

FUNDTECH LTD. AND ITS SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In Thousands)

	March 31, 2008	December 31, 2007
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ASSETS		

Current assets:		
Cash and cash equivalents	\$ 31,846	\$ 31,612
Short term deposits	4,053	1,765
Marketable securities - short term	6,721	8,624
Trade receivables, net	27,275	22,387
Defer Tax Asset	658	658
Other accounts receivable, prepaid expenses and inventories	5,079	2,942
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Total current assets	75,632	67,988
Marketable securities - Long term	10,264	12,847
Severance pay fund	1,346	1,197
Long term lease deposits	783	778
Prepaid expenses	2,383	2,434
Property and equipment, net	14,611	14,070
Goodwill, net	30,918	26,802
Other assets, net	7,203	2,156
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Total assets	\$143,140	\$128,272
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LIABILITIES AND SHAREHOLDERS' EQUITY		

Current liabilities:		
Trade payables	\$ 2,209	\$ 1,079
Deferred revenues	21,088	6,143
Accrued restructuring expenses	15	62
Employee and payroll accruals	5,565	6,298
Other accounts payable and accrued expenses	6,672	8,591
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Total current liabilities	35,549	22,173
Accrued severance pay	1,693	1,518
Deferred taxes	951	878
Other long term liabilities	2,578	1,571
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Total liabilities	40,771	26,140
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Shareholders' equity:		
Share capital	47	47
Additional paid-in capital	152,460	151,547
Accumulated other comprehensive income (loss)	(499)	506
Accumulated deficit	(46,381)	(46,710)
Treasury stock, at cost	(3,258)	(3,258)
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Total shareholders' equity	102,369	102,132
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Total liabilities and shareholders' equity	\$143,140	\$128,272
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FUNDTECH LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Operations
(In Thousands, Except Share and Per Share Data)

	Three Months Ended March 31,	
	2008	2007
Revenues:		
Software license	\$ 4,865	\$ 4,007
Software hosting	4,667	3,439
Maintenance	7,946	6,036
Services	10,576	9,689
Total revenues	28,054	23,171
Operating expenses:		
Software licenses costs	32	22
Amortization of capitalized software development costs	--	394
Amortization of other intangible assets	474	409
Maintenance, hosting and services costs (1)	13,271	10,200
Software development (1)	5,212	4,683
Selling and marketing (1)	4,831	4,231
General and administrative (1)	3,943	3,109
Total operating expenses	27,763	23,048
Operating income	291	123
Financial income, net	399	441
Income taxes	(361)	(136)
Net income	\$ 329	\$ 428
Net income per share:		
Net income used in computing income per share	\$ 329	\$ 428
Basic income per share	\$ 0.02	\$ 0.03
Diluted income per share	\$ 0.02	\$ 0.03
Shares used in computing:		
Basic income per share	15,581,367	14,973,302
Diluted income per share	16,481,151	16,193,264
Adjusted non-GAAP(2) net income per share:		
Adjusted non-GAAP(2) net income used in computing income per share	\$ 1,608	\$ 1,896
Adjusted non-GAAP(2) net income per share	\$ 0.10	\$ 0.12
Shares used in computing adjusted non-GAAP(2) net income per share	16,481,151	16,193,264
Reconciliation of net income to adjusted non-GAAP(2) net income:		
Net income	\$ 329	\$ 428
Amortization	474	803
Stock-based compensation	805	665
Adjusted non-GAAP(2) net income	\$ 1,608	\$ 1,896

(1) Includes charges for stock-based compensation in 2008 and 2007

(2) See Reconciliation to GAAP

	Three Months Ended March 31,	
	2008	2007
CASH FLOWS FROM OPERATIONS:		
Net income	\$ 329	\$ 428
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,883	1,853
Increase in trade receivables	(4,462)	(1,089)
Increase in prepaid expenses, other accounts receivable and inventories	(1,902)	(1,462)
(Decrease) increase in trade payables	668	(911)
Increase in deferred revenues	15,288	9,311
Decrease in employee and payroll accruals	(1,134)	(48)
Increase in other accounts payable and accrued expenses	1,336	231
Decrease in accrued restructuring expenses	(47)	(47)
Increase in accrued severance pay, net	26	109
Increase in accrued interest on marketable securities	72	34
Increase in Deferred taxes	17	--
losses on disposition of fixed assets	--	(7)
Stock-based compensation	805	665
Net cash provided by operations	12,879	9,067
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in held-to-maturity marketable securities	(3,915)	(7,777)
Proceeds from held-to-maturity marketable securities	8,275	8,865
(Investment in) maturity of short term deposits	(2,037)	(3,932)
Purchase of property and equipment	(1,643)	(1,406)
Decrease in long-term lease deposits and prepaid expenses	12	4
Investments in subsidiaries	(12,280)	(5,019)
Proceeds from sale of fixed assets	--	24
Net cash used in investing activities	(11,588)	(9,241)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuance of share capital and exercise of stock options and warrants, net	108	455
Net cash provided by (used in) financing activities	108	455
Effect of exchange rate on cash and cash equivalents	(1,165)	275
Increase (decrease) in cash and cash equivalents	234	556
Cash and cash equivalents at the beginning of the period	31,612	28,616
Cash and cash equivalents at the end of the period	\$ 31,846	\$29,172

Appendix A

Investment in Subsidiaries

Working Capital	\$ (815)	\$ 689
Long term assets	5,555	1,999

Long term liabilities	(39)	--
Goodwill	7,579	2,331
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	\$ 12,280	\$ 5,019
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Schedule A to Press Release

Reconciliation to GAAP
(In Thousands, Except Share and Per Share Data)

The following information sets forth Fundtech's calculation of adjusted non-GAAP net income as contained in the Company's press release:

	Three Months Ended	

	March 31,	

	2008	2007
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Reconciliation of net income to adjusted non-GAAP net income:		
Net income	\$ 329 (1)	\$ 428
Amortization of capitalized software development costs	--	394
Amortization of other intangible assets	474	409
Stock-based compensation charged as follows:		
Maintenance, hosting and services costs	183	72
Software development	82	61
Selling and marketing	155	150
General and administrative	385	382
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Adjusted non-GAAP net income	\$ 1,608	\$ 1,896
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Adjusted non-GAAP net income per share	\$ 0.10	\$ 0.12
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Shares used in computing adjusted non-GAAP net income per share	16,481,151	16,193,264
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(1) Net income per share (diluted) was approximately \$0.10, \$0.12 and \$0.16 for the three months ended March 31, 2008 and 2007 and the three months ended December 30, 2007, respectively.