SunGard Computer Services LLC
Form 424B3
March 06, 2009
Table of Contents

FILED PURSUANT TO RULE 424(B)(3)

File Number 333-150383

SUNGARD DATA SYSTEMS INC.

SUPPLEMENT NO. 11 TO

MARKET-MAKING PROSPECTUS DATED MAY 13, 2008

THE DATE OF THIS SUPPLEMENT IS MARCH 6, 2009

ON MARCH 6, 2009, SUNGARD DATA SYSTEMS INC. FILED THE ATTACHED

FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2008

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

x **Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2008 or**

¨ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to**

Commission File Number 1-12989

SunGard® Data Systems Inc.

(Exact name of registrant as specified in its charter)

Delaware	**51-0267091**
(State of incorporation)	**(I.R.S. Employer Identification No.)**

680 East Swedesford Road, Wayne, Pennsylvania 19087

(Address of principal executive offices, including zip code)

484-582-2000

(Telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨. No x.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes x. No ¨.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ¨. No x.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference into Part III of this Form 10-K or any amendment to this Form 10-K. x.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨.	Accelerated filer ¨.
Non-accelerated filer x.	Smaller reporting company ¨.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨. No x.

The aggregate market value of the registrant s voting stock held by nonaffiliates is zero. The registrant is a privately held corporation.

There were 100 shares of the registrant s Common Stock outstanding as of February 15, 2009.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Table of Contents

Table of Contents

Table of Contents

Forward-Looking Statements

Certain of the matters we discuss in this Report on Form 10-K may constitute forward-looking statements. You can identify forward-looking statements because they contain words such as believes, expects, may, will, should, seeks, approximately, intends, plans, estim anticipates or similar expressions which concern our strategy, plans or intentions. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those we expected. We described some of the factors that we believe could affect our results in ITEM 1A RISK FACTORS. We assume no obligation to update any written or oral forward-looking statements made by us or on our behalf as a result of new information, future events or other factors.

PART I

ITEM 1. BUSINESS

Overview

We are one of the world s leading software and IT services companies. We provide software and processing solutions to institutions throughout the financial services industry, higher education and the public sector. We also provide disaster recovery services, managed services, information availability consulting services and business continuity management software. We operate our business in four segments:

Financial Systems (FS) serves financial services companies, corporate and government treasury departments and energy companies;

Higher Education (HE) serves higher education institutions;

Public Sector (PS) serves state and local governments, public safety and justice agencies, and not-for-profit organizations; and

Availability Services (AS) serves IT-dependent companies across virtually all industries.

We serve more than 25,000 customers in more than 70 countries, including the world s 25 largest financial services companies. We seek to establish long-term customer relationships by negotiating multi-year contracts and by emphasizing customer support and product quality and integration. We believe that we are one of the most efficient operators of mission-critical IT solutions as a result of the economies of scale we derive from serving multiple customers on shared platforms. Our revenue is highly diversified by customer and product, with no single customer accounting for more than 8% of our total revenue during any of the past three fiscal years. We estimate that approximately 90% of our revenue for the past three fiscal years was recurring in nature.

We were acquired on August 11, 2005 by a consortium of private equity investment funds associated with Bain Capital Partners, The Blackstone Group, Goldman Sachs & Co., Kohlberg Kravis Roberts & Co., Providence Equity Partners, Silver Lake and TPG (the Transaction).

All references in this report to SunGard, Company, we, our, and us mean, unless the context indicates otherwise, SunGard Data Systems Inc its subsidiaries on a consolidated basis.

1

Table of Contents

Our Strengths

Leading franchise in attractive industries. Built over many years, our business has leading positions and strong customer relationships in industries with attractive growth dynamics.

- ***Leading industry positions.*** We believe that the majority of businesses within our FS segment are leaders in the sectors in which they participate within the highly fragmented global market for financial services IT software and services. We believe that HE and PS are both leading providers of software and services to higher education institutions and the public sector, respectively. AS is the pioneer and leading provider in the availability services industry.

- ***Attractive industry dynamics.*** While the current economic crisis has presented some challenges in the near term, we believe that, over the long term, the sectors in which we participate will continue to have favorable growth dynamics. We believe that FS will benefit from several key industry dynamics: the shift from internal to external IT spending, the shift from infrastructure to application software spending, and the general increase in IT spending associated with rising compliance and regulatory requirements and real-time information needs. We anticipate that HE and PS will benefit from favorable growth dynamics in higher education and public justice and safety IT spending. We believe that AS will continue to benefit from favorable organic growth in the small and medium business sector. We believe that our strong relationships with our customers in the relatively fragmented software and processing sectors that we serve and our extensive experience and the significant total capital that we have invested in AS help us to maintain leading positions. We believe that these factors provide us with competitive advantages and enhance our growth potential.

Highly attractive business model. Our portfolio of businesses has substantial recurring revenue, a diversified customer base and significant operating cash flow generation.

- ***Extensive portfolio of businesses with substantial recurring revenue.*** With a large portfolio of services and products in each of our four business segments, we have a diversified and stable business. We estimate that approximately 90% of our revenue for the past three fiscal years was recurring in nature. Because our FS customers generally pay us monthly fees that are based on metrics such as number of accounts, trades or transactions, users or number of hours of service, we believe that our FS revenue is more insulated from trading and transaction volumes than the financial services industry at large. Our portfolio of businesses and the largely recurring nature of our revenue across all four of our segments have reduced volatility in our revenue and income from operations.

- ***Diversified and stable customer base.*** Our base of more than 25,000 customers includes the world s 25 largest financial services firms, a variety of other financial services firms, corporate and government treasury departments, energy companies, higher education institutions, school districts, local governments and not-for-profit organizations. Our AS business serves customers across virtually all industries. We believe that our specialized solutions and services help our customers improve operational efficiency, capture growth opportunities and respond to regulatory requirements, which results in long-term customer relationships. Our customer base is highly diversified with no single customer accounting for more than 8% of total revenue during any of the last three fiscal years.

- ***Significant operating cash flow generation.*** The combination of moderate capital expenditures and minimal working capital requirements allows us to convert a significant proportion of our revenue to cash available for debt service.

Experienced and committed management team with track record of success. Our management team fosters an entrepreneurial culture, has a long track record of operational excellence, has a proven ability to acquire and integrate complementary businesses, and is highly committed to our Company s long-term success.

- ***Long track record of operational excellence.*** We have a solid track record of performance consistent with internal financial targets. Our experienced senior executive officers have proven capabilities in both running a global business and managing numerous applications that are important to our customers. Our FS solutions account for and manage over $25 trillion in investment assets and process over 5 million transactions per day. In our HE business, 1,600 organizations including colleges, universities, campuses, foundations and state systems rely on SunGard Higher Education. Our PS products are used by agencies that serve more than 140 million citizens in North America and 40 million citizens in the UK. Our AS business has had a 100% success rate in supporting customer recoveries since our inception.

