

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, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Revenues:				
Software licenses	\$ 5,966	\$ 5,829	\$ 17,629	\$ 15,632
Maintenance	18,294	16,959	54,130	48,565
Professional services	4,896	4,283	15,384	14,872
Software-enabled services	53,847	41,826	155,652	120,801
Total revenues	<u>83,003</u>	<u>68,897</u>	<u>242,795</u>	<u>199,870</u>
Cost of revenues:				
Software licenses	1,918	2,133	5,754	6,304
Maintenance	8,224	7,025	24,305	20,352
Professional services	3,625	3,170	10,243	10,659
Software-enabled services	28,570	22,473	82,137	65,079
Total cost of revenues	<u>42,337</u>	<u>34,801</u>	<u>122,439</u>	<u>102,394</u>
Gross profit	<u>40,666</u>	<u>34,096</u>	<u>120,356</u>	<u>97,476</u>
Operating expenses:				
Selling and marketing	6,275	4,962	18,910	15,229
Research and development	7,867	6,969	23,486	19,593
General and administrative	6,939	4,502	19,165	14,683
Total operating expenses	<u>21,081</u>	<u>16,433</u>	<u>61,561</u>	<u>49,505</u>
Operating income	19,585	17,663	58,795	47,971
Interest expense, net	(6,743)	(9,147)	(23,818)	(27,791)
Other income (expense), net	653	(334)	653	(1,256)
Loss on extinguishment of debt	-	-	(5,480)	-
Income before income taxes	13,495	8,182	30,150	18,924
Provision for income taxes	3,641	2,575	6,913	5,928
Net income	<u>\$ 9,854</u>	<u>\$ 5,607</u>	<u>\$ 23,237</u>	<u>\$ 12,996</u>
Basic earnings per share	<u>\$ 0.14</u>	<u>\$ 0.09</u>	<u>\$ 0.34</u>	<u>\$ 0.22</u>
Basic weighted average number of common shares outstanding	<u>71,889</u>	<u>60,388</u>	<u>67,919</u>	<u>60,378</u>
Diluted earnings per share	<u>\$ 0.13</u>	<u>\$ 0.09</u>	<u>\$ 0.32</u>	<u>\$ 0.21</u>
Diluted weighted average number of common and common equivalent shares outstanding	<u>75,441</u>	<u>63,339</u>	<u>71,499</u>	<u>63,132</u>

See Notes to Condensed Consolidated Financial Information.

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

	September 30,	December 31,
	2010	2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 86,975	\$ 19,055
Accounts receivable, net	44,834	41,600
Prepaid income taxes	6,282	669
Deferred income taxes	1,467	1,780
Prepaid expenses and other current assets	5,950	6,164
Total current assets	145,508	69,268
Property and equipment, net	13,164	14,036
Deferred income taxes	649	499
Goodwill	895,182	885,517
Intangible and other assets, net	191,136	216,321
Total assets	\$ 1,245,639	\$ 1,185,641
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 1,719	\$ 4,270
Accounts payable	2,666	4,804
Income taxes payable	-	703
Accrued employee compensation and benefits	12,654	14,693
Other accrued expenses	10,530	16,938
Interest payable	5,219	2,070
Deferred maintenance and other revenue	41,656	40,400
Total current liabilities	74,444	83,878
Long-term debt, net of current portion	288,685	392,989
Other long-term liabilities	13,570	12,779
Deferred income taxes	40,451	50,008
Total liabilities	417,150	539,654
Total stockholders' equity	828,489	645,987
Total liabilities and stockholders' equity	\$ 1,245,639	\$ 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)
(unaudited)

