

**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, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Revenues:				
Software licenses	\$ 5,786	\$ 5,966	\$ 17,341	\$ 17,629
Maintenance	19,594	18,294	58,459	54,130
Professional services	5,688	4,896	16,815	15,384
Software-enabled services	63,255	53,847	182,518	155,652
Total revenues	<u>94,323</u>	<u>83,003</u>	<u>275,133</u>	<u>242,795</u>
Cost of revenues:				
Software licenses	1,714	1,918	5,089	5,754
Maintenance	8,729	8,224	26,196	24,305
Professional services	3,888	3,625	11,439	10,243
Software-enabled services	32,148	28,570	93,887	82,137
Total cost of revenues	<u>46,479</u>	<u>42,337</u>	<u>136,611</u>	<u>122,439</u>
Gross profit	<u>47,844</u>	<u>40,666</u>	<u>138,522</u>	<u>120,356</u>
Operating expenses:				
Selling and marketing	7,308	6,275	21,216	18,910
Research and development	9,328	7,867	26,353	23,486
General and administrative	7,118	6,939	20,861	19,165
Total operating expenses	<u>23,754</u>	<u>21,081</u>	<u>68,430</u>	<u>61,561</u>
Operating income	24,090	19,585	70,092	58,795
Interest expense, net	(3,215)	(6,743)	(11,816)	(23,818)
Other income, net	348	653	180	653
Loss on extinguishment of debt	-	-	(2,881)	(5,480)
Income before income taxes	21,223	13,495	55,575	30,150
Provision for income taxes	<u>6,324</u>	<u>3,641</u>	<u>17,814</u>	<u>6,913</u>
Net income	<u>\$ 14,899</u>	<u>\$ 9,854</u>	<u>\$ 37,761</u>	<u>\$ 23,237</u>
Basic earnings per share	<u>\$ 0.19</u>	<u>\$ 0.14</u>	<u>\$ 0.50</u>	<u>\$ 0.34</u>
Basic weighted average number of common shares outstanding	<u>77,315</u>	<u>71,889</u>	<u>76,149</u>	<u>67,919</u>
Diluted earnings per share	<u>\$ 0.18</u>	<u>\$ 0.13</u>	<u>\$ 0.47</u>	<u>\$ 0.32</u>
Diluted weighted average number of common and common equivalent shares outstanding	<u>80,730</u>	<u>75,441</u>	<u>80,109</u>	<u>71,499</u>

See Notes to Condensed Consolidated Financial Information.

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

	<b>September 30,</b>	<b>December 31,</b>
	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 76,175	\$ 84,843
Accounts receivable, net	44,547	45,531
Prepaid income taxes	7,332	2,242
Deferred income taxes	1,198	1,142
Prepaid expenses and other current assets	6,312	5,932
Total current assets	135,564	139,690
Property and equipment, net	13,750	13,570
Deferred income taxes	627	686
Goodwill	924,835	926,668
Intangible and other assets, net	173,728	195,112
Total assets	\$ 1,248,504	\$ 1,275,726
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 1,195	\$ 1,702
Accounts payable	3,322	3,790
Accrued employee compensation and benefits	14,384	16,854
Other accrued expenses	11,877	11,052
Interest payable	2,609	1,305
Deferred maintenance and other revenue	44,361	41,671
Total current liabilities	77,748	76,374
Long-term debt, net of current portion	171,492	289,092
Other long-term liabilities	13,603	12,343
Deferred income taxes	32,144	40,734
Total liabilities	294,987	418,543
Total stockholders' equity	953,517	857,183
Total liabilities and stockholders' equity	\$ 1,248,504	\$ 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)  
(unaudited)