- ***Successful, disciplined acquisition program.*** To complement our organic growth, we have a highly disciplined due diligence program to evaluate, execute and integrate acquisitions. We have completed 170 acquisitions and overall have improved the operating performance of acquired businesses. Our ongoing acquisition program has contributed significantly to our long-term growth and success.

- ***Experienced and committed management team.*** Our executive officers have on average more than 15 years. of industry experience. Our senior managers have committed significant personal capital to our Company in connection with the Transaction.

Business Strategy

We are focused on expanding our position not only as a leading provider of integrated software and processing solutions, but also as the provider of choice for a wide range of availability services for IT-dependent companies. Our operating and financial strategy emphasizes fiscal discipline, profitable revenue growth and significant operating cash flow generation. In pursuit of these objectives, we have implemented the following strategies:

Expand our industry-leading franchise. We are constantly enhancing our product and service offerings across our portfolio of businesses, further building and leveraging our customer relationships, and looking to acquire complementary businesses at attractive valuations.

- ***Enhance our product and service offerings.*** We continually support, upgrade and enhance our systems to incorporate new technology and meet the needs of our customers for increased operational efficiency and resilience. Our strong base of recurring revenue allows us to consistently reinvest in our products and services. We continue to introduce innovative products and services in all four of our business segments. We believe that our focus on product enhancement and innovation will help us to increase our penetration of existing and new customers.

- ***Extend our strong customer relationships.*** We focus on developing trusted, well-managed, long-term relationships with our customers. We look to maximize cross-selling opportunities, increase our share of our customers total IT spending and maintain a high level of customer satisfaction. Our global account management program allows us to present a single face to our larger FS customers as well as better target potential cross-selling opportunities.

Table of Contents

Acquire and integrate complementary businesses. We seek opportunistically to acquire, at attractive valuations, businesses that broaden our existing product and service offerings, expand our customer base and strengthen our leadership positions, especially within the fragmented FS, HE and PS markets. Before committing to an acquisition, we devote significant resources to due diligence and to developing a post-acquisition integration plan, including the identification and quantification of potential cost savings and synergies. Our ongoing acquisition program has contributed significantly to our long-term growth and success.

Optimize our attractive business model. We continue to focus on maintaining our attractive business model and, in particular, increasing our recurring revenue base and implementing incremental operational improvements.

Increase our recurring revenue base. We strive to generate a high level of recurring revenue and stable cash flow from operations. We prefer to charge customers monthly subscription fees under multi-year contracts, and we continue to prefer such contracts because they offer high levels of revenue stability and visibility. Moreover, we believe that our high quality services and customized solutions help increase the level of integration and efficiency for our customers and reduce customer defections to other vendors or to in-house solutions.

Implement incremental operational improvements. We have identified opportunities to further increase revenue, reduce costs and improve cash flow from operations. These include the global account management program within FS, which stimulates cross-selling opportunities and account penetration for our largest customers; centralization of certain product management functions and expansion of certain software development capacity in lower-cost regions; the selective integration of certain FS, HE and PS business units and back-office operations; and the increased focus on generating revenue from ancillary services such as customer training and education as well as consulting.

Enhance our performance-based culture. We have an experienced management team that is focused on enhancing our performance-based culture. We continue to evaluate and implement programs to improve our current management structure through competitive compensation plans and continue to implement methods to effectively retain key individuals at acquired businesses. Our compensation program, consistent with past practices, is highly performance-based.

Table of Contents

Business Segment Overview

Our Segments

	Financial Systems	Software & Processing Higher Education	Public Sector	Availability Services
Revenue for the Year Ended December 31, 2008	$3.1 billion	$540 million	$411 million	$1.6 billion
Product and Service Offerings	Specialized software and processing solutions that automate the business processes associated with trading securities, managing portfolios and accounting for investment assets, consulting services, and IT management services	Specialized software and enterprise resource planning solutions, professional services, consulting services and IT management services to address the administrative, academic and community needs of higher education institutions	Specialized software and enterprise resource planning and administrative solutions, public safety and justice solutions, K-12 student information solutions, consulting services and IT management services	Portfolio of standby recovery services, advanced recovery and managed services, consulting services and software that help companies maintain uninterrupted access to their mission-critical IT systems
Number of Customers	14,000	1,600	2,000	10,000
Primary Customers	Financial services companies Corporate and government treasury departments Energy companies	Higher education organizations around the world, including colleges, universities, campuses, foundations and state systems	School districts Federal, state and local governments Public safety and justice agencies Not-for-profit organizations	Large, medium and small companies across virtually all industries, primarily in North America and Europe

5

Table of Contents

Financial Systems

FS provides mission-critical software and IT services to institutions in virtually every segment of the financial services industry. The primary purpose of these systems is to automate the many detailed processes associated with trading, managing investment portfolios and accounting for investment assets. These solutions address the processing requirements of a broad range of users within financial services, including asset managers, traders, custodians, compliance officers, treasurers, insurers, risk managers, hedge fund managers, plan administrators and clearing agents. In addition, we also provide professional services that focus on application implementation and integration of these solutions and on custom software development. Since our inception, we have consistently enhanced our FS solutions to add new features, process new types of financial instruments, meet new regulatory requirements, incorporate new technologies and meet evolving customer demands.

We deliver many of our FS solutions as an application service provider, primarily from our data centers located in North America and Europe that customers access through the Internet or virtual private networks. We also deliver some of our FS solutions by licensing the software to customers for use on their own computers.

Our FS businesses are grouped internally into two divisions. The main distinction between the two divisions is that one division serves customers whose business is primarily in North America while the other division serves customers whose business is primarily international. The grouping of FS businesses in two divisions also takes into account the balance of management workload.

Americas Division: The Americas division includes our Brokerage & Clearance, Corporations, Insurance, Trading and Wealth Management businesses as well as our US-based Consulting Services. It offers software solutions and strategic IT consulting to a broad range of users, including insurers and reinsurers, traders, custodians, plan administrators and compliance officers. These solutions help automate and manage the trading and processing requirements of banks, broker/dealers, insurance companies, pension companies, fiduciary trusts and other financial services firms primarily in North America.

International Division: The International division includes our Alternative Investments, Banks, Capital Markets & Investment Banking, Global Trading and Institutional Asset Management businesses, as well as our European-based Consulting Services. It also includes our FS international distribution organization which conducts business with customers in China, Japan, and the rest of Asia-Pacific, Central and Eastern Europe, Africa and the Middle East. The International division offers software solutions and strategic IT consulting to a broad range of users including asset managers, fund administrators, traders, compliance officers, market makers, chief financial officers and treasurers. These solutions help connect every stage of the investment lifecycle, from portfolio analysis to regulatory compliance to investor accounting and reporting. They also help mitigate risk and deliver straight-through processing.

Our FS businesses in the Americas and International divisions are organized in the following customer-facing business areas:

Alternative Investments: We offer solutions specifically designed for firms specializing in alternative investments. These solutions support multiple asset classes and their derivatives, including equities, currency exchange rates, interest rates, credit, commodities, and convertibles. Solutions include strategy-specific applications for convertible and capital structure arbitrage, global repurchase agreements, stock finance, and listed options trading. Our enterprise-wide, straight-through processing solutions meet the trading, risk management, and investor and portfolio accounting requirements of single- and multi-strategy institutions.

