

EBITDA Reconciliation

For the three months ended June 30, 2007

	Enterprise	Postilion	Total
EBITDA	\$3,715	\$3,983	\$7,698
Depreciation	(1,142)	(595)	(1,737)
Amortization	(127)	(821)	(948)
	-----	-----	-----
Operating income	\$2,446	\$2,567	\$5,013
Interest income, net			848
Income tax expense			(784)

Income from continuing operations			\$4,949
			=====

For the six months ended June 30, 2007

	Enterprise	Postilion	Total
EBITDA	\$6,200	\$6,947	\$13,147
Depreciation	(2,361)	(1,210)	(3,571)
Amortization	(409)	(1,685)	(2,094)
	-----	-----	-----
Operating income	\$ 3,430	\$4,052	\$7,482
Interest income, net			1,655
Income tax expense			(1,221)

Income from continuing operations			\$7,916
			=====

See tables 4, 5 and 6 for reconciliations of EBITDA

S1 Corporation

Consolidated Statements of Operations (In thousands, except share and per share data) (Unaudited) TABLE 1

	Three Months Ended		Six Months Ended	
	6/30/2006	6/30/2007	6/30/2006	6/30/2007
	-----	-----	-----	-----
Revenues:				
Software licenses	\$6,369	\$7,755	\$12,412	\$13,517
Support and maintenance	11,197	11,227	21,854	21,702
Professional services	16,950	21,681	31,571	41,113
Data center	11,911	11,730	23,497	23,430
Other	312	205	845	402
	-----	-----	-----	-----
Total revenues	46,739	52,598	90,179	100,164
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Operating expenses:				
Cost of software licenses	1,062	940	2,092	1,832
Cost of professional services, support and maintenance	15,761	15,830	30,451	30,942
Cost of data center	5,759	6,390	11,175	12,189
Cost of other revenue	133	130	449	272
Selling and marketing	6,683	7,767	12,558	15,165
Product development	9,876	6,798	19,483	13,692
General and administrative	6,479	7,710	12,195	14,409
Merger related and restructuring costs	549	-	882	-

Depreciation	1,971	1,737	3,723	3,571
Amortization of other intangible assets	327	283	654	610
Total operating expenses	48,600	47,585	93,662	92,682
Operating (loss) income	(1,861)	5,013	(3,483)	7,482
Interest and other income, net	1,040	784	2,249	1,655
Income tax expense	(263)	(848)	(654)	(1,221)
(Loss) income from continuing operations, net of tax	\$(1,084)	\$4,949	\$(1,888)	\$7,916
Loss from discontinued operations	(1,027)	-	(667)	-
Net (loss) income	\$(2,111)	\$4,949	\$(2,555)	\$7,916
Net (loss) income per share:				
Basic:				
Continuing operations	\$(0.02)	\$0.08	\$(0.03)	\$0.13
Discontinued operations	(0.01)	-	(0.01)	-
Net (loss) income	\$(0.03)	\$0.08	\$(0.04)	\$0.13
Diluted:				
Continuing operations	\$(0.02)	\$0.08	\$(0.03)	\$0.13
Discontinued operations	(0.01)	-	(0.01)	-
Net (loss) income	\$(0.03)	\$0.08	\$(0.04)	\$0.13
Weighted average common shares outstanding - basic	70,958,696	61,217,364	70,692,207	61,360,540
Weighted average common shares outstanding - diluted	n/a	62,226,463	n/a	61,969,133

S1 Corporation
Consolidated Balance Sheets
(In thousands, except share and per share data)
TABLE 2

	December 31, 2006	(Unaudited) June 30, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$69,612	\$87,766
Short-term investments	21,392	-
Accounts receivable, net	53,371	49,411
Prepaid expenses	4,036	2,896
Other current assets	2,308	5,640
Total current assets	150,719	145,713
Property and equipment, net	12,137	10,437
Intangible assets, net	12,903	10,809
Goodwill, net	125,300	125,033
Other assets	6,746	6,541

