

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2006	2005
Revenues:		
Processing and services	\$761,044	\$693,986
Product	335,624	279,128
Total revenues	1,096,668	973,114
Expenses:		
Cost of processing and services (1)	485,968	440,459
Cost of product	272,094	221,440
Selling, general and administrative (1)	145,653	123,199
Total expenses	903,715	785,098
Operating income	192,953	188,016
Interest expense - net	(6,106)	(3,662)
Realized gain from sale of investment (2)	-	43,452
Income from continuing operations, before income taxes	186,847	227,806
Income tax provision	70,636	88,161
Income from continuing operations	116,211	139,645
Loss from discontinued operations, net of tax	-	(619)
Net income	\$116,211	\$139,026
Earnings per share:		
Continuing operations	\$0.64	\$0.71
Discontinued operations	-	-
Total	\$0.64	\$0.71
Adjusted earnings per share - continuing operations:		
Continuing operations	\$0.64	\$0.71
Less: Pro forma share-based compensation - SFAS 123R(3)	-	0.06
Less: Realized gain from sale of investment (2)	-	0.14
Adjusted earnings per share - continuing operations	\$0.64	\$0.52
Diluted shares used in computing earnings per share	181,783	195,495

(1) Share-based compensation expense for the first quarter of 2006 was \$13.8 million (\$0.05 per share) primarily due to the adoption of SFAS 123R on January 1, 2006, of which \$2.8 million is included in cost of processing and services, and \$11.0 million is included in

selling, general and administrative expenses. If SFAS 123R had been adopted January 1, 2005, share-based compensation expense would have been \$18.8 million in 2005, or \$18.0 million higher than the \$0.8 million of share-based compensation expense recorded in 2005.

- (2) Represents the sale of the Company's remaining 3.2 million shares of Bisys Group, Inc. common stock in the first quarter of 2005.
- (3) Represents pro forma impact in 2005 of the incremental share-based compensation expense under SFAS No. 123R, which was adopted on January 1, 2006 under the modified prospective method.

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)
(Unaudited)

	March 31, 2006	December 31, 2005
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ASSETS		
Cash and cash equivalents	\$204,775	\$184,471
Accounts receivable, less allowance for doubtful accounts	550,346	553,402
Prepaid expenses and other assets	117,862	105,782
Investments	2,098,265	2,126,538
Property and equipment - net	233,143	226,013
Intangible assets - net	597,462	593,808
Goodwill	2,287,302	2,249,502
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TOTAL	\$6,089,155	\$6,039,516
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$268,973	\$241,751
Accrued expenses	275,647	365,651
Accrued income taxes	64,421	4,266
Deferred revenues	244,031	240,105
Customer funds held and retirement account deposits	1,925,837	1,960,626
Deferred income taxes	169,175	165,992
Long-term debt	757,935	595,385
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TOTAL LIABILITIES	3,706,019	3,573,776
SHAREHOLDERS' EQUITY		
Preferred stock, no par value: 25,000,000 shares authorized; none issued	-	-
Common stock, \$0.01 par value: 450,000,000 shares authorized; 197,772,804 and 197,507,892 shares issued	1,978	1,975
Additional paid-in capital	703,106	693,715
Accumulated other comprehensive income	3,467	1,321
Accumulated earnings	2,553,188	2,436,977
Treasury stock, at cost, 20,689,795 and 15,753,675 shares	(878,603)	(668,248)
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TOTAL SHAREHOLDERS' EQUITY	2,383,136	2,465,740
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TOTAL	\$6,089,155	\$6,039,516
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FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three months ended March 31, 2006	2005
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CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$116,211	\$139,026
Adjustment for discontinued operations	-	619
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized gain from sale of investments	-	(43,452)
Deferred income taxes	9,527	12,068
Share-based compensation	13,794	847
Income tax benefit from exercise of options	1,077	5,000
Depreciation and amortization	47,366	43,023
Changes in assets and liabilities, net of effects from acquisitions and dispositions of businesses:		
Accounts receivable	7,077	(25,774)
Prepaid expenses and other assets	(9,075)	3,874
Accounts payable and accrued expenses	(51,476)	(46,278)
Deferred revenues	5	(2,723)
Accrued income taxes	55,961	48,802
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Net cash provided by operating activities	190,467	135,032
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CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures, including capitalization of software costs for external customers	(47,172)	(31,772)
Payment for acquisitions of businesses, net of cash acquired	(61,975)	(96,003)
Proceeds from sale of businesses, net of expenses paid	(1,246)	412,920
Investments	28,487	(611,463)
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Net cash used in investing activities	(81,906)	(326,318)
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CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (repayments of) long-term debt - net	162,364	(7,156)
Issuance of common stock and treasury stock	13,050	9,648
Purchases of treasury stock	(228,882)	(106,681)
Customer funds held and retirement account deposits	(34,789)	499,076
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Net cash (used in) provided by financing activities	(88,257)	394,887
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Change in cash and cash equivalents	20,304	203,601
Beginning balance	184,471	516,127
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Ending balance	\$204,775	\$719,728
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FISERV, INC. AND SUBSIDIARIES
SELECTED SEGMENT FINANCIAL INFORMATION
(Dollars in Thousands, Unaudited)