Banks: We provide an integrated solution suite for asset/liability management, budgeting and planning, regulatory compliance, and profitability. Our products also manage all aspects of universal banking including back-office transaction processing, front-office multi-channel delivery, card management and payments.

Corporations: Our solutions provide chief financial officers and treasurers with the ability to monitor cash flow in real time and with increased operational controls on treasury, receivables and payments functions. An end-to-end collaborative financial management framework gives CFOs and treasurers tools to help drive maximum value from working capital and reduce risk.

Brokerage & Clearance: We are a leading provider of solutions for the global processing of securities and derivatives. These solutions support trade processing, clearing, and accounting, helping brokerage and clearing firms streamline operations and control risk and cost. Our solutions provide centralized transactional databases, support cross-asset business functions, and offer consolidated views of accounts and risk management. These solutions help firms gain front-to-back operational efficiencies and realize advantages of scale, supporting business growth.

Capital Markets & Investment Banking: Our solutions support cross-asset trading and straight-through processing of derivative instruments, helping investment banks to manage global trading books in multiple asset classes. These solutions also support securities lending and borrowing, repurchase agreements, and related transactions. We also offer solutions for the enterprise-wide management of market, credit, interest rate and liquidity risk. In addition, we provide a framework for helping banks to manage operational risk and compliance requirements.

Institutional Asset Management: We provide asset managers with comprehensive, integrated solutions to support their global investment operations. These solutions help connect every stage of the investment lifecycle, from portfolio analysis and electronic trading connectivity to regulatory compliance and investment accounting and reporting. We also provide systems for trading, pre- and post-trade compliance measurement, risk management, performance measurement and attribution, and data management.

Insurance: We provide IT solutions for the insurance industry in each of the following major business lines: life/health/annuities/pensions, property and casualty, reinsurance and asset management. Our software and services support functions from the front-office through the back-office from customer service and policy administration to actuarial calculations, financial and investment accounting, and reporting.

Trading: We provide traders of U.S. equities, commodities and listed options with Web-based, electronic trading platforms for trade order management, direct market access and risk and compliance management. Our cross-asset solutions automate the transaction lifecycle, providing network connectivity and straight-through processing from pre- to post-trade. Our data analysis tools help improve the speed and ease of optimizing portfolios, assessing risk exposure and identifying market opportunities. Our energy solutions help financial services institutions, industrial and energy companies to efficiently compete in global energy markets by streamlining and integrating the trading, risk management and operations of physical commodities and their associated financial instruments.

Table of Contents

Global Trading: Through the acquisition of GL TRADE S.A. in October 2008, we provide multi-asset, front- to back-office trading solutions for equities, fixed income, derivatives, FX and commodities on exchanges worldwide. These solutions support full lifecycle trading and trade processing activities including information services, market connectivity and order management that help improve trade efficiency and risk monitoring.

Wealth Management: Our wealth management solutions help investment advisors, trust bank managers and wealth managers grow their businesses by helping support the needs of their mass affluent and high-net worth clients. We provide solutions for financial planning, asset allocation, surveillance and suitability, new account opening, portfolio management, unified managed account programs, trade execution, asset management, custody and trust accounting. Our compliance and data management solutions help compliance officers mitigate risk and improve efficiencies through centralized data infrastructures, automated trade supervision and code-of-ethics monitoring. We also serve organizations that administer defined-contribution and defined-benefit retirement plans. Our retirement plan recordkeeping systems support many plan types and fulfill functions ranging from processing of contributions and payments to tax reporting and trade management.

Higher Education

In HE, we provide software, strategic and systems integration consulting, and technology management services to colleges and universities. Our HE solutions help institutions worldwide strengthen institutional performance by improving constituent services, increasing accountability and enhancing the education experience. Our Unified Digital Campus Solutions unite people, processes and technology in an environment that addresses the needs of higher education institutions and the people they serve with specific components tailored to the unique needs of each institution. HE solutions include administration and enterprise resource planning, advancement, IT management and outsourcing, portal and communication tools, performance management, enrollment management, academic performance and strategic planning.

Public Sector

In PS, we provide software and processing solutions designed to meet the specialized needs of local, state, federal and central governments, public safety and justice agencies, public schools, utilities, non-profits, and other public sector institutions. Our systems and services help institutions improve the efficiency of their operations and utilize the Web and wireless technologies in serving their constituents. Our PS products support a range of specialized enterprise resource planning and administrative solutions for functions such as accounting, human resources, payroll, utility billing, land management, public safety and criminal justice, and grant and project management.

Availability Services

In AS, we help our customers improve the uptime and resilience of their information and computer systems by providing them with cost-effective IT infrastructure and services to help them keep their mission-critical business systems reliable and secure. Since we pioneered commercial disaster recovery in the 1970s, we believe that our specialization in information availability solutions, together with our experience, technology expertise, resource management capabilities, vendor neutrality and diverse service offerings, have uniquely positioned us to meet customers varied needs in an environment where businesses are critically dependent on availability of IT. Over three decades, we have developed a comprehensive portfolio of business continuity and information availability services that extend from always ready standby services to advanced recovery services and always on production and managed services. We also provide business continuity management software and consulting services to help our customers design, implement and maintain plans to protect their central business systems. To serve our 10,000 AS customers, we utilize 4,000,000 square feet of operations space at over 60 locations in nine countries and a global network of approximately 25,000 miles. Since our inception, we have had a 100% success rate helping our customers recover from unplanned interruptions resulting from major disasters including the Gulf Coast hurricanes in 2008, widespread flooding in the U.K. in 2007, hurricane Katrina and Gulf Coast hurricanes in 2005, Florida hurricanes in 2004, the Northeast U.S. blackout in 2003 and the terrorist attacks of September 11, 2001.

We provide the following four categories of services: recovery services, managed services, consulting services and business continuity management software. They can be purchased independently or collectively, depending on the level of information availability required by customers as well as their other business continuity and IT infrastructure services needs. Although recovery services remain our principal revenue generating services, managed services, consulting and business continuity management software increasingly accounts for a greater percentage of our new sales. Because these services are often unique to individual customers and utilize a greater proportion of dedicated vs. shared resources, they typically require modestly more capital expenditures and command a somewhat lower operating margin rate than recovery services. The combination of all of these services provides our customers with a total, end-to-end business continuity solution.

Recovery Services: AS helps customers maintain access to the information and computer systems they need to run their businesses by providing cost-effective solutions to keep IT systems operational and secure in the event of an unplanned business disruption. These business disruptions can range from man-made events (e.g. power outages, telecommunications disruptions and acts of terrorism) to natural disasters (e.g. floods, hurricanes and earthquakes). AS offers a complete range of recovery services, depending on the length of time deemed acceptable by customers for IT systems outage ranging from minutes (for mission-critical applications) to several hours or several days (for non-mission-critical applications). We deliver these services using processors, servers, storage devices, networks and other resources and infrastructure that are subscribed to by multiple customers, which results in economies of scale for us and cost-effectiveness for our customers. These shared services range from basic standby disaster recovery services to blended services labeled as advanced recovery or high availability solutions that combine the basic standby services with dedicated workgroup recovery and data storage resources that allow customers to continuously replicate data to one of our sites, helping customers to minimize data loss and reduce recovery times.

