

## TRANSACTION SYSTEMS ARCHITECTS REPORTS

### FOURTH QUARTER AND YEAR END RESULTS

**(Omaha, Neb.--November 2, 1995)** --Transaction Systems Architects, Inc. (Nasdaq:TSAL), a leading supplier of software for electronic payments and electronic commerce, reported revenues of \$33.1 million for the fourth quarter of fiscal 1995 ending September 30, 1995, an increase of 25.7 percent over the same quarter last year. Operating income was \$3.9 million for the quarter compared to an operating loss of \$1.1 million in the same quarter last year. Operating income on a proforma basis (excluding acquisition-related charges) was \$4.7 million for the quarter, an increase of 37.4 percent over the same quarter last year.

The company reported net income of \$2.8 million or \$.22 per share (fully diluted), for the current quarter compared to a net loss of \$3.1 million, \$.30 per share (fully diluted) in the fourth quarter 1994. Net income on a pro forma basis in the fourth quarter was \$3.1 million, \$.24 per share, an increase of 56.3 percent over the same quarter last year.

For the fiscal year ended September 30, 1995, revenues were \$114.9 million, an increase of 23. percent over the previous fiscal year. Operating income was \$9.4 million compared to an operating loss of \$30.0 million last year. Operating income on a pro forma basis was \$15.9 million, an increase of 56.6 percent over the prior year.

Net income for fiscal year 1995 was \$3.8 million, \$.33 per share (fully diluted) compared to a net loss of \$35.2 million, \$3.48 per share (fully diluted) for the previous fiscal year. Net income on a pro forma basis for fiscal 1995 was \$10.4 million, \$.84 per share (fully diluted) an increase of 57.4 percent over the prior year.

Acquisition-related charges were incurred in the company's leveraged buy-out (LBO) of Applied Communications, Inc. in December 1993 and U.S. Software, Inc. in January 1994 and include amortization expense on intangible assets, a one-time charge for purchased research and development, interest expense on LBO indebtedness, and a one-time extraordinary charge for the early retirement of the balance of the LBO debt.

The total of these charges to operations was \$841 thousand in the current quarter compared to \$4.5 million in the same quarter last year. For the fiscal year ended September 30, 1995, the total of these charges to operations was \$6.5 million compared to \$40.1 million in the previous fiscal year. Of the total \$51.0 million originally assigned to intangible assets in the LBO

purchase price allocation, approximately \$5.6 million remains to be amortized.

Cash flow from operating activities was \$1.6 million this quarter and \$11.0 million for the year. The company's cash balance at the end of September 1995 was \$35.5 million and included \$22.4 in proceeds raised from its secondary public offering in August 1995.

"Fiscal year 1995 confirmed our belief that the company will continue to benefit from the move by consumers toward electronic transactions and away from the use of cash and checks," said William Fisher, president and chief executive officer. "Interest in our core products - software for automated teller machine and credit/debit point-of-sale networks - was strong and our recently introduced home banking solution was well received by our customers."

"Our backlog grew \$12.2 million in fiscal 1995," added Fisher. "The company finished the year with \$82.1 million in backlog consisting of \$29.0 million in non-recurring revenue sources and \$53.1 million in recurring revenues."

Non-recurring revenues are composed of fees specified in software and services contracts the company expects to recognize in the next 12 months. Recurring revenues include all monthly license fees, maintenance fees and facilities management fees that the company expects to recognize over the next 12 months.

Transaction Systems Architects, Inc., the parent company of Applied Communications, Inc. and U.S. Software, Inc., develops, markets and supports application software solutions that facilitate electronic commerce by providing consumers and companies access to their money. The company's products are used to capture, switch and authorize transactions involving credit cards, debit cards, home banking, checks, point-of-sale (POS) terminals, automated teller machines (ATMs), manned teller devices, wire transfers and automated clearing and settlement. Transaction Systems solutions are used on more than 1,000 systems in 57 countries on six continents.