

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters and Years Ended September 30, 2010 and 2009
(In thousands, except per share data)
(Unaudited)

	Quarter Ended September 30,		Year Ended September 30,	
	2010	2009	2010	2009
Revenues:				
Transactional and maintenance	\$ 110,778	\$ 116,056	\$ 455,487	\$ 478,702
Professional services	27,174	24,621	102,878	112,413
License	17,146	11,245	47,278	39,620
Total revenues	<u>155,098</u>	<u>151,922</u>	<u>605,643</u>	<u>630,735</u>
Operating expenses:				
Cost of revenues	48,456	45,793	180,932	206,448
Research and development	16,178	18,217	73,581	73,626
Selling, general and administrative	59,286	51,800	225,263	209,319
Amortization of intangible assets	1,983	3,269	10,901	12,891
Restructuring	1,617	-	1,617	8,711
Loss on sale of product line assets	-	-	-	2,993
Total operating expenses	<u>127,520</u>	<u>119,079</u>	<u>492,294</u>	<u>513,988</u>
Operating income	27,578	32,843	113,349	116,747
Other expense, net	<u>(7,538)</u>	<u>(4,893)</u>	<u>(21,045)</u>	<u>(19,177)</u>
Income from operations before income taxes	20,040	27,950	92,304	97,570
Provision for income taxes	<u>4,199</u>	<u>10,842</u>	<u>27,847</u>	<u>32,105</u>
Income from continuing operations	15,841	17,108	64,457	65,465
Loss from discontinued operations	-	-	-	(363)
Net income	<u>\$ 15,841</u>	<u>\$ 17,108</u>	<u>\$ 64,457</u>	<u>\$ 65,102</u>
Basic earnings (loss) per share:				
Continuing operations	\$ 0.39	\$ 0.35	\$ 1.44	\$ 1.35
Discontinued operations	-	-	-	(0.01)
Total	<u>\$ 0.39</u>	<u>\$ 0.35</u>	<u>\$ 1.44</u>	<u>\$ 1.34</u>
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.38	\$ 0.35	\$ 1.42	\$ 1.34
Discontinued operations	-	-	-	(0.01)
Total	<u>\$ 0.38</u>	<u>\$ 0.35</u>	<u>\$ 1.42</u>	<u>\$ 1.33</u>
Shares used in computing earnings (loss) per share:				
Basic	<u>41,141</u>	<u>48,513</u>	<u>44,903</u>	<u>48,658</u>
Diluted	<u>41,590</u>	<u>48,772</u>	<u>45,308</u>	<u>48,776</u>

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
September 30, 2010 and 2009
(In thousands)
(Unaudited)

	September 30, 2010	September 30, 2009
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 146,199	\$ 178,157
Marketable securities	68,615	139,673
Accounts receivable, net	113,187	101,742
Prepaid expenses and other current assets	19,174	22,986
Total current assets	347,175	442,558
Marketable securities and investments	15,441	72,445
Property and equipment, net	30,975	34,340
Goodwill and intangible assets, net	693,197	705,895
Other assets	36,928	48,650
	\$ 1,123,716	\$ 1,303,888
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 37,497	\$ 46,776
Accrued compensation and employee benefits	33,697	28,139
Deferred revenue	42,953	39,673
Current maturities on long-term debt	8,000	-
Total current liabilities	122,147	114,588
Revolving line of credit	-	295,000
Senior notes	512,000	275,000
Other liabilities	14,655	19,031
Total liabilities	648,802	703,619
Stockholders' equity	474,914	600,269
	\$ 1,123,716	\$ 1,303,888

FAIR ISAAC CORPORATION
REVENUE BY SEGMENT
For the Quarters and Years Ended September 30, 2010 and 2009
(In thousands)
(Unaudited)

	Quarter Ended September 30,		Year Ended September 30,	
	2010	2009	2010	2009
Applications revenues:				
Transactional and maintenance	\$ 62,899	\$ 67,440	\$ 257,275	\$ 274,123
Professional services	23,514	21,303	86,097	92,000
License	9,647	5,843	23,886	17,007
Total applications revenues	<u>\$ 96,060</u>	<u>\$ 94,586</u>	<u>\$ 367,258</u>	<u>\$ 383,130</u>
Scores revenues:				
Transactional and maintenance	\$ 40,960	\$ 41,786	\$ 170,141	\$ 178,048
Professional services	631	298	2,042	1,527
License	156	-	156	-
Total scores revenues	<u>\$ 41,747</u>	<u>\$ 42,084</u>	<u>\$ 172,339</u>	<u>\$ 179,575</u>
Tools revenues:				
Transactional and maintenance	\$ 6,919	\$ 6,830	\$ 28,071	\$ 26,531
Professional services	3,029	3,020	14,739	18,886
License	7,343	5,402	23,236	22,613
Total tools revenues	<u>\$ 17,291</u>	<u>\$ 15,252</u>	<u>\$ 66,046</u>	<u>\$ 68,030</u>
Total revenues:				
Transactional and maintenance	\$ 110,778	\$ 116,056	\$ 455,487	\$ 478,702
Professional services	27,174	24,621	102,878	112,413
License	17,146	11,245	47,278	39,620
Total revenues	<u>\$ 155,098</u>	<u>\$ 151,922</u>	<u>\$ 605,643</u>	<u>\$ 630,735</u>

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2010 and 2009
(In thousands)
(Unaudited)

	Year Ended September 30,	
	2010	2009
Cash flows from operating activities:		
Net income	\$ 64,457	\$ 65,102
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	30,918	38,419
Share-based compensation	17,305	19,935
Changes in operating assets and liabilities net of disposition effects	(10,536)	38,369
Other, net	3,636	(10,192)
Net cash provided by operating activities	<u>105,780</u>	<u>151,633</u>
Cash flows from investing activities:		
Purchases of property and equipment	(17,453)	(13,958)
Cash proceeds from sales of product line assets	2,182	4,000
Net activity from marketable securities	125,858	(73,289)
Other, net	50	1,300
Net cash provided by (used in) investing activities	<u>110,637</u>	<u>(81,947)</u>
Cash flows from financing activities:		
Payments on revolving line of credit	(295,000)	-
Proceeds from issuance of Senior Notes	245,000	-
Proceeds from issuances of common stock	1,410	3,289
Repurchases of common stock	(196,119)	(18,500)
Other, net	(3,764)	(3,607)
Net cash used in financing activities	<u>(248,473)</u>	<u>(18,818)</u>
Effect of exchange rate changes on cash	<u>98</u>	<u>(2,389)</u>
Increase (decrease) in cash and cash equivalents	(31,958)	48,479
Cash and cash equivalents, beginning of period	178,157	129,678
Cash and cash equivalents, end of period	<u>\$ 146,199</u>	<u>\$ 178,157</u>