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News Release

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FOR IMMEDIATE RELEASE

TRANSACTION SYSTEMS ARCHITECTS REPORTS FISCAL 2001 SECOND QUARTER FINANCIAL RESULTS

Momentum Continues to Build in Consumer e-Payments Business, Healthy Operating Cash Flow Evidence of Strengthening Business Model, William Fisher to Step Down as CEO

Second Quarter Highlights:

- Revenue and EPS for the quarter in line with company guidance
- Consumer e-Payments business revenue up 6 percent, with a healthy new order stream
- Increased market share by adding eight significant new Consumer e-Payment customers
- Operating cash flow of \$8 million, a sequential improvement of \$17 million
- Expecting \$79 to \$84 million in revenue for the third quarter, and pro forma diluted EPS of \$.12 to \$.18 per share

(OMAHA, Neb. May 1, 2001) Transaction Systems Architects, Inc. (Nasdaq: TSAI), a leading global provider of enterprise e-payments and e-commerce software, announced today that its revenue for the second quarter of fiscal 2001 was \$76.5 million, in line with company guidance. Pro forma earnings per share were \$.06, also in line with guidance, and \$.01 better than the consensus forecast for the company. Operating cash flow was \$8 million, the best cash flow results since the quarter ending September 30, 1999. In addition, the company announced that William E. Fisher, Chairman and CEO, will step down from both of his current positions. Larry G. Fendley, a current board member, will assume the role of interim CEO during an executive search period, effective immediately. Gregory J. Duman has been appointed as Chairman of the Board.

Overall, we are pleased with our results this quarter, said Dwight G. Hanson, chief financial officer. In what continues to be a tough market, we were able to meet our objectives for the quarter. Revenue for our Consumer e-Payments business was up 6 percent over the prior year and new orders in that unit were up substantially from the year ago period. We increased our

market share by adding eight significant new Consumer e-Payment customers, and saw a sequentially higher number of transaction volume upgrades from our existing customers.

During the quarter, we began to aggressively market our new M-Bill and M-Statement products, brought on board through the MessagingDirect acquisition, added Hanson. We see a strong interest in our secure document delivery and payment solutions, and we signed the first contract for our electronic statement delivery solution since completing the acquisition. In addition, we launched our e-series initiative, wherein we are offering an integrated set of e-payment processing solutions targeted at new channels like the Web and wireless. Over 50 customers have already implemented some facet of our e-series solution suite, in areas such as secure e-commerce, mobile commerce, chip-based applications and secure electronic document delivery. Twenty-two new e-series contracts were signed in the second quarter. TSA is rapidly becoming the e-payment software provider of choice for the new economy. The R&D we committed to throughout the Y2K timeframe is beginning to pay off.

We were gratified that Mizuho bank, soon to be the largest financial institution in the world, selected the high-value e-payments solution from our Corporate Banking e-Payments business unit, added Hanson. In addition, we announced a number of technology partnerships in the Insession Technologies business unit designed to more fully leverage our broad reach and proven capability to bring enterprise e-infrastructure products to market.

We were able to generate over \$8 million in operating cash flow, our best cash performance since the fourth quarter of fiscal 1999, said Hanson. A benefit of this performance on the cash front is that our DSO and DBO levels declined markedly. Finally, we continue to watch our expense levels very closely. Our results reflected a 3 percent sequential decrease in pro forma operating expenses, even after absorbing the MessagingDirect acquisition.

Pro forma results are computed by excluding acquisition-related charges (amortization of goodwill and software) and non-recurring items. The pro forma results of operations are computed using an effective tax rate of 39 percent. Pro forma results for the quarter exclude \$5.6 million of software and goodwill amortization from the acquisitions of SDM International, Inc.,

Insession Inc., Hospital Health Plan Corporation, WorkPoint Systems, Inc. and MessagingDirect, Ltd.

The Company completed the second quarter of fiscal 2001 with \$187 million in backlog, consisting of \$55 million in non-recurring backlog and \$132 million in recurring backlog. This compares to the backlog of \$184 million at the end of the first quarter of fiscal 2001. Non-recurring backlog is composed of fees specified in software and services contracts that the company expects to recognize in the next 12 months. Recurring backlog includes all monthly license fees, maintenance fees and facilities management fees that the company expects to recognize over the next 12 months.