Managed Services: AS increasingly provides IT infrastructure and production services that customers use to run their businesses on a day-to-day basis. These services range from co-located IT infrastructure (e.g., where AS provides data center space, power, cooling and network connectivity) to fully-managed infrastructure services (e.g., where AS fully manages the daily operation of a customer s IT infrastructure). Managed services typically require more dedicated processors, servers, storage devices, networks and other resources, which are either obtained by the customer or provided by us for the customer s exclusive use. Managed services are designed in a flexible manner allowing customers to choose the services they need from a menu of options. Therefore, the combination of selected managed services is unique to each customer, with solutions crafted to meet that customer s specific needs. Managed services help customers augment their IT resources and skills without having to hire full-time internal IT staff.

Table of Contents

Consulting and Professional Services: AS offers consulting services to help customers solve critical business continuity and IT infrastructure problems including business continuity, data storage and management, information security, and numerous categories of IT infrastructure operations. In addition, we also provide professional services that help customers design, implement and maintain other services provided by AS.

Business Continuity Management Software: AS offers software solutions that help customers operate a comprehensive and professional business continuity plan across their enterprise. AS software solutions include business risk assessment, business continuity plan development, emergency notification in the event of a business disruption and virtual command center functionality. These solutions help enable ongoing business operations and management when business teams cannot be physically together because of an unplanned business disruption.

Acquisitions

To complement organic growth, we have a highly disciplined due diligence program to evaluate, execute and integrate acquisitions. Generally, we seek to acquire businesses that broaden our existing product lines and service offerings by adding complementary products and service offerings and by expanding our geographic reach. During 2008, we spent approximately $721 million in cash to acquire six businesses.

The following table lists the businesses we acquired in 2008:

Acquired Company/Business	Date Acquired	Description
Advanced Portfolio Technologies, Inc.	02/29/08	Portfolio optimization and risk management software.
Corporate Payments Division of Payformance Corporation	02/29/08	Integrated electronic and outsourced payment solutions.
Strohl Systems Group, Inc.	05/21/08	Business continuity planning software.
Delphi Technologies Ltd.	07/01/08	Consulting and IT professional services to banks and insurance companies in Ireland.
GL TRADE SA	10/01/08	Global provider of multi-asset front to back solutions, connectivity and information services.
Assets of a disaster recovery business based in Paris, France	10/07/08	Disaster recovery business based in Paris, France.

Product Development

We continually support, upgrade and enhance our systems and develop new products to meet the needs of our customers for operational efficiency and resilience and to leverage advances in technology. FS is transforming some of the key functionality of its core systems into components to form a new software development and on-demand delivery environment called Infinity. Infinity enables financial institutions to develop and deploy custom applications, integrating SunGard components with their own proprietary or third party components. Infinity uses SunGard s Common Services Architecture (CSA), a service-oriented architecture (SOA) development framework, offering business process management (BPM) and a virtualized, software-as-a-service (SaaS) infrastructure.

Table of Contents

Our expenditures for software development during the years ended December 31, 2006, 2007 and 2008, including amounts that were capitalized, totaled approximately $276 million, $297 million and $325 million, respectively. These amounts do not include routine software support costs that are included in cost of sales, nor do they include costs incurred in performing certain customer-funded development projects in the ordinary course of business.

Marketing

Most of our FS solutions are marketed throughout North America and Western Europe and many are marketed world wide, including Asia-Pacific, Central and Eastern Europe, the Middle East and Africa, with the principal focus being on selling additional products and services to existing customers. Our AS, HE and PS solutions are marketed primarily in North America and Europe, with a focus on both new accounts and existing accounts. Our revenue from sales outside the United States during the years ended December 31, 2006, 2007 and 2008 totaled approximately $1.23 billion, $1.48 billion and $1.64 billion, respectively.

Competition

Since most of our computer services and software solutions are specialized and technical in nature, most of the market niches in which we compete have a relatively small number of significant competitors. Some of our existing competitors and some potential competitors have substantially greater financial, technological and marketing resources than we have (see ITEM 1A RISK FACTORS).

Financial Systems. In our FS business, we compete with numerous other data processing and software vendors that may be broadly categorized into two groups. The first group is comprised of specialized financial systems companies that are much smaller than us. The second group is comprised of large computer services companies whose principal businesses are not in the financial systems area, some of which are also active acquirors. We also face competition from the internal processing and IT departments of our customers and prospects. The key competitive factors in marketing financial systems are the accuracy and timeliness of processed information provided to customers, features and adaptability of the software, level and quality of customer support, degree of responsiveness, level of software development expertise, total cost of ownership and return on investment. We believe that we compete effectively with respect to each of these factors and that our leadership, reputation and experience in this business are important competitive advantages.

Higher Education and Public Sector. In our HE and PS businesses, we compete with a variety of other vendors depending upon customer characteristics such as size, type, location, computing environment and functional requirements. For example, there may be different competitors for different sizes or types of educational institutions or government agencies, or in different states or geographic regions. Competitors in this business range from larger providers of generic enterprise resource planning systems to smaller providers of specialized applications and technologies. We also compete with outsourcers and systems integrators, as well as the internal processing and information technology departments of our customers and prospective customers. The key competitive factors in marketing higher education and public sector systems are the accuracy and timeliness of processed information provided to customers, features and adaptability of the software, level and quality of customer support, degree of responsiveness, level of software development expertise and overall net cost. We believe that we compete effectively as to each of these factors and that our leadership, reputation and experience in these businesses are important competitive advantages.

Table of Contents

Availability Services. In our AS business, our greatest source of competition for recovery and advanced recovery services is in-house dedicated solutions, which are solutions that our customers or prospective customers develop and maintain internally instead of purchasing from a vendor such as us. Historically, our single largest commercial competitor in the AS business for recovery and advanced recovery services has been IBM Corporation, which we believe is the only company other than ours that currently provides the full continuum of availability services. We also face competition from specialized vendors, including hardware manufacturers, data-replication and virtualization software companies, outsourcers, managed hosting companies, IT services companies and telecommunications companies. Competition among managed or data center service providers is fragmented with various competitor types, such as major telecommunication providers, carrier neutral managed services providers, real estate investment trusts , IT outsourcers and regional colocation providers. We believe that we compete effectively with respect to the key competitive dimensions in information availability, namely economies of scale, quality of infrastructure, scope and quality of services, including breadth of hardware platforms and network capacity, level and quality of customer support, level of technical expertise, vendor neutrality and price. We also believe that our experience and reputation as an innovator in information availability solutions, our proven track record, our financial stability and our ability to provide the entire portfolio of availability services as a single vendor solution are important competitive advantages.

