

**FAIR ISAAC CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)  
(Unaudited)

	<b>June 30, 2015</b>	<b>September 30, 2014</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 84,358	\$ 105,075
Accounts receivable, net	147,304	155,295
Prepaid expenses and other current assets	37,428	28,157
Total current assets	<u>269,090</u>	<u>288,527</u>
Marketable securities and investments	20,865	19,784
Property and equipment, net	38,706	36,677
Goodwill and intangible assets, net	870,221	827,842
Other assets	17,245	19,468
	<u>\$ 1,216,127</u>	<u>\$ 1,192,298</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 56,009	\$ 58,235
Accrued compensation and employee benefits	36,648	56,650
Deferred revenue	54,260	56,519
Current maturities on debt	72,000	170,000
Total current liabilities	<u>218,917</u>	<u>341,404</u>
Long-term debt	576,000	376,000
Other liabilities	24,548	20,280
Total liabilities	<u>819,465</u>	<u>737,684</u>
Stockholders' equity	396,662	454,614
	<u>\$ 1,216,127</u>	<u>\$ 1,192,298</u>

**FAIR ISAAC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(In thousands, except per share data)  
(Unaudited)

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2015	2014	2015	2014
Revenues:				
Transactional and maintenance	\$ 144,695	\$ 132,254	\$ 414,788	\$ 394,278
Professional services	37,998	38,522	111,142	107,427
License	26,673	26,834	80,095	65,710
Total revenues	<u>209,366</u>	<u>197,610</u>	<u>606,025</u>	<u>567,415</u>
Operating expenses:				
Cost of revenues	66,202	62,752	203,493	178,254
Research & development	25,610	23,240	72,588	61,022
Selling, general and administrative	74,645	71,557	221,309	204,490
Amortization of intangible assets	3,599	3,019	10,046	8,940
Restructuring and acquisition-related	2,256	621	2,256	4,281
	<u>172,312</u>	<u>161,189</u>	<u>509,692</u>	<u>456,987</u>
Operating income	37,054	36,421	96,333	110,428
Other expense, net	(6,590)	(6,120)	(21,512)	(21,657)
Income before income taxes	<u>30,464</u>	<u>30,301</u>	<u>74,821</u>	<u>88,771</u>
Provision for income taxes	10,558	9,753	21,638	30,495
Net income	<u>\$ 19,906</u>	<u>\$ 20,548</u>	<u>\$ 53,183</u>	<u>\$ 58,276</u>
Basic earnings per share:	<u>\$ 0.64</u>	<u>\$ 0.60</u>	<u>\$ 1.69</u>	<u>\$ 1.69</u>
Diluted earnings per share:	<u>\$ 0.62</u>	<u>\$ 0.58</u>	<u>\$ 1.63</u>	<u>\$ 1.65</u>
Shares used in computing earnings per share:				
Basic	<u>31,118</u>	<u>34,210</u>	<u>31,465</u>	<u>34,458</u>
Diluted	<u>32,363</u>	<u>35,162</u>	<u>32,648</u>	<u>35,420</u>

**FAIR ISAAC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

	<b>Nine Months Ended</b>	
	<b>June 30,</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 53,183	\$ 58,276
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	26,093	24,196
Share-based compensation	32,762	25,631
Changes in operating assets and liabilities	(25,264)	2,375
Other, net	(374)	(6,665)
Net cash provided by operating activities	<u>86,400</u>	<u>103,813</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(18,266)	(7,088)
Cash paid for acquisitions, net of cash acquired	(56,992)	(7,253)
Other, net	75	-
Net cash used in investing activities	<u>(75,183)</u>	<u>(14,341)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from revolving line of credit	241,000	96,000
Payments on revolving line of credit	(68,000)	(28,000)
Payment on Senior Notes	(71,000)	(8,000)
Proceeds from issuances of common stock	13,643	18,041
Taxes paid related to net share settlement of equity awards	(18,102)	(10,790)
Repurchases of common stock	(130,719)	(152,329)
Other, net	9,482	3,860
Net cash used in financing activities	<u>(23,696)</u>	<u>(81,218)</u>
<b>Effect of exchange rate changes on cash</b>	<u>(8,238)</u>	<u>1,677</u>
Increase (decrease) in cash and cash equivalents	(20,717)	9,931
Cash and cash equivalents, beginning of period	105,075	83,178
Cash and cash equivalents, end of period	<u>\$ 84,358</u>	<u>\$ 93,109</u>