TSA announced it has initiated an external search for a new chief executive officer. I have decided to step down from my position at TSA, said Fisher. I agreed to come back into the CEO position about a year ago, and feel that we have made excellent progress on a number of fronts. The Board and I have agreed that it is now time for a new leader to take TSA to the next level. As we embark on a search for a new CEO, I believe that the company will be in excellent hands under Larry's direction. Larry understands our business, and will do the things necessary to ensure that the next CEO inherits a thriving enterprise. I have enjoyed my 14 years at TSA, and will greatly miss the business, the customers and most of all the people. I look forward to seeing great things from TSA in the future.

Mr. Fisher will be available on an advisory basis to assist with the search and transition process as needed.

We are indebted to Bill for his service to TSA, said Larry Fendley, interim CEO. He has led the company through several development stages, including the successful IPO in 1995. Bill and the Board unanimously felt that it was time for a change in leadership. We will aggressively seek a candidate for CEO that, in our opinion, can lead the company to the performance that reflects its market leadership position. Our goal is to get this market-leading franchise back to the levels of performance it has enjoyed historically, resulting in the value proposition that our shareholders, employees, customers and partners deserve.

Looking forward to the next quarter, TSA is expecting \$79 to \$84 million in revenue, with pro forma diluted EPS of \$.12 to \$.18. We continue to be confident in our strong market position, and look for consistent improvements in the business for the balance of the year, said Hanson.

About Transaction Systems Architects, Inc.

Transaction Systems Architects software facilitates electronic payments by providing consumers and companies access to their money. Its products are used to process transactions involving credit cards, debit cards, secure electronic commerce, mobile commerce, smart cards, secure electronic document delivery and payment, checks, high-value money transfers, bulk payment clearing and settlement, and enterprise e-infrastructure. Transaction Systems Architects' solutions are used on more than 3,700 product systems in 78 countries on six continents.

TSA will hold a teleconference at 5:00 p.m. EST, May 1, 2001, to discuss second-quarter financial results. TSA will open the conference call to the general public by broadcasting the call live over the Internet. Interested persons may access a real-time audio broadcast of the teleconference at: www.tsainc.com/ir/ir.asp. The web cast will be archived for seven days after the teleconference at the same web address listed above.

The statements in this report regarding projected results are preliminary and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, this report contains other forward-looking statements including statements regarding the Company's or third parties' expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect. The forward-looking statements in this report are subject to a variety of risks and uncertainties. Actual results could differ materially. Factors that could cause actual results to differ include but are not limited to the following:

The Y2K lock-down has interrupted TSA's normal sales cycle and therefore is likely to have a negative impact on the Company's revenues and net income beyond fiscal 2000. TSA also believes customer demand for system upgrades and enhancements will be slow to return to normal growth levels, as many of the Company's customers upgraded and enhanced their systems prior to the Year 2000. There can be no assurance that TSA's growth rates will return to historical levels.

The acquisition of MessagingDirect is subject to numerous risks, including the following: (i) MessagingDirect is in a highly competitive industry, (ii) MessagingDirect does not have a significant market presence, significant revenues, or widespread acceptance or prolonged use of its products, (iii) MessagingDirect has not been profitable, (iv) the electronic statement presentation and electronic bill presentment and payment markets may not achieve the predicted growth rates, (v) MessagingDirect's products, personnel, and operations may be difficult to combine with those of TSA, the products may not be accepted by TSA's customer base, and there will be significant integration costs of combining the businesses and (vi) the acquisition will have a dilutive effect on earnings per share and amortization of intangible assets will have an adverse effect on earnings.

TSA is subject to risks of conducting international operations including: difficulties in staffing and management, reliance on independent distributors, fluctuations in foreign currency exchange rates, compliance with foreign regulatory requirements, variability of foreign economic conditions, and changing restrictions imposed by U.S. export laws.

TSA will continue to derive a substantial majority of its total revenues from licensing its BASE24 family of software products and providing services and maintenance related to those products. Any reduction in demand for, or increase in competition with respect to, BASE24 products would have a material adverse effect on TSA 's financial condition and results of operations.

TSA s business is concentrated in the banking industry, making it susceptible to a downturn in that industry.