Employees

On December 31, 2008, we had approximately 20,000 employees. We believe that our success depends partly on our continuing ability to retain and attract skilled technical, sales and management personnel. While skilled personnel are in high demand and competition exists for their talents, we believe that we have been able to retain and attract highly qualified personnel (see ITEM 1A RISK FACTORS). We believe that our employee relations are excellent.

Proprietary Protection

We own registered marks for the SUNGARD name and own or have applied for trademark registrations for many of our services and software products.

To protect our proprietary services and software, we rely upon a combination of copyright, patent, trademark and trade secret law, confidentiality restrictions in contracts with employees, customers and others, software security measures, and registered copyrights and patents. We also have established policies requiring our personnel and representatives to maintain the confidentiality of our proprietary property. We have a few registrations of our copyrights and a number of patents and patent applications pending. We will continue to apply for software and business method patents on a case-by-case basis and will continue to monitor ongoing developments in the evolving software and business method patent field (see ITEM 1A RISK FACTORS).

Sustainable Development

We have a strong commitment to sustainability. The customers, communities and environment we do business with and in are increasingly influenced by sustainability issues. Our employees identify strongly with global issues such as climate change, and most of our businesses already have established practices for recycling, conservation and disposal of hazardous materials. We believe in accountability, doing business ethically and doing the right thing. During 2008, we adopted a company-wide sustainability policy and supplier code of conduct, began a process to measure our carbon footprint and

Table of Contents

continued our employee engagement and communications programs. We also continued our partnerships with the World Business Council on Sustainable Development, The Green Grid and the Corporate Eco-Forum as part of our objective to work with companies across industries to implement best practices. We remain dedicated to establishing a corporate culture of sustainable development to help ensure that SunGard can continue to take pride in what we do and the way we do it.

ITEM 1A. RISK FACTORS

Certain of the matters we discuss in this Report on Form 10-K may constitute forward-looking statements. You can identify forward-looking statements because they contain words such as believes, expects, may, will, should, seeks, approximately, intends, plans, estim anticipates or similar expressions which concern our strategy, plans or intentions. All statements we make relating to estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. All of these forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those we expected. We derive most of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. Some of the factors that we believe could affect our results include:

- our high degree of leverage;
- general economic and market conditions;
- the condition of the financial services industry, including the effect of any further consolidation among financial services firms;
- the integration of acquired businesses, the performance of acquired businesses, and the prospects for future acquisitions;
- the effect of war, terrorism, natural disasters or other catastrophic events;
- the effect of disruptions to our systems and infrastructure;
- the timing and magnitude of software sales;
- the timing and scope of technological advances;
- customers taking their information availability solutions in-house;
- the trend in information availability toward solutions utilizing more dedicated resources;
- the market and credit risks associated with clearing broker operations;

the ability to retain and attract customers and key personnel;

risks relating to the foreign countries where we transact business;

the ability to obtain patent protection and avoid patent-related liabilities in the context of a rapidly developing legal framework for software and business-method patents; and

a material weakness in our internal controls.

Table of Contents

The factors described in this paragraph and other factors that may affect our business or future financial results, as and when applicable, are discussed in our filings with the Securities and Exchange Commission (SEC), including this Report on Form 10-K. We assume no obligation to update any written or oral forward-looking statements made by us or on our behalf as a result of new information, future events or other factors.

Risks Related to Our Indebtedness

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our debt obligations.

As a result of being acquired on August 11, 2005 by a consortium of private equity investment funds, we are highly leveraged and our debt service requirements are significant. At December 31, 2008, our total indebtedness was $ 8.87 billion, and we had $483 million available for borrowing under our revolving credit facility, after giving effect to certain outstanding letters of credit.

Our high degree of leverage could have important consequences, including:

- making it more difficult for us to make payments on our debt obligations;
- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our senior secured credit facilities, are at variable rates of interest;
- restricting us from making acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in our senior secured credit facilities and the indentures relating to our senior notes due 2013 and 2015 and senior subordinated notes due 2015. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our senior secured credit agreement and the indentures governing our senior notes due 2013 and 2015 and senior subordinated notes due 2015 contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things:

incur additional indebtedness or issue certain preferred shares;

- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

In addition, under the senior secured credit agreement, we are required to satisfy and maintain specified financial ratios and other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we may not be able to meet those ratios and tests. A breach of any of these covenants could result in a default under the senior secured credit agreement. Upon an event of default under the senior secured credit agreement, the lenders could elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit.

If we were unable to repay those amounts, the lenders under the senior secured credit agreement could proceed against the collateral granted to them to secure that indebtedness. We have pledged a significant portion of our assets as collateral under the senior secured credit agreement and the senior notes due 2014, to the extent required by the indenture governing these notes. If the lenders under the senior secured credit agreement accelerate the repayment of borrowings, we may not have sufficient assets to repay the senior secured credit facilities and the senior notes, as well as our unsecured indebtedness.

Risks Related to Our Business

Our business depends largely on the economy and financial markets, and a slowdown or downturn in the economy or financial markets could adversely affect our business and results of operations.

When there is a slowdown or downturn in the economy, a drop in stock market levels or trading volumes, or an event that disrupts the financial markets, our business and financial results may suffer for a number of reasons. Customers may react to worsening conditions by reducing their capital expenditures in general or by specifically reducing their IT spending. In addition, customers may curtail or discontinue trading operations, delay or cancel IT projects, or seek to lower their costs by renegotiating vendor contracts. Also, customers with excess IT resources may choose to take their availability solutions in-house rather than obtain those solutions from us. Moreover, competitors may respond to market conditions by lowering prices and attempting to lure away our customers to lower cost solutions. If any of these circumstances remain in effect for an extended period of time, there could be a material adverse effect on our financial results. Because our financial performance tends to lag behind fluctuations in the economy, our recovery from any particular downturn in the economy may not occur until after economic conditions have generally improved.

Our business depends largely on the financial services industry, and a weakening of the financial services industry could adversely affect our business and results of operations.

Because our customer base is concentrated in the financial services industry, our business is largely dependent on the health of that industry. When there is a general downturn in the financial

Table of Contents

services industry, or if our customers in that industry experience financial or business problems, our business and financial results may suffer. If financial services firms continue to consolidate, there could be a material adverse effect on our business and financial results. When a customer merges with a firm using its own solution or another vendor s solution, they could decide to consolidate on a non-SunGard system, which could have an adverse effect on our financial results.

Our acquisition program is an important element of our strategy but, because of the uncertainties involved, this program may not be successful and we may not be able to successfully integrate and manage acquired businesses.