Total assets	\$307,805	\$298,533
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$3,750	\$2,340
Accrued compensation and benefits	9,642	10,157
Accrued restructuring	9,092	6,467
Accrued other expenses	12,801	11,800
Deferred revenues	29,265	28,339
Current portion of capital lease obligation	2,942	2,595
	-----	-----
Total current liabilities	67,492	61,698
Other liabilities	16,084	15,050
	-----	-----
Total liabilities	83,576	76,748
	=====	=====
Stockholders' equity:		
Preferred stock	10,000	10,000
Common stock	613	601
Additional paid-in capital	1,845,529	1,835,868
Treasury stock	-	(871)
Accumulated deficit	(1,629,302)	(1,621,386)
Accumulated other comprehensive income	(2,611)	(2,427)
	-----	-----
Total stockholders' equity	224,229	221,785
	-----	-----
Total liabilities and stockholders' equity	\$307,805	\$298,533
	=====	=====
Preferred shares issued and outstanding	749,064	749,064
Common shares issued and outstanding	61,290,973	60,107,020
Common shares held in treasury	-	109,100

S1 Corporation
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)
TABLE 3

	Six Months Ended	
	June 30,	June 30,
	2006	2007
	-----	-----
Cash flows from operating activities:		
Net (loss) income	\$(2,555)	\$7,916
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	6,479	5,665
Gain on disposal of discontinued operations	(554)	-
Provision for doubtful accounts receivable and billing adjustments	1,918	994
Stock based compensation expense	2,803	5,013
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(13,752)	2,947
Decrease in prepaid expenses and other assets	(320)	(1,969)
Increase (decrease) in accounts		

payable	900	(1,429)
Decrease in accrued expenses and other liabilities	(9,725)	(5,555)
Increase (decrease) in deferred revenues	11,086	(666)
	-----	-----
Net cash (used in) provided by operating activities	(3,720)	12,916
Net cash (used in) provided by investing activities	(6,223)	19,521
Net cash provided by (used in) used in financing activities	4,018	(14,487)
Effect of exchange rate changes on cash and cash equivalents	44	204
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Net (decrease) increase in cash and cash equivalents	(5,881)	18,154
Cash and cash equivalents at beginning of period	85,108	69,612
	-----	-----
Cash and cash equivalents at end of period	\$79,227	\$87,766
	=====	=====

S1 Corporation
Consolidated Statements of Operations
(In thousands, except share and per share data)
(Unaudited)
TABLE 4

	Three Months Ended		Six Months Ended	
	6/30/ 2006	6/30/ 2007	6/30/ 2006	6/30/ 2007
	-----	-----	-----	-----
Revenues:				
Software licenses	\$6,369	\$7,755	\$12,412	\$13,517
Support and maintenance	11,197	11,227	21,854	21,702
Professional services	16,950	21,681	31,571	41,113
Data center	11,911	11,730	23,497	23,430
Other	312	205	845	402
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Total revenues	46,739	52,598	90,179	100,164
	-----	-----	-----	-----
Operating expenses:				
Cost of software licenses	1,062	940	2,092	1,832
Cost of professional services, support and maintenance *	15,761	15,830	30,451	30,942
Cost of data center *	5,759	6,390	11,175	12,189
Cost of other revenue	133	130	449	272
Selling and marketing *	6,683	7,767	12,558	15,165
Product development *	9,876	6,798	19,483	13,692
General and administrative *	6,479	7,710	12,195	14,409
Merger related and restructuring costs	549	-	882	-
Depreciation	1,971	1,737	3,723	3,571
Amortization of other intangible assets	327	283	654	610
	-----	-----	-----	-----
Total operating expenses	48,600	47,585	93,662	92,682
	-----	-----	-----	-----
Operating (loss) income	(1,861)	5,013	(3,483)	7,482
Interest and other income, net	1,040	784	2,249	1,655
Income tax expense	(263)	(848)	(654)	(1,221)

(Loss) income from continuing operations, net of tax	\$ (1,084)	\$4,949	\$ (1,888)	\$7,916
Loss from discontinued operations *	(1,027)	-	(667)	-
Net (loss) income	\$ (2,111)	\$4,949	\$ (2,555)	\$7,916

Reconciliation to EBITDA:

(Loss) income from continuing operations, net of tax	\$ (1,084)	\$4,949	\$ (1,888)	\$7,916
Interest income, net	(1,040)	(784)	(2,249)	(1,655)
Income tax expense	263	848	654	1,221
Depreciation	1,971	1,737	3,723	3,571
Amortization	1,233	948	2,465	2,094
EBITDA	\$1,343	\$7,698	\$2,705	\$13,147