Segment	Three Months Ended March 31,	
	2006	2005
Revenues: (1) (2)		
Financial institution outsourcing, systems and services ("Financial")	\$781,091	\$698,036
Health plan management services ("Health")	281,228	242,331
Investment support services ("Investment")	34,349	32,747
Total	\$1,096,668	\$973,114
Operating income: (1)		
Financial	\$166,169	\$160,148
Health	20,753	22,266
Investment	6,031	5,602
Total	\$192,953	\$188,016
Operating margin:		
Financial	21%	23%
Health	7%	9%
Investment	18%	17%
Total	18%	19%
Adjusted operating margin: (3)		
Financial	24%	24%
Health	17%	18%
Investment	18%	15%
Total	23%	22%

- (1) Included in the Financial segment results are early contract termination and assignment fees of \$3.9 million for the three months ended March 31, 2006 compared to \$14.9 million for the comparable period in 2005. This segment's businesses generally enter into three- to five-year contracts with its clients that contain early contract termination fees. These fees are very unpredictable and can vary significantly from period to period based on the number and size of terminated contracts and how early in the contract term a contract is terminated.
- (2) Included in the segment revenues and expenses for the first quarter of 2006 were \$102.4 million and \$1.7 million of customer reimbursements for the Financial and Health segments, respectively, and for the first quarter of 2005 were \$89.5 million and \$1.2 million for the Financial and Health segments, respectively. Customer reimbursements primarily consist of pass-through expenses such as postage and data communication costs and are included in both revenues and expenses.
- (3) Adjusted operating margin excludes prescription product costs which are included in revenues and expenses in the Health segment of \$154.1 million and \$124.1 million in the first quarter of 2006

and 2005, respectively, excludes customer reimbursements noted in footnote 2 in both periods and includes the pro forma share-based compensation expense (SFAS 123R) impact to the first quarter of 2005 of \$16.3 million, \$1.1 million and \$0.5 million for the Financial, Health and Investment segments, respectively. The first quarter of 2006 operating income and actual and adjusted operating margin include the 2006 share-based compensation expense impact of \$12.6 million, \$0.8 million and \$0.4 million for the Financial, Health and Investment segments, respectively.

Adjusted operating margin is a non-GAAP financial measure that the Company believes is useful to investors because it provides more visibility and insight into how management views the underlying operating performance of the Company. Management excludes the impact of pass-through customer reimbursements and prescription product costs and includes the pro forma share-based compensation expense impact in the first quarter of 2005 due to the prospective adoption of SFAS 123R, effective January 1, 2006.

FISERV, INC. AND SUBSIDIARIES
INTERNAL REVENUE GROWTH PERCENTAGES BY SEGMENT (1)
(Unaudited)

Segment -----	Three months ended March 31,	
	2006	2005
Financial	9%	3%
Health	14%	14%
Investment	5%	8%
TOTAL	10%	6%

	Adjusted (2) Three months ended March 31,	
	2006	2005
Financial	8%	5%
Health	3%	4%
Investment	5%	8%
TOTAL	7%	5%

- (1) Internal revenue growth percentages are measured as the increase in total revenues for the current period less "acquired revenue from acquisitions" divided by total revenues from the prior year period plus "acquired revenue from acquisitions." "Acquired revenue from acquisitions" was \$25.6 million (\$21.2 million in the Financial segment and \$4.4 million in the Health segment) for the first quarter of 2006 and represents pre-acquisition revenue of acquired companies, less dispositions, for the comparable prior year period.
- (2) The adjusted internal revenue growth percentages exclude the impact of customer reimbursements and prescription product costs, which are both included in revenues and expenses under GAAP. See page 9 footnotes 2 and 3 for further information.