Part of our growth strategy is to pursue additional acquisitions in the future. There can be no assurance that our acquisition program will continue to be successful. In addition, we may finance any future acquisition with debt, which would increase our interest costs. If we are unable to successfully integrate and manage acquired businesses, including GL TRADE, then our business and financial results may suffer. It is possible that the businesses we have acquired and businesses that we acquire in the future may perform worse than expected, be subject to an adverse litigation outcome or prove to be more difficult to integrate and manage than expected. If that happens, there may be a material adverse effect on our business and financial results for a number of reasons, including:

- we may have to devote unanticipated financial and management resources to acquired businesses;
- we may not be able to realize expected operating efficiencies or product integration benefits from our acquisitions;
- we may have to write-off goodwill or other intangible assets; and
- we may incur unforeseen obligations or liabilities (including assumed liabilities not fully indemnified by the seller) in connection with acquisitions.

If we are unable to identify suitable acquisition candidates and successfully complete acquisitions, our growth and our financial results may be adversely affected.

Our growth has depended in part on our ability to acquire similar or complementary businesses on favorable terms. This growth strategy is subject to a number of risks that could adversely affect our business and financial results, including:

- we may not be able to find suitable businesses to acquire at affordable valuations or on other acceptable terms;
- we may face competition for acquisitions from other potential acquirers, some of whom may have greater resources than us or may be less highly leveraged, or from the possibility of an acquisition target pursuing an initial public offering of its stock;
- we may have to incur additional debt to finance future acquisitions as we have done in the past and no assurance can be given as to whether, and on what terms, such additional debt will be available; and
- we may find it more difficult or costly to complete acquisitions due to changes in accounting, tax, securities or other regulations.

Table of Contents

Catastrophic events may disrupt or otherwise adversely affect the markets in which we operate, our business and our profitability.

Our business may be adversely affected by a war, terrorist attack, natural disaster or other catastrophe. A catastrophic event could have a direct negative impact on us or an indirect impact on us by, for example, affecting our customers, the financial markets or the overall economy. The potential for a direct impact is due primarily to our significant investment in our infrastructure. Although we maintain redundant facilities and have contingency plans in place to protect against both man-made and natural threats, it is impossible to fully anticipate and protect against all potential catastrophes. Despite our preparations, a security breach, criminal act, military action, power or communication failure, flood, severe storm or the like could lead to service interruptions and data losses for customers, disruptions to our operations, or damage to our important facilities. The same disasters or circumstances that may lead to our customers requiring access to our availability services may negatively impact our own ability to provide such services. Our three largest availability services facilities are particularly important, and a major disruption at one or more of those facilities could disrupt or otherwise impair our ability to provide services to our availability services customers. If any of these events happen, we may be exposed to unexpected liability, our customers may leave, our reputation may be tarnished, and there could be a material adverse effect on our business and financial results.

Our application service provider systems may be subject to disruptions that could adversely affect our reputation and our business.

Our application service provider systems maintain and process confidential data on behalf of our customers, some of which is critical to their business operations. For example, our trading, treasury and risk management systems maintain account and trading information for our customers and their clients, and our benefit administration and insurance systems maintain investor account information for retirement plans, insurance policies and mutual funds. There is no guarantee that the systems and procedures that we maintain to protect against unauthorized access to such information are adequate to protect against all security breaches. If our application service provider systems are disrupted or fail for any reason, or if our systems or facilities are infiltrated or damaged by unauthorized persons, our customers could experience data loss, financial loss, harm to reputation and significant business interruption. If that happens, we may be exposed to unexpected liability, our customers may leave, our reputation may be tarnished, and there could be a material adverse effect on our business and financial results.

Because the sales cycle for our software is typically lengthy and unpredictable, our results may fluctuate from period to period.

Our operating results may fluctuate from period to period and be difficult to predict in a particular period due to the timing and magnitude of software sales. We offer a number of our software solutions on a license basis, which means that the customer has the right to run the software on its own computers. The customer usually makes a significant up-front payment to license software, which we generally recognize as revenue when the license contract is signed and the software is delivered. The size of the up-front payment often depends on a number of factors that are different for each customer, such as the number of customer locations, users or accounts. As a result, the sales cycle for a software license may be lengthy and take unexpected turns. Thus, it is difficult to predict when software sales will occur or how much revenue they will generate. Since there are few incremental costs associated with software sales, our operating results may fluctuate from quarter to quarter and year to year due to the timing and magnitude of software sales.

Table of Contents

Rapid changes in technology and our customers businesses could adversely affect our business and financial results.

Our business may suffer if we do not successfully adapt our products and services to changes in technology and changes in our customers businesses. These changes can occur rapidly and at unpredictable intervals and we may not be able to respond adequately. If we do not successfully update and integrate our products and services to adapt to these changes, or if we do not successfully develop new products and services needed by our customers to keep pace with these changes, then our business and financial results may suffer. Our ability to keep up with technology and business changes is subject to a number of risks, including:

- we may find it difficult or costly to update our products and services and to develop new products fast enough to meet our customers needs;

- we may find it difficult or costly to make some features of our products and services work effectively and securely over the Internet;

- we may find it difficult or costly to integrate more of our FS solutions;

- we may find it difficult or costly to update our products and services to keep pace with business, regulatory and other developments in the financial services industry, where many of our customers operate; and

- we may find it difficult or costly to update our services to keep pace with advancements in hardware, software and telecommunications technology.

Some technological changes, such as advancements that have facilitated the ability of our AS customers to develop their own internal solutions, may render some of our products and services less valuable or eventually obsolete. In addition, because of ongoing, rapid technological changes, the useful lives of some technology assets have become shorter and customers are therefore replacing these assets more often. As a result, our customers are increasingly expressing a preference for contracts with shorter terms, which could make our revenue less predictable in the future.

Customers taking their availability solutions in-house may continue to create pressure on our organic revenue growth rate.

Our AS solutions allow customers to leverage our significant infrastructure and take advantage of our experience, technology expertise, resource management capabilities and vendor neutrality. Technological advances in recent years have significantly reduced the cost and the complexity of developing in-house solutions. Some customers, especially among the very largest having significant IT resources, prefer to develop and maintain their own in-house availability solutions, which can result in a loss of revenue from those customers. If this trend continues or worsens, there will be continued pressure on our organic revenue growth rate.

The trend toward information availability solutions utilizing more single customer dedicated resources likely will lower our overall operating margin rate over time.

In the information availability services industry, especially among our more sophisticated customers, there is an increasing preference for solutions that utilize some level of dedicated resources, such as blended advanced recovery services and managed services. The primary reason for this trend is that adding dedicated resources, although more costly, provides greater control, reduces data loss and facilitates quicker responses to business interruptions. Advanced recovery services often result in greater

Table of Contents

use of dedicated resources with a modest decrease in operating margin rate. Managed services require significant dedicated resources and, therefore, have an appropriately lower operating margin rate.

Our brokerage operations are highly regulated and are riskier than our other businesses.

Organizations like the Securities and Exchange Commission, Financial Services Authority and Financial Industry Regulatory Authority can, among other things, fine, censure, issue cease-and-desist orders and suspend or expel a broker/dealer or any of its officers or employees for failures to comply with the many laws and regulations that govern brokerage operations. Our ability to comply with these laws and regulations is largely dependent on our establishment, maintenance and enforcement of an effective brokerage compliance program. Our failure to establish, maintain and enforce proper brokerage compliance procedures, even if unintentional, could subject us to significant losses, lead to disciplinary or other actions, and tarnish our reputation. Regulations affecting the brokerage industry, in particular with respect to active traders, may change, which could adversely affect our financial results.

