

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters and Years Ended September 30, 2009 and 2008
(In thousands, except per share data)
(Unaudited)

| | Quarter Ended September 30, | | Year Ended September 30, | |
|---|--------------------------------|------------------|-----------------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Revenues | \$ 151,922 | \$ 178,187 | \$ 630,735 | \$ 744,842 |
| Operating expenses: | | | | |
| Cost of revenues | 45,793 | 66,290 | 206,448 | 274,917 |
| Research and development | 18,217 | 18,884 | 73,626 | 77,794 |
| Selling, general and administrative | 51,800 | 57,781 | 209,319 | 245,639 |
| Amortization of intangible assets | 3,269 | 3,562 | 12,891 | 14,043 |
| Restructuring | - | 2,311 | 8,711 | 10,166 |
| Loss on sale of product line assets | - | - | 2,993 | - |
| Total operating expenses | <u>119,079</u> | <u>148,828</u> | <u>513,988</u> | <u>622,559</u> |
| Operating income | 32,843 | 29,359 | 116,747 | 122,283 |
| Other expense, net | <u>(4,893)</u> | <u>(3,864)</u> | <u>(19,177)</u> | <u>(9,288)</u> |
| Income from continuing operations before income taxes | 27,950 | 25,495 | 97,570 | 112,995 |
| Provision for income taxes | <u>10,842</u> | <u>1,717</u> | <u>32,105</u> | <u>31,809</u> |
| Income from continuing operations | 17,108 | 23,778 | 65,465 | 81,186 |
| Gain (loss) from discontinued operations | - | - | (363) | 2,766 |
| Net income | <u>\$ 17,108</u> | <u>\$ 23,778</u> | <u>\$ 65,102</u> | <u>\$ 83,952</u> |
| Basic earnings (loss) per share: | | | | |
| Continuing operations | \$ 0.35 | \$ 0.49 | \$ 1.35 | \$ 1.66 |
| Discontinued operations | - | - | (0.01) | 0.06 |
| Total | <u>\$ 0.35</u> | <u>\$ 0.49</u> | <u>\$ 1.34</u> | <u>\$ 1.72</u> |
| Diluted earnings (loss) per share: | | | | |
| Continuing operations | \$ 0.35 | \$ 0.49 | \$ 1.34 | \$ 1.64 |
| Discontinued operations | - | - | (0.01) | 0.06 |
| Total | <u>\$ 0.35</u> | <u>\$ 0.49</u> | <u>\$ 1.33</u> | <u>\$ 1.70</u> |
| Shares used in computing earnings per share: | | | | |
| Basic | <u>48,513</u> | <u>48,431</u> | <u>48,658</u> | <u>48,940</u> |
| Diluted | <u>48,772</u> | <u>48,596</u> | <u>48,776</u> | <u>49,373</u> |

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
September 30, 2009 and 2008
(In thousands)
(Unaudited)

| | <u>September 30,</u> 2009 | <u>September 30,</u> 2008 |
|--|------------------------------|------------------------------|
| ASSETS: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 178,157 | \$ 129,678 |
| Marketable securities | 139,673 | 57,049 |
| Accounts receivable, net | 101,742 | 141,571 |
| Prepaid expenses and other current assets | <u>22,986</u> | <u>23,404</u> |
| Total current assets | 442,558 | 351,702 |
| Marketable securities and investments | 72,445 | 84,475 |
| Property and equipment, net | 34,340 | 46,360 |
| Goodwill and intangible assets, net | 705,895 | 738,550 |
| Other noncurrent assets | <u>48,650</u> | <u>54,166</u> |
| | <u>\$ 1,303,888</u> | <u>\$ 1,275,253</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | | |
| Current liabilities: | | |
| Accounts payable and other accrued liabilities | \$ 46,776 | \$ 54,837 |
| Accrued compensation and employee benefits | 28,139 | 29,551 |
| Deferred revenue | <u>39,673</u> | <u>38,243</u> |
| Total current liabilities | 114,588 | 122,631 |
| Revolving line of credit | 295,000 | 295,000 |
| Senior notes | 275,000 | 275,000 |
| Other noncurrent liabilities | <u>19,031</u> | <u>20,681</u> |
| Total liabilities | 703,619 | 713,312 |
| Stockholders' equity | <u>600,269</u> | <u>561,941</u> |
| | <u>\$ 1,303,888</u> | <u>\$ 1,275,253</u> |

FAIR ISAAC CORPORATION
REVENUES BY SEGMENT
For the Quarters and Years Ended September 30, 2009 and 2008
(In thousands)
(Unaudited)

| | Quarter Ended | | Year Ended | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
| | September 30, | | September 30, | |
| | 2009 | 2008 | 2009 | 2008 |
| Strategy machine solutions | \$ 82,879 | \$ 94,469 | \$ 338,753 | \$ 388,108 |
| Scoring solutions | 31,824 | 37,260 | 131,621 | 156,816 |
| Professional services | 24,986 | 33,219 | 111,174 | 147,864 |
| Analytic software tools | 12,233 | 13,239 | 49,187 | 52,054 |
| Total revenues | <u>\$ 151,922</u> | <u>\$ 178,187</u> | <u>\$ 630,735</u> | <u>\$ 744,842</u> |

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2009 and 2008
(In thousands)
(Unaudited)

| | Year Ended September 30, | |
|---|-----------------------------|-------------------|
| | 2009 | 2008 |
| Cash flows from operating activities: | | |
| Net income | \$ 65,102 | \$ 83,952 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 38,419 | 39,494 |
| Share-based compensation | 19,935 | 27,981 |
| Changes in operating assets and liabilities, net of acquisition and disposition effects | 25,426 | 24,447 |
| Other, net | 2,751 | (16,724) |
| Net cash provided by operating activities | <u>151,633</u> | <u>159,150</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (13,958) | (22,780) |
| Cash paid for acquisition, net of cash acquired | - | (33,336) |
| Cash proceeds from sale of product line assets | 4,000 | - |
| Cash proceeds from sale of business unit | - | 15,581 |
| Net activity from marketable securities | (73,289) | 7,889 |
| Other, net | 1,300 | 1,527 |
| Net cash used in investing activities | <u>(81,947)</u> | <u>(31,119)</u> |
| Cash flows from financing activities: | | |
| Net increase on revolving line of credit | - | 125,000 |
| Payments for the repurchases of senior convertible notes | - | (390,067) |
| Proceeds from issuance of Senior Notes | - | 275,000 |
| Proceeds from issuances of common stock | 3,289 | 19,786 |
| Repurchases of common stock | (18,500) | (116,642) |
| Other, net | (3,607) | (4,032) |
| Net cash used in financing activities | <u>(18,818)</u> | <u>(90,955)</u> |
| Effect of exchange rate changes on cash | <u>(2,389)</u> | <u>(2,682)</u> |
| Increase in cash and cash equivalents | 48,479 | 34,394 |
| Cash and cash equivalents, beginning of period | 129,678 | 95,284 |
| Cash and cash equivalents, end of period | <u>\$ 178,157</u> | <u>\$ 129,678</u> |