Fluctuations in quarterly operating results may result in volatility in TSA s stock price. No assurance can be given that operating results will not vary. TSA s stock price may also be volatile, in part due to external factors such as announcements by third parties or competitors, inherent volatility in the high-technology sector and changing market conditions in the industry.

The diversion of management s time and attention to the search for a new permanent CEO, and related transition issues, may temporarily dilute management s focus on the company s day-to-day operations.

For a detailed discussion of these and other risk factors, interested parties should review the Company's filings with the Securities and Exchange Commission, including Exhibit 99.01 to the Company s Annual Report on Form 10-K for the fiscal year ended September 30, 2000.

FINANCIAL HIGHLIGHTS FOLLOW

TRANSACTION SYSTEMS ARCHITECTS, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited and in thousands)

	March 31, 2000	September 30, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 20,749	\$ 23,400
Marketable securities	2,698	8,106
Billed receivables, net	60,905	63,556
Accrued receivables	56,639	51,659
Prepaid income taxes	5,586	2,710
Deferred income taxes	17,258	11,208
Other	10,958	13,134
Total current assets	174,793	173,773
Property and equipment, net	17,303	19,614
Software, net	35,130	26,757
Intangible assets, net	95,571	65,254
Long-term accrued receivables	27,615	27,018
Investments and notes receivable	2,235	6,146
Note receivable from executive officer	3,000	2,000
Deferred income taxes	2,614	2,958
Other	7,104	6,632
Total assets	\$ 365,365	\$ 330,152

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Current portion of long-term debt	\$ 22,612	\$ 18,396
Accounts payable	10,898	16,023
Accrued employee compensation	7,500	7,472
Accrued liabilities	22,791	20,003
Deferred revenue	45,162	43,373
Total current liabilities	108,963	105,267
Long-term debt	447	532
Long-term deferred revenue	13,907	13,993
Other	987	-
Total liabilities	124,304	119,792
Stockholders' equity:		
Class A Common Stock	183	165
Additional paid-in capital	221,512	170,946
Retained earnings	67,078	85,033
Treasury stock, at cost	(35,258)	(35,258)
Accumulated other comprehensive income	(12,454)	(10,526)
Total stockholders' equity	241,061	210,360
Total liabilities and stockholders' equity	\$ 365,365	\$ 330,152

**TRANSACTION SYSTEMS ARCHITECTS,
INC.
CONDENSED CONSOLIDATED STATEMENTS
OF INCOME**

(unaudited and in thousands, except per share amounts)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2	2	2	2
	0	0	0	0
	0	0	0	0
	1	0	1	0
Revenues:				
Software license fees	\$ 45,159	\$ 46,508	\$ 87,626	\$ 81,761
Maintenance fees	17,420	17,204	33,385	33,889
Services	13,913	11,677	30,117	26,856
Total revenues	76,492	75,389	151,128	142,506
Expenses:				
Cost of software license fees	11,233	11,084	22,824	21,909
Cost of maintenance and services	18,011	17,264	36,722	34,056
Research and development	10,722	9,968	20,791	18,428
Selling and marketing	18,247	18,204	37,942	35,765
General and administrative	16,050	15,159	32,177	29,797
Amortization of goodwill and purchased intangibles	3,413	1,758	5,780	3,935
Total expenses	77,676	73,437	156,236	143,890
Operating income (loss)	(1,184)	1,952	(5,108)	(1,384)
Other income (expense):				
Interest income	716	717	1,540	1,664
Interest expense	(749)	(72)	(1,368)	(135)
Other	(988)	(51)	(715)	132
Non-recurring items	-	-	(14,311)	-
Total other income (expense)	(1,021)	594	(14,854)	1,661
Income (loss) before income taxes	(2,205)	2,546	(19,962)	277
Income tax benefit (provision)	(1,399)	(995)	2,006	(109)
Net income (loss)	\$ (3,604)	\$ 1,551	\$ (17,956)	\$ 168
Earnings per share information:				
Weighted average shares outstanding:				
Basic	34,556	31,707	33,105	31,873
Diluted	34,556	32,172	33,105	32,364

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Earnings per share:

Basic	\$ (0.10)	\$ 0.05	\$ (0.54)	\$ 0.01
Diluted	\$ (0.10)	\$ 0.05	\$ (0.54)	\$ 0.01