* Includes stock based compensation expense of:

Cost of professional services, support and maintenance	\$124	\$191	\$287	\$278
Cost of data center	13	20	48	35
Selling and marketing	345	1,495	756	2,414
Product development	175	665	571	1,007
General and administrative	475	737	985	1,279
Discontinued operations	94	-	155	-
	\$1,226	\$3,108	\$2,802	\$5,013

S1 Corporation
Enterprise Segment
Statements of Operations
(In thousands)
(Unaudited)
TABLE 5

	Three Months Ended		Six Months Ended	
	6/30/2006	6/30/2007	6/30/2006	6/30/2007
Revenues:				
Software licenses	\$1,093	\$1,287	\$2,540	\$2,342
Support and maintenance	3,293	3,972	6,755	7,388
Professional services	12,934	17,303	24,630	32,776
Data center	5,398	6,089	10,326	11,794
Other	100	158	270	313
Total revenues	22,818	28,809	44,521	54,613
Operating expenses:				
Cost of software licenses	356	361	718	659
Cost of professional services, support and maintenance *	10,316	10,645	19,541	20,571
Cost of data center *	3,000	3,733	5,975	7,014
Cost of other revenue	12	24	29	66
Selling and marketing *	3,220	3,545	5,981	6,729
Product development *	5,867	2,965	12,007	5,980
General and administrative *	3,295	3,948	6,188	7,758
Merger related and restructuring costs	330	-	637	-
Depreciation	1,300	1,142	2,421	2,361
Amortization of other intangible				

assets	45	-	88	45
Total operating expenses	27,741	26,363	53,585	51,183
Operating (loss) income	\$(4,923)	\$2,446	\$(9,064)	\$3,430
Reconciliation to EBITDA:				
Operating (loss) income	\$(4,923)	\$2,446	\$(9,064)	\$3,430
Depreciation	1,300	1,142	2,421	2,361
Amortization	282	127	562	409
EBITDA	\$(3,341)	\$3,715	\$(6,081)	\$6,200
* Includes stock based compensation expense of:				
Cost of professional services, support and maintenance	\$124	\$172	\$279	\$236
Cost of data center	8	15	30	28
Selling and marketing	261	796	582	1,275
Product development	142	374	513	559
General and administrative	278	393	558	693
	\$813	\$1,750	\$1,962	\$2,791

S1 Corporation
Postilion Segment
Statements of Operations
(In thousands)
(Unaudited)
TABLE 6

	Three Months Ended		Six Months Ended	
	6/30/2006	6/30/2007	6/30/2006	6/30/2007
Revenues:				
Software licenses	\$5,276	\$6,468	\$9,872	\$11,175
Support and maintenance	7,904	7,255	15,099	14,314
Professional services	4,016	4,378	6,941	8,337
Data center	6,513	5,641	13,171	11,636
Other	212	47	575	89
Total revenues	23,921	23,789	45,658	45,551
Operating expenses:				
Cost of software licenses	706	579	1,374	1,173
Cost of professional services, support and maintenance *	5,445	5,185	10,910	10,371
Cost of data center *	2,759	2,657	5,200	5,175
Cost of other revenue	121	106	420	206
Selling and marketing *	3,463	4,222	6,577	8,436
Product development *	4,009	3,833	7,476	7,712
General and administrative *	3,184	3,762	6,007	6,651
Merger related and restructuring costs	219	-	245	-
Depreciation	671	595	1,302	1,210
Amortization of other intangible assets	282	283	566	565
Total operating expenses	20,859	21,222	40,077	41,499

Operating income	\$3,062	\$2,567	\$5,581	\$4,052
	=====		=====	
Reconciliation to EBITDA:				
Operating income	\$3,062	\$2,567	\$5,581	\$4,052
Depreciation	671	595	1,302	1,210
Amortization	951	821	1,903	1,685
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EBITDA	\$4,684	\$3,983	\$8,786	\$6,947
	=====		=====	

* Includes stock based compensation expense of:

Cost of professional services, support and maintenance	\$-	\$19	\$8	\$42
Cost of data center	5	5	18	7
Selling and marketing	84	699	174	1,139
Product development	33	291	58	448
General and administrative	197	344	427	586
	-----		-----	
	\$319	\$1,358	\$685	\$2,222
	=====		=====	