We are exposed to certain risks relating to the execution and clearance services provided by our brokerage operations to retail customers, institutional clients (including hedge funds and other broker-dealers), and proprietary traders. These risks include, but are not limited to, customers failing to pay for securities commitments in the marketplace, trading errors, the inability or failure to settle trades, and trade execution or clearance systems failures. In our other businesses, we generally can disclaim liability for trading losses that may be caused by our software, but in our brokerage operations, we cannot limit our liability for trading losses even when we are not at fault. As a result we may suffer losses that are disproportionate to the relatively modest profit contributions of this business

We could lose revenue due to fiscal funding or termination for convenience clauses in certain customer contracts, especially in our HE and PS businesses.

Certain of our customer contracts, particularly those with governments, institutions of higher education and school districts, may be partly or completely terminated by the customer due to budget cuts or sometimes for any reason at all. These types of clauses are often called fiscal funding or termination for convenience clauses. If a customer exercises one of these clauses, the customer would be obligated to pay for the services we performed up to the date of exercise, but would not have to pay for any further services. While we have not been materially affected by exercises of these clauses in the past, we may be in the future. If customers that collectively represent a substantial portion of our revenue were to invoke the fiscal funding or termination for convenience clauses of their contracts, our future business and results of operations could be adversely affected.

If we fail to comply with government regulations in connection with our business or providing technology services to certain financial institutions, our business and results of operations may be adversely affected.

Because we act as a third-party service provider to financial institutions and provide mission-critical applications for many financial institutions that are regulated by one or more member agencies of the Federal Financial Institutions Examination Council (FFIEC), we are subject to examination by the member agencies of the FFIEC. More specifically, we are a Multi-Regional Data Processing Servicer of the FFIEC because we provide mission critical applications for financial institutions from several data centers located in different geographic regions. As a result, the FFIEC conducts periodic

19

Table of Contents

reviews of certain of our operations in order to identify existing or potential risks associated with our operations that could adversely affect the financial institutions to whom we provide services, evaluate our risk management systems and controls, and determine our compliance with applicable laws that affect the services we provide to financial institutions. In addition to examining areas such as our management of technology, data integrity, information confidentiality and service availability, the reviews also assess our financial stability. Our incurrence of significant debt in connection with the Transaction increases the risk of an FFIEC agency review determining that our financial stability has been weakened. A sufficiently unfavorable review from the FFIEC could result in our financial institution customers not being allowed to use our technology services, which could have a material adverse effect on our business and financial condition.

If we fail to comply with any regulations applicable to our business, we may be exposed to unexpected liability and/or governmental proceedings, our customers may leave, our reputation may be tarnished, and there could be a material adverse effect on our business and financial results. In addition, the future enactment of more restrictive laws or rules on the federal or state level, or, with respect to our international operations, in foreign jurisdictions on the national, provincial, state or other level, could have an adverse impact on business and financial results.

If we are unable to retain or attract customers, our business and financial results will be adversely affected.

If we are unable to keep existing customers satisfied, sell additional products and services to existing customers or attract new customers, then our business and financial results may suffer. A variety of factors could affect our ability to successfully retain and attract customers, including the level of demand for our products and services, the level of customer spending for information technology, the level of competition from customers that develop their own solutions internally and from other vendors, the quality of our customer service, our ability to update our products and develop new products and services needed by customers, and our ability to integrate and manage acquired businesses. Our services revenue, which has been largely recurring in nature, comes from the sale of our products and services under fixed-term contracts. We do not have a unilateral right to extend these contracts when they expire. Revenue from our broker/dealer businesses is not subject to minimum or ongoing contractual commitments on the part of brokerage customers. If customers cancel or refuse to renew their contracts, or if customers reduce the usage levels or asset values under their contracts, there could be a material adverse effect on our business and financial results.

If we fail to retain key employees, our business may be harmed.

Our success depends on the skill, experience and dedication of our employees. If we are unable to retain and attract sufficiently experienced and capable personnel, especially in product development, sales and management, our business and financial results may suffer. For example, if we are unable to retain and attract a sufficient number of skilled technical personnel, our ability to develop high quality products and provide high quality customer service may be impaired. Experienced and capable personnel in the technology industry remain in high demand, and there is continual competition for their talents. When talented employees leave, we may have difficulty replacing them, and our business may suffer. There can be no assurance that we will be able to successfully retain and attract the personnel that we need.

Table of Contents

We are subject to the risks of doing business internationally.

During 2008, approximately 29% of our revenue was generated outside the United States. Approximately 76% of this revenue was from customers located in the United Kingdom and Continental Europe. Over the past few years we have expanded our support operations in India and acquired businesses in China and Singapore, in an effort to increase our presence throughout Asia Pacific. Because we sell our services outside the United States, our business is subject to risks associated with doing business internationally. Accordingly, our business and financial results could be adversely affected due to a variety of factors, including:

- changes in a specific country s or region s political and cultural climate or economic condition;
- unexpected changes in foreign laws and regulatory requirements;
- difficulty of effective enforcement of contractual provisions in local jurisdictions;
- inadequate intellectual property protection in foreign countries;
- trade-protection measures, import or export licensing requirements such as Export Administration Regulations promulgated by the U.S. Department of Commerce and fines, penalties or suspension or revocation of export privileges;
- the effects of applicable foreign tax structures and potentially adverse tax consequences; and
- significant adverse changes in foreign currency exchange rates.

The private equity firms that acquired the Company (Sponsors) control us and may have conflicts of interest with us.

Investment funds associated with or designated by the Sponsors indirectly own, through their ownership in our top-tier parent companies, a substantial portion of our capital stock. As a result, the Sponsors have control over our decisions to enter into any corporate transaction regardless of whether noteholders believe that any such transaction is in their own best interests. For example, the Sponsors could cause us to make acquisitions or pay dividends that increase the amount of indebtedness that is secured or that is senior to our senior subordinated notes or to sell assets.

Additionally, the Sponsors are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. One or more of the Sponsors may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as investment funds associated with or designated by the Sponsors continue to indirectly own a significant amount of the outstanding shares of our common stock, even if such amount is less than 50%, the Sponsors will continue to be able to strongly influence or effectively control our decisions.

If we are unable to protect our proprietary technologies and defend infringement claims, we could lose one of our competitive advantages and our business could be adversely affected.

Our success depends in part on our ability to protect our proprietary products and services and to defend against infringement claims. If we are unable to do so, our business and financial results may suffer. To protect our proprietary technology, we rely upon a combination of copyright, patent, trademark and trade secret law, confidentiality restrictions in contracts with employees, customers and others, software security measures, and registered copyrights and patents. Despite our efforts to protect

21

the proprietary technology, unauthorized persons may be able to copy, reverse engineer or otherwise use some of our technology. It also is possible that others will develop and market similar or better technology to compete with us. Furthermore, existing patent, copyright and trade secret laws may afford only limited protection, and the laws of certain countries do not protect proprietary technology as well as United States law. For these reasons, we may have difficulty protecting our proprietary technology against unauthorized copying or use. If any of these events happens, there could be a material adverse effect on the value of our proprietary technology and on our business and financial results. In addition, litigation may be necessary to protect our proprietary technology. This type of litigation is often costly and time-consuming, with no assurance of success.