	<b>Nine Months Ended</b>	
	<b>September 30, 2011</b>	<b>September 30, 2010</b>
Cash flow from operating activities:		
Net income	\$ 37,761	\$ 23,237
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	31,482	30,356
Stock-based compensation expense	9,215	9,181
Amortization of loan origination costs	2,223	2,896
Loss (gain) on sale or disposition of property and equipment	11	(1)
Deferred income taxes	(8,781)	(12,467)
Provision for doubtful accounts	788	580
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	581	(2,009)
Prepaid expenses and other assets	(188)	80
Accounts payable	(535)	(2,151)
Accrued expenses and other liabilities	(1,168)	90
Income taxes receivable and payable	(2,429)	(2,392)
Deferred maintenance and other revenues	2,619	229
Net cash provided by operating activities	71,579	47,629
Cash flow from investing activities:		
Additions to property and equipment	(4,437)	(3,265)
Proceeds from sale of property and equipment	-	51
Cash paid for business acquisitions, net of cash acquired	(19,863)	(11,372)
Additions to capitalized software and other intangibles	(1,264)	(171)
Net cash used in investing activities	(25,564)	(14,757)
Cash flow from financing activities:		
Repayment of debt	(118,210)	(107,670)
Proceeds from common stock issuance, net	51,971	134,613
Proceeds from exercise of stock options	7,034	5,880
Purchase of common stock for treasury	-	(1,169)
Income tax benefit related to exercise of stock options	4,889	3,453
Net cash (used in) provided by financing activities	(54,316)	35,107
Effect of exchange rate changes on cash and cash equivalents	(367)	(59)
Net (decrease) increase in cash and cash equivalents	(8,668)	67,920
Cash and cash equivalents, beginning of period	84,843	19,055
Cash and cash equivalents, end of period	\$ 76,175	\$ 86,975

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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
(in thousands)				
Revenue	\$ 94,323	\$ 83,003	\$ 275,133	\$ 242,795
Purchase accounting adjustments to deferred revenue	7	36	20	178
Adjusted revenue	<u>\$ 94,330</u>	<u>\$ 83,039</u>	<u>\$ 275,153</u>	<u>\$ 242,973</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 September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
(in thousands)				
Operating income	\$ 24,090	\$ 19,585	\$ 70,092	\$ 58,795
Amortization of intangible assets	9,295	8,727	27,408	26,135
Stock-based compensation	3,780	3,949	9,215	9,181
Capital-based taxes	-	407	154	861
Unusual or non-recurring charges	579	121	1,069	204
Purchase accounting adjustments	(104)	(87)	(308)	(124)
Other	-	(47)	(30)	114
Adjusted operating income	<u>\$ 37,640</u>	<u>\$ 32,655</u>	<u>\$ 107,600</u>	<u>\$ 95,166</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 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 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 September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,
	2011	2010	2011	2010	2011
Net income	\$ 14,899	\$ 9,854	\$ 37,761	\$ 23,237	\$ 46,937
Interest expense, net	3,215	6,743	14,697	29,298	21,291
Income taxes	6,324	3,641	17,814	6,913	22,935
Depreciation and amortization	10,492	10,059	31,482	30,356	41,854
EBITDA	34,930	30,297	101,754	89,804	133,017
Stock-based compensation	3,780	3,949	9,215	9,181	13,288
Capital-based taxes	-	407	154	861	384
Acquired EBITDA and cost savings	156	-	749	192	2,003
Unusual or non-recurring charges	231	(533)	890	(449)	1,014
Purchase accounting adjustments	(104)	(87)	(308)	(124)	(422)
Other	(122)	(47)	(36)	114	(111)
Consolidated EBITDA	38,871	33,986	112,418	99,579	149,173
Less: acquired EBITDA	(156)	-	(749)	(192)	(2,003)
Adjusted Consolidated EBITDA	\$ 38,715	\$ 33,986	\$ 111,669	\$ 99,387	\$ 147,170

**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 September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
GAAP – Net income	\$ 14,899	\$ 9,854	\$ 37,761	\$ 23,237
Plus: Amortization of intangible assets	9,295	8,727	27,408	26,135
Plus: Amortization of deferred financing costs	414	493	1,300	1,631
Plus: Stock-based compensation	3,780	3,949	9,215	9,181
Plus: Capital-based taxes	-	407	154	861
Plus: Unusual and non-recurring items	231	(533)	890	(449)
Plus: Loss on extinguishment of debt	-	-	2,881	5,480
Plus: Purchase accounting adjustments	(104)	(87)	(308)	(124)
Plus: Other	-	(47)	(30)	114
Income tax effect (1)	(5,870)	(5,600)	(16,166)	(18,629)
Adjusted net income	\$ 22,645	\$ 17,163	\$ 63,105	\$ 47,437
Adjusted diluted earnings per share	\$ 0.28	\$ 0.23	\$ 0.79	\$ 0.66
GAAP diluted earnings per share	\$ 0.18	\$ 0.13	\$ 0.47	\$ 0.32
Diluted weighted-average shares outstanding	80,730	75,441	80,109	71,499

(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.