	Nine Months Ended	
	September 30, 2010	September 30 2009
Cash flow from operating activities:		
Net income	\$ 23,237	\$ 12,996
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	30,356	26,707
Stock-based compensation expense	9,181	4,363
Amortization of loan origination costs	2,896	1,724
(Gain) loss on sale or disposition of property and equipment	(1)	13
Deferred income taxes	(12,467)	(8,727)
Provision for doubtful accounts	580	300
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	(2,009)	2,594
Prepaid expenses and other assets	80	132
Accounts payable	(2,151)	(184)
Accrued expenses and other liabilities	90	3,491
Income taxes prepaid and payable	(2,392)	(2,224)
Deferred maintenance and other revenues	229	3,815
Net cash provided by operating activities	47,629	45,000
Cash flow from investing activities:		
Additions to property and equipment	(3,265)	(1,192)
Proceeds from sale of property and equipment	51	3
Cash paid for business acquisitions, net of cash acquired	(11,372)	(10,327)
Additions to capitalized software and other intangibles	(171)	(46)
Net cash used in investing activities	(14,757)	(11,562)
Cash flow from financing activities:		
Repayment of debt	(107,670)	(11,735)
Proceeds from exercise of stock options	5,880	1,991
Income tax benefit related to exercise of stock options	3,453	-
Proceeds from common stock issuance, net	134,613	-
Purchase of common stock for treasury	(1,169)	(2,216)
Net cash provided by (used in) financing activities	35,107	(11,960)
Effect of exchange rate changes on cash and cash equivalents	(59)	1,684
Net increase in cash and cash equivalents	67,920	23,162
Cash and cash equivalents, beginning of period	19,055	29,299
Cash and cash equivalents, end of period	\$ 86,975	\$ 52,461

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,	
	2010	2009	2010	2009
	Revenue	\$ 83,003	\$ 68,897	\$ 242,795
Purchase accounting adjustments to deferred revenue	36	-	178	-
Adjusted revenue	\$ 83,039	\$ 68,897	\$ 242,973	\$ 199,870

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 the 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,	
	2010	2009	2010	2009
	Operating income	\$ 19,585	\$ 17,663	\$ 58,795
Amortization of intangible assets	8,727	7,918	26,135	23,092
Stock-based compensation	3,949	1,569	9,181	4,363
Capital-based taxes	407	(4)	861	672
Unusual or non-recurring charges	121	266	204	627
Purchase accounting adjustments	(87)	(58)	(124)	(163)
Other	(47)	337	114	977
Adjusted operating income	\$ 32,655	\$ 27,691	\$ 95,166	\$ 77,539

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 the 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.

	Three months ended September 30,		Nine months ended September 30,		Twelve months ended September 30, 2010
	2010	2009	2010	2009	2010
(in thousands)					
Net income	\$ 9,854	\$ 5,607	\$ 23,237	\$ 12,996	\$ 29,259
Interest expense, net	6,743	9,147	29,298	27,791	38,370
Taxes	3,641	2,575	6,913	5,928	10,789
Depreciation and amortization	10,059	9,109	30,356	26,707	39,677
EBITDA	30,297	26,438	89,804	73,422	118,095
Stock-based compensation	3,949	1,569	9,181	4,363	10,425
Capital-based taxes	407	(4)	861	672	984
Acquired EBITDA and cost savings	-	-	192	2,025	2,121
Unusual or non-recurring charges	(533)	400	(449)	1,683	(142)
Purchase accounting adjustments	(87)	(58)	(124)	(163)	(54)
Other	(47)	337	114	977	338
Consolidated EBITDA	33,986	28,682	99,579	82,979	131,767
Less: acquired EBITDA	-	-	(192)	(2,025)	(2,121)
Adjusted Consolidated EBITDA	\$ 33,986	\$ 28,682	\$ 99,387	\$ 80,954	\$ 129,646

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 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.

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
(in thousands, except per share data)				
GAAP – Net income	\$ 9,854	\$ 5,607	\$ 23,237	\$ 12,996
Plus: Amortization of intangible assets	8,727	7,918	26,135	23,092
Plus: Amortization of deferred financing costs	493	579	1,631	1,724
Plus: Stock-based compensation	3,949	1,569	9,181	4,363
Plus: Capital-based taxes	407	(4)	861	672
Plus: Unusual and non-recurring items	(533)	400	(449)	1,683
Plus: Loss on extinguishment of debt	-	-	5,480	-
Plus: Purchase accounting adjustments	(87)	(58)	(124)	(163)
Plus: Other	(47)	337	114	977
Income tax effect (1)	(5,600)	(4,048)	(18,629)	(12,017)
Adjusted net income	\$ 17,163	\$ 12,300	\$ 47,437	\$ 33,327
Adjusted diluted earnings per share	\$ 0.23	\$ 0.19	\$ 0.66	\$ 0.53
GAAP diluted earnings per share	\$ 0.13	\$ 0.09	\$ 0.32	\$ 0.21
Diluted weighted-average shares outstanding	75,441	63,339	71,499	63,132

(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.