Actual and adjusted internal revenue growth percentages are

non-GAAP financial measures that the Company believes are useful to investors because they present separately internal and acquisition-related revenue growth both including and excluding customer reimbursements and prescription product costs that must be presented under GAAP in revenue.

SELECTED FINANCIAL INFORMATION
(In thousands, unaudited)

Free Cash Flow	Three Months Ended March 31, 2006	2005
	-----	-----
Net cash provided by operating activities	\$190,467	\$135,032
Capital expenditures	(47,172)	(31,772)
	-----	-----
Free cash flow	\$143,295	\$103,260
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Free cash flow is measured as net cash provided by operating activities less capital expenditures including capitalization of software costs for external customers, as reported in the Company's condensed consolidated statements of cash flows. Free cash flow is a non-GAAP financial measure that the Company believes is useful to investors because it measures cash flow after the Company has satisfied the capital requirements of its operations.

Segment Results

Financial Segment:

The Company's largest operating segment began 2006 with solid performance during the first quarter with revenues of \$781.1 million and an adjusted operating margin of 24 percent. Flood claims processing revenue in the first quarter of 2006 was \$30.3 million as compared to \$8.7 million in revenue in the first quarter of 2005, which positively impacted the adjusted operating margin compared to 2005. Substantially all of the flood claims remaining at December 31, 2005 had been processed by the end of the first quarter of 2006. In the first quarter of 2006, contract termination fees in the Financial segment were \$3.9 million down from \$14.9 million in the first quarter of 2005, which negatively impacted the adjusted operating margin compared to 2005.

The adjusted internal revenue growth rate for the Financial segment was 8 percent for the first quarter of 2006 and 5 percent for the comparable period in 2005. The incremental 2006 flood claims processing revenues positively impacted the Financial segment adjusted internal revenue growth rate by 3 percentage points and this was offset by a decrease in contract termination fees that negatively impacted the 2006 rate by approximately 2 percentage points. The other large positive contributors to the 2006 rate were increased volumes in the lending division's loan settlement services businesses, increased revenue associated with new client growth and cross sales in the credit union operations and incremental revenue associated with the Australian check processing business that began operations in mid-April of 2005.

Health Segment:

The Health segment revenues were \$281.2 million in the first quarter of 2006 and the adjusted operating margin was 17 percent. The decrease in the first quarter 2006 adjusted operating margin compared to 2005 was primarily due to expenses related to investments in the Company's consumer-directed health care initiative and health plan business process outsourcing start-up business and lower revenue in 2006 related to processing one-time claims for lost clients, as fewer clients were lost to competition.

FISERV, INC. AND SUBSIDIARIES
2005 CONSOLIDATED STATEMENT OF INCOME
SUPPLEMENTAL QUARTERLY INFORMATION
(In thousands)
(Unaudited)

	Quarter Ended			
	March 31, 2005	June 30, 2005	September 30, 2005	December 31, 2005
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Revenues:				
Processing and services	\$693,986	\$708,958	\$722,984	\$765,624
Product	279,128	287,468	288,661	312,669
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Total revenues	973,114	996,426	1,011,645	1,078,293
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Expenses:				
Cost of processing and services	440,459	453,816	470,787	490,185
Cost of product	221,440	229,055	239,680	252,533
Selling, general and administrative	123,199	126,310	129,659	136,959
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Total expenses	785,098	809,181	840,126	879,677
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Operating income	\$188,016	\$187,245	\$171,519	\$198,616
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Segment Revenues:				
Financial:				
Processing & services	\$566,629	\$583,744	\$596,661	\$636,929
Product	131,407	130,248	122,270	140,191
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Total revenues	\$698,036	\$713,992	\$718,931	\$777,120
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Health:				
Processing & services	\$94,610	\$90,498	\$93,613	\$94,460
Product	147,721	157,220	166,391	172,478
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Total revenues	\$242,331	\$247,718	\$260,004	\$266,938
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Investment:				
Processing & services	\$32,747	\$34,716	\$32,710	\$34,235
Product	-	-	-	-
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Total revenues	\$32,747	\$34,716	\$32,710	\$34,235
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Note: This supplemental schedule provides the 2005 reclassified revenues and expenses by quarter due to the reclassified consolidated statements of income filed in the Company's 2005 Annual Report on Form 10-K.