**FAIR ISAAC CORPORATION**  
**REVENUE BY SEGMENT**  
(In thousands)  
(Unaudited)

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2015	2014	2015	2014
Applications revenues:				
Transactional and maintenance	\$ 79,731	\$ 78,915	\$ 238,597	\$ 233,592
Professional services	31,009	31,898	90,500	87,058
License	16,394	19,043	47,923	36,732
Total applications revenues	<u>\$ 127,134</u>	<u>\$ 129,856</u>	<u>\$ 377,020</u>	<u>\$ 357,382</u>
Scores revenues:				
Transactional and maintenance	\$ 54,255	\$ 44,077	\$ 145,006	\$ 133,955
Professional services	615	801	2,369	2,167
License	884	452	2,257	4,246
Total scores revenues	<u>\$ 55,754</u>	<u>\$ 45,330</u>	<u>\$ 149,632</u>	<u>\$ 140,368</u>
Tools revenues:				
Transactional and maintenance	\$ 10,709	\$ 9,262	\$ 31,185	\$ 26,731
Professional services	6,374	5,823	18,273	18,202
License	9,395	7,339	29,915	24,732
Total tools revenues	<u>\$ 26,478</u>	<u>\$ 22,424</u>	<u>\$ 79,373</u>	<u>\$ 69,665</u>
Total revenues:				
Transactional and maintenance	\$ 144,695	\$ 132,254	\$ 414,788	\$ 394,278
Professional services	37,998	38,522	111,142	107,427
License	26,673	26,834	80,095	65,710
Total revenues	<u>\$ 209,366</u>	<u>\$ 197,610</u>	<u>\$ 606,025</u>	<u>\$ 567,415</u>

**FAIR ISAAC CORPORATION**  
**NON-GAAP RESULTS**  
(In thousands, except per share data)  
(Unaudited)

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2015	2014	2015	2014
GAAP net income	\$ 19,906	\$ 20,548	\$ 53,183	\$ 58,276
Amortization of intangible assets (net of tax)	2,469	2,022	6,997	5,948
Restructuring and acquisition-related (net of tax)	1,547	416	1,547	2,840
Stock-based compensation expense (net of tax)	8,345	6,260	22,814	17,060
Non-GAAP net income	<u>\$ 32,267</u>	<u>\$ 29,246</u>	<u>\$ 84,541</u>	<u>\$ 84,124</u>
GAAP diluted earnings per share	\$ 0.62	\$ 0.58	\$ 1.63	\$ 1.65
Amortization of intangible assets (net of tax)	0.08	0.06	0.21	0.17
Restructuring and acquisition-related (net of tax)	0.05	0.01	0.05	0.08
Stock-based compensation expense (net of tax)	0.26	0.18	0.70	0.48
Non-GAAP diluted earnings per share	<u>\$ 1.00</u>	<u>\$ 0.83</u>	<u>\$ 2.59</u>	<u>\$ 2.38</u>
Free cash flow				
Net cash provided by operating activities	\$ 43,119	\$ 28,725	\$ 86,401	\$ 103,813
Capital expenditures	(8,015)	(2,791)	(18,266)	(7,088)
Dividends paid	(622)	(683)	(1,883)	(2,072)
Free cash flow	<u>\$ 34,482</u>	<u>\$ 25,251</u>	<u>\$ 66,252</u>	<u>\$ 94,653</u>

Note: The numbers may not sum to total due to rounding.

**About Non-GAAP Financial Measures**

To supplement the consolidated GAAP financial statements, the company uses the following non-GAAP financial measures: non-GAAP net income, non-GAAP EPS, and free cash flow. Non-GAAP net income and non-GAAP EPS exclude the impact of amortization expense, share-based compensation expense, restructuring and acquisition-related, and adjustment to tax valuation allowance items. Free cash flow excludes capital expenditures and dividends paid. The presentation of these financial measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Management uses these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. Our management believes these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain items that may not be indicative of recurring business results including significant non-cash expenses. We believe management and investors benefit from referring to these non-GAAP financial measures in assessing our performance when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to historical performance and liquidity as well as comparisons to our competitors' operating results. We believe these non-GAAP financial measures are useful to investors because they allow for greater transparency with respect to key measures used by management in its financial and operating decision-making.

**FAIR ISAAC CORPORATION**  
**RECONCILIATION OF NON-GAAP GUIDANCE**  
(In millions, except per share data)  
(Unaudited)

	<u>Low</u>	<u>High</u>
GAAP net income	\$ 92	\$ 95
Amortization of intangible assets (net of tax)	9	9
Stock-based compensation expense (net of tax)	31	31
Non-GAAP net income	<u>\$ 131</u>	<u>\$ 134</u>
GAAP diluted earnings per share	\$ 2.78	\$ 2.88
Amortization of intangible assets (net of tax)	0.26	0.26
Stock-based compensation expense (net of tax)	0.94	0.94
Non-GAAP diluted earnings per share	<u>\$ 3.97</u>	<u>\$ 4.06</u>

Note: The numbers may not sum to total due to rounding.

**About Non-GAAP Financial Measures**

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