

TRANSACTION SYSTEMS ARCHITECTS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 2005	September 30, 2004
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 83,693	\$134,198
Marketable securities	72,819	35,434
Billed receivables, net	63,530	44,487
Accrued receivables	5,535	11,206
Recoverable income taxes	3,474	11,524
Deferred income taxes, net	-	230
Other	13,009	6,901
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Total current assets	242,060	243,980
Property and equipment, net	9,089	8,251
Software, net	4,930	1,454
Goodwill	66,169	46,706
Other intangible assets, net	13,573	618
Deferred income taxes, net	25,691	22,943
Other	3,123	1,506
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Total assets	\$364,635	\$325,458
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt - financing agreements	\$ 2,165	\$ 7,027
Accounts payable	9,521	6,974
Accrued employee compensation	19,296	13,354
Deferred income taxes, net	1,255	-
Deferred revenue	81,374	82,647
Accrued and other liabilities	11,662	9,890
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Total current liabilities	125,273	119,892
Debt - financing agreements	154	2,327
Deferred revenue	20,450	15,427
Other	1,640	851
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Total liabilities	147,517	138,497
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Stockholders' equity:		
Common stock	202	196
Treasury stock, at cost	(68,596)	(35,258)
Additional paid-in capital	274,344	254,715
Retained earnings (accumulated deficit)	20,329	(22,917)
Accumulated other comprehensive loss, net	(9,161)	(9,775)
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Total stockholders' equity	217,118	186,961

Total liabilities and stockholders'
equity

\$364,635

\$325,458

TRANSACTION SYSTEMS ARCHITECTS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited and in thousands, except per share amounts)

	Three Months Ended September 30,		Year Ended September 30,	
	2005	2004	2005	2004
Revenues:				
Software license fees	\$40,007	\$36,240	\$168,422	\$157,402
Maintenance fees	23,834	21,714	93,501	88,484
Services	15,161	11,754	51,314	46,898
Total revenues	79,002	69,708	313,237	292,784
Expenses:				
Cost of software license fees	6,450	5,888	24,620	24,996
Cost of maintenance and services	18,411	14,272	60,167	57,380
Research and development	9,620	9,699	39,462	38,007
Selling and marketing	18,216	15,162	65,068	61,109
General and administrative	15,164	12,422	59,465	56,478
Total expenses	67,861	57,443	248,782	237,970
Operating income	11,141	12,265	64,455	54,814
Other income (expense):				
Interest income	1,116	536	3,843	1,762
Interest expense	(103)	(239)	(510)	(1,435)
Other, net	(236)	(775)	(1,681)	2,294
Total other income (expense)	777	(478)	1,652	2,621
Income before income taxes	11,918	11,787	66,107	57,435
Income tax provision	(2,783)	(1,781)	(22,861)	(10,750)
Net income	\$ 9,135	\$10,006	\$ 43,246	\$ 46,685

Earnings per share information:

Weighted average shares
outstanding:

Basic	37,256	37,499	37,682	37,001
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Diluted	38,174	38,285	38,501	38,076
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Earnings per share:

Basic	\$ 0.25	\$ 0.27	\$ 1.15	\$ 1.26
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Diluted	\$ 0.24	\$ 0.26	\$ 1.12	\$ 1.23
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