

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

	Three Months Ended March 31,	
	2011	2010
Revenues:		
Software licenses	\$ 6,573	\$ 5,589
Maintenance	19,447	18,019
Professional services	5,267	5,389
Software-enabled services	57,720	49,177
Total revenues	<u>89,007</u>	<u>78,174</u>
Cost of revenues:		
Software licenses	1,675	1,928
Maintenance	8,666	7,997
Professional services	3,570	3,358
Software-enabled services	30,584	25,879
Total cost of revenues	<u>44,495</u>	<u>39,162</u>
Gross profit	<u>44,512</u>	<u>39,012</u>
Operating expenses:		
Selling and marketing	6,890	6,152
Research and development	7,972	7,759
General and administrative	6,543	5,680
Total operating expenses	<u>21,405</u>	<u>19,591</u>
Operating income	23,107	19,421
Interest expense, net	(5,127)	(9,017)
Other expense, net	(287)	(115)
Loss on extinguishment of debt	<u>(2,881)</u>	<u>-</u>
Income before income taxes	14,812	10,289
Provision for income taxes	<u>4,978</u>	<u>1,268</u>
Net income	<u>\$ 9,834</u>	<u>\$ 9,021</u>
Basic earnings per share	<u>\$ 0.13</u>	<u>\$ 0.15</u>
Basic weighted average number of common shares outstanding	<u>74,375</u>	<u>60,785</u>
Diluted earnings per share	<u>\$ 0.12</u>	<u>\$ 0.14</u>
Diluted weighted average number of common and common equivalent shares outstanding	<u>78,692</u>	<u>64,542</u>

See Notes to Condensed Consolidated Financial Information.

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

	<u>March 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 70,835	\$ 84,843
Accounts receivable, net	55,676	45,531
Prepaid income taxes	2,789	2,242
Deferred income taxes	1,226	1,142
Prepaid expenses and other current assets	6,230	5,932
Total current assets	<u>136,756</u>	<u>139,690</u>
Property and equipment, net	13,845	13,570
Deferred income taxes	636	686
Goodwill	944,968	926,668
Intangible and other assets, net	<u>191,688</u>	<u>195,112</u>
Total assets	<u>\$ 1,287,893</u>	<u>\$ 1,275,726</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 1,697	\$ 1,702
Accounts payable	3,392	3,790
Accrued employee compensation and benefits	5,395	16,854
Other accrued expenses	13,077	11,052
Interest payable	2,609	1,305
Deferred maintenance and other revenue	53,072	41,671
Total current liabilities	<u>79,242</u>	<u>76,374</u>
Long-term debt, net of current portion	222,838	289,092
Other long-term liabilities	13,458	12,343
Deferred income taxes	38,218	40,734
Total liabilities	<u>353,756</u>	<u>418,543</u>
Total stockholders' equity	<u>934,137</u>	<u>857,183</u>
Total liabilities and stockholders' equity	<u>\$ 1,287,893</u>	<u>\$ 1,275,726</u>

See Notes to Condensed Consolidated Financial Information.

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

	Three Months Ended March 31,	
	2011	2010
Cash flow from operating activities:		
Net income	\$ 9,834	\$ 9,021
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,378	10,113
Stock compensation expense	1,797	1,350
Amortization of loan origination costs	1,393	584
Gain on sale or disposition of property and equipment	-	(2)
Deferred income taxes	(2,776)	(2,359)
Provision for doubtful accounts	430	146
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	(9,572)	(1,178)
Prepaid expenses and other assets	(43)	193
Accounts payable	(566)	(966)
Accrued expenses	(9,917)	(7,156)
Income taxes prepaid and payable	243	(2,989)
Deferred maintenance and other revenue	10,893	8,785
Net cash provided by operating activities	12,094	15,542
Cash flow from investing activities:		
Additions to property and equipment	(1,566)	(998)
Proceeds from sale of property and equipment	-	52
Cash paid for business acquisitions, net of cash acquired	(14,771)	(11,372)
Additions to capitalized software	(539)	(51)
Net cash used in investing activities	(16,876)	(12,369)
Cash flow from financing activities:		
Repayment of debt	(67,054)	(2,659)
Income tax benefit related to exercise of stock options	1,701	2,009
Proceeds from common stock issuance, net	52,010	-
Proceeds from exercise of stock options	3,632	953
Purchase of common stock for treasury	-	(1,169)
Net cash used in financing activities	(9,711)	(866)
Effect of exchange rate changes on cash	485	(173)
Net (decrease) increase in cash and cash equivalents	(14,008)	2,134
Cash and cash equivalents, beginning of period	84,843	19,055
Cash and cash equivalents, end of period	\$ 70,835	\$ 21,189

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 the 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 March 31,	
	2011	2010
Revenue	\$ 89,007	\$ 78,174
Purchase accounting adjustments to deferred revenue	7	80
Adjusted revenue	\$ 89,014	\$ 78,254

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 generally accepted accounting principles (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 March 31,	
	2011	2010
Operating income	\$ 23,107	\$ 19,421
Amortization of intangible assets	8,952	8,674
Stock-based compensation	1,797	1,350
Capital-based taxes	152	226
Unusual or non-recurring charges	248	236
Purchase accounting adjustments	(102)	23
Other	(30)	206
Adjusted operating income	\$ 34,124	\$ 30,136

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 March 31,		Twelve months ended March 31, 2011
	2011	2010	
Net income	\$ 9,834	\$ 9,021	\$ 33,226
Interest expense, net	8,008	9,017	34,883
Taxes	4,978	1,268	15,744
Depreciation and amortization	10,378	10,113	40,993
EBITDA	\$ 33,198	\$ 29,419	\$ 124,846
Stock-based compensation	1,797	1,350	13,701
Capital-based taxes	152	226	1,017
Acquired EBITDA and cost savings	443	192	6,506
Unusual or non-recurring charges	536	351	(140)
Purchase accounting adjustments	(102)	23	(363)
Other	(30)	206	(197)
Consolidated EBITDA	35,994	31,767	145,370
Less: acquired EBITDA	(443)	(192)	(6,506)
Adjusted Consolidated EBITDA	\$ 35,551	\$ 31,575	\$ 138,864

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)	Three months ended March 31,	
	2011	2010
GAAP – Net income	\$ 9,834	\$ 9,021
Plus: Amortization of intangible assets	8,952	8,674
Plus: Amortization of deferred financing costs	470	584
Plus: Stock-based compensation	1,797	1,350
Plus: Capital-based taxes	152	226
Plus: Unusual and non-recurring items	536	351
Plus: Loss on extinguishment of debt	2,881	-
Plus: Purchase accounting adjustments	(102)	23
Plus: Other	(30)	206
Income tax effect (1)	(5,336)	(6,328)
Adjusted net income	\$ 19,154	\$ 14,107

Adjusted diluted earnings per share	\$ 0.24	\$ 0.22
GAAP diluted earnings per share	\$ 0.12	\$ 0.14
Diluted weighted average shares outstanding	78,692	64,542

(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.