> </u> |
| Total assets | <u><u>\$ 2,169,859</u></u> | <u><u>\$ 2,275,324</u></u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 21,641 | \$ 23,212 |
| Accounts payable | 9,606 | 8,368 |
| Income taxes payable | - | 2,169 |
| Accrued employee compensation and benefits | 35,036 | 44,664 |
| Other accrued expenses | 23,445 | 26,028 |
| Deferred maintenance and other revenue | 57,550 | 62,561 |
| Total current liabilities | <u>147,278</u> | <u>167,002</u> |
| Long-term debt, net of current portion | 579,910 | 751,295 |
| Other long-term liabilities | 18,617 | 14,913 |
| Deferred income taxes | 95,954 | 110,406 |
| Total liabilities | <u>841,759</u> | <u>1,043,616</u> |
| Total stockholders' equity | <u>1,328,100</u> | <u>1,231,708</u> |
| | <u> </u> | <u> </u> |
| Total liabilities and stockholders' equity | <u><u>\$ 2,169,859</u></u> | <u><u>\$ 2,275,324</u></u> |

See Notes to Condensed Consolidated Financial Information.

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

| | Nine Months Ended | |
|---|--------------------------|----------------------|
| | September 30, | September 30, |
| | 2014 | 2013 |
| Cash flow from operating activities: | | |
| Net income | \$ 94,520 | \$ 91,014 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 74,493 | 74,441 |
| Stock-based compensation expense | 8,554 | 6,010 |
| Income tax benefit related to exercise of stock options | (10,735) | (11,796) |
| Amortization of loan origination costs and original issue discount | 4,397 | 4,408 |
| Loss on sale or disposition of property and equipment | 672 | 316 |
| Deferred income taxes | (11,661) | (10,049) |
| Provision for doubtful accounts | 672 | 528 |
| Changes in operating assets and liabilities, excluding effects from acquisitions: | | |
| Accounts receivable | (395) | 5,911 |
| Prepaid expenses and other assets | (5,302) | (8,405) |
| Accounts payable | 636 | 5,189 |
| Accrued expenses | (637) | (7,611) |
| Income taxes prepaid and payable | 13,715 | 8,854 |
| Deferred maintenance and other revenue | (4,664) | (4,534) |
| Net cash provided by operating activities | <u>164,265</u> | <u>154,276</u> |
| Cash flow from investing activities: | | |
| Additions to property and equipment | (11,879) | (9,933) |
| Proceeds from sale of property and equipment | 27 | 61 |
| Additions to capitalized software | (2,688) | (1,570) |
| Other | 983 | - |
| Net cash used in investing activities | <u>(13,557)</u> | <u>(11,442)</u> |
| Cash flow from financing activities: | | |
| Repayment of debt | (174,000) | (177,000) |
| Proceeds from exercise of stock options | 16,070 | 22,360 |
| Income tax benefit related to exercise of stock options | 10,735 | 11,796 |
| Purchase of common stock for treasury | (11,223) | - |
| Payment of fees related to refinancing activities | (512) | (1,917) |
| Net cash used in financing activities | <u>(158,930)</u> | <u>(144,761)</u> |
| Effect of exchange rate changes on cash | <u>(1,168)</u> | <u>(2,658)</u> |
| Net decrease in cash | (9,390) | (4,585) |
| Cash, beginning of period | 84,470 | 86,160 |
| Cash, end of period | <u>\$ 75,080</u> | <u>\$ 81,575</u> |
| Supplemental disclosure of non-cash activities: | | |
| Excess tax benefit related to stock option exercises | \$ - | \$ 10,279 |

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 September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------|------------------------------------|------------|
| | 2014 | 2013 | 2014 | 2013 |
| Revenue | \$ 192,598 | \$ 179,505 | \$ 567,130 | \$ 530,180 |
| Purchase accounting adjustments to deferred revenue | - | - | - | 136 |
| Adjusted revenue | \$ 192,598 | \$ 179,505 | \$ 567,130 | \$ 530,316 |

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 September 30, | | Nine Months Ended September 30, | |
|-----------------------------------|-------------------------------------|-----------|------------------------------------|------------|
| | 2014 | 2013 | 2014 | 2013 |
| Operating income | \$ 54,363 | \$ 47,864 | \$ 146,777 | \$ 135,152 |
| Amortization of intangible assets | 21,318 | 21,247 | 63,929 | 63,439 |
| Stock-based compensation | 2,784 | 1,975 | 8,554 | 6,010 |
| Capital-based taxes | - | - | 6 | - |
| Unusual or non-recurring charges | 180 | 106 | 6,019 | 91 |
| Purchase accounting adjustments | - | (47) | (27) | (6) |
| Adjusted operating income | \$ 78,645 | \$ 71,145 | \$ 225,258 | \$ 204,686 |

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.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | | Twelve Months Ended September 30, |
|----------------------------------|-------------------------------------|-----------|------------------------------------|-----------|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 |
| (in thousands) | | | | | |
| Net income | \$ 40,827 | \$ 43,466 | \$ 94,520 | \$ 91,014 | \$ 121,401 |
| Interest expense, net | 6,071 | 9,036 | 19,738 | 33,325 | 27,692 |
| Taxes | 8,997 | (4,748) | 33,306 | 13,219 | 47,379 |
| Depreciation and amortization | 24,661 | 24,699 | 74,493 | 74,441 | 99,832 |
| EBITDA | 80,556 | 72,453 | 222,057 | 211,999 | 296,304 |
| Stock-based compensation | 2,784 | 1,975 | 8,554 | 6,010 | 10,930 |
| Capital-based taxes | - | - | 6 | - | 188 |
| Unusual or non-recurring charges | (1,353) | 217 | 5,231 | (2,315) | 4,425 |
| Purchase accounting adjustments | - | (47) | (27) | (6) | (73) |
| Other | 118 | (38) | 201 | 179 | 257 |
| Consolidated EBITDA | 82,105 | 74,560 | 236,022 | 215,867 | 312,031 |

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.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|-----------|------------------------------------|------------|
| | 2014 | 2013 | 2014 | 2013 |
| (in thousands, except per share data) | | | | |
| GAAP – Net income | \$ 40,827 | \$ 43,466 | \$ 94,520 | \$ 91,014 |
| Plus: Amortization of intangible assets | 21,318 | 21,247 | 63,929 | 63,439 |
| Plus: Amortization of deferred financing costs and original issue discount | 1,441 | 1,420 | 4,397 | 4,408 |
| Plus: Stock-based compensation | 2,784 | 1,975 | 8,554 | 6,010 |
| Plus: Capital-based taxes | - | - | 6 | - |
| Plus: Unusual and non-recurring items | (1,353) | 217 | 5,231 | (2,315) |
| Plus: Purchase accounting adjustments | - | (47) | (27) | (6) |
| Income tax effect (1) | (11,726) | (23,807) | (25,469) | (39,511) |
| Adjusted net income | \$ 53,291 | \$ 44,471 | \$ 151,141 | \$ 123,039 |
| Adjusted diluted earnings per share | \$ 0.61 | \$ 0.52 | \$ 1.73 | \$ 1.45 |
| GAAP diluted earnings per share | \$ 0.47 | \$ 0.51 | \$ 1.08 | \$ 1.07 |
| Diluted weighted-average shares outstanding | 87,392 | 86,068 | 87,125 | 85,126 |

(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.