The software industry is characterized by the existence of a large number of patents and copyrights and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. Some of our competitors or other third parties may have been more aggressive than us in applying for or obtaining patent protection for innovative proprietary technologies both in the United States and internationally In addition, we use a limited amount of open source software in our products and may use more open source software in the future. Because open source software is developed by numerous independent parties over whom we exercise no supervision or control, allegations of infringement for using open source software are possible. As a result of all of these factors, there can be no assurance that in the future third parties will not assert infringement claims against us (as they have already done in the past) and preclude us from using a technology in our products or require us to enter into royalty and licensing arrangements on terms that are not favorable to us, or force us to engage in costly infringement litigation, which could result in us paying monetary damages or being forced to redesign our products to avoid infringement. Additionally, our licenses and service agreements with our customers generally provide that we will defend and indemnify them for claims against them relating to our alleged infringement of the intellectual property rights of third parties with respect to our products or services. We might have to defend or indemnify our customers to the extent they are subject to these types of claims. Any of these claims may be difficult and costly to defend and may lead to unfavorable judgments or settlements, which could have a material adverse effect on our reputation, business and financial results. For these reasons, we may find it difficult or costly to add or retain important features in our products and services.

Certain of our and our suppliers software may contain open source software. Although we monitor our use of open source software to avoid subjecting our products to conditions we do not intend, the terms of many open source licenses have not been interpreted by United States or other courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products.

Defects, design errors or security flaws in our products could harm our reputation and expose us to potential liability.

Most of our products are very complex software systems that are regularly updated. No matter how careful the design and development, complex software often contains errors and defects when first introduced and when major new updates or enhancements are released. If errors or defects are discovered in our current or future products, we may not be able to correct them in a timely manner, if at all. In our development of updates and enhancements to our products, we may make a major design error that makes the product operate incorrectly or less efficiently.

In addition, certain of our products include security features that are intended to protect the privacy and integrity of customer data. Despite these security features, our products and systems, and our customers systems may be vulnerable to break-ins and similar problems caused by third parties, such as hackers bypassing firewalls and misappropriating confidential information. Such break-ins or other disruptions could jeopardize the security of information stored in and transmitted through our computer systems and those of our customers, subject us to liability and tarnish our reputation. We may need to expend significant capital resources in order to eliminate or work around errors, defects, design errors or security problems. Any one of these problems in our products may result in the loss of or a delay in market acceptance of our products, the diversion of development resources, a lower rate of license renewals or upgrades and damage to our reputation, and in turn may increase service and warranty costs.

A material weakness in our internal controls could have a material adverse affect on us.

Effective internal controls are necessary for us to provide reasonable assurance with respect to our financial reports and to effectively prevent fraud. If we cannot provide reasonable assurance with respect to our financial reports and effectively prevent fraud, our reputation and operating results could be harmed. Pursuant to the Sarbanes-Oxley Act of 2002, we are required to furnish a report by management on internal control over financial reporting, including management s assessment of the effectiveness of such control. Internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to the risk that the control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, we could fail to meet our reporting obligations, and there could be a material adverse effect on our business and financial results.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We lease space, primarily for availability services facilities, data centers, sales offices, customer support offices and administrative offices, in many locations worldwide. We also own some of our computer and office facilities. Our principal facilities include our leased availability services facilities in Philadelphia, Pennsylvania (640,000 square feet), Carlstadt, New Jersey (578,600 square feet), and Hounslow, England (195,000 square feet) and include our financial systems application service provider centers in Voorhees, New Jersey, Birmingham, Alabama, Burlington, Massachusetts, Hopkins, Minnesota and Ridgefield, New Jersey. We believe that our leased and owned facilities are adequate for our present operations.

ITEM 3. LEGAL PROCEEDINGS

We are presently a party to certain lawsuits arising in the ordinary course of our business. We believe that none of our current legal proceedings will be material to our business, financial condition or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

Table of Contents

PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our outstanding common stock is privately held, and there is no established public trading market for our common stock. As of the date of this filing, there was one holder of record of our common stock.

See ITEM 7, Liquidity and Capital Resources The Transaction for a description of restrictions on our ability to pay dividends.

Item 6. SELECTED FINANCIAL DATA

	Predecessor		Successor	Combined(1)	Successor		
(in millions)	2004	January 1 through August 10, 2005	August 11 through December 31, 2005	Year Ended December 31, 2005	2006	2007	2008
Income Statement Data(2)(3)							
Revenue	$ 3,556	$ 2,371	$ 1,631	$ 4,002	$ 4,323	$ 4,901	$ 5,596
Income from operations	704	296	197	493	532	631	470
Net income (loss)	454	146	(29)	117	(118)	(60)	(242)

		Successor			
	2004	2005	2006	2007	2008
Balance Sheet Data(2)					
Total assets	$ 5,195	$ 14,587	$ 14,671	$ 14,840	$ 15,778
Total short-term and long-term debt	554	7,429	7,439	7,485	8,875
Stockholders equity	3,252	3,572	3,574	3,556	3,063

(1) Our combined results for the year ended December 31, 2005 represent the addition of the Predecessor period from January 1, 2005 through August 10, 2005 and the Successor period from August 11, 2005 through December 31, 2005. This combination does not comply with generally accepted accounting principles or with the rules for pro forma presentation, but is presented because we believe it provides the most meaningful comparison of our results.

(2) Includes the effect of business acquisitions and dispositions from the date of each event. There were ten acquisitions in 2004, eleven acquisitions in 2005, ten acquisitions in 2006, eleven acquisitions in 2007 and six acquisitions in 2008. Three businesses were sold in each of 2004 and 2006 and four businesses were sold in 2008. See Note 2 of Notes to Consolidated Financial Statements.

(3) 2004 includes a gain of $78 million from the sale of Brut LLC, offset by $6 million of costs associated with the abandoned spin-off of SunGard Availability Services.

The period from January 1, 2005 through August 10, 2005 includes $59 million of accounting, investment banking, legal and other costs associated with the Transaction and the abandoned spin-off of SunGard Availability Services as well as $59 million resulting from the acceleration of vesting of stock options and restricted stock.

The period from August 11, 2005 through December 31, 2005 includes $18 million consisting primarily of payroll taxes and certain compensation expenses related to the Transaction.

2007 includes expense of $28 million associated with the early retirement of the $400 million of Senior floating rate notes due 2013, of which $19 million represented the retirement premium paid to noteholders.

2008 includes a goodwill impairment charge of $128 million, intangible asset write-offs of $67 million and foreign currency losses and unused alternate financing commitment fees associated with the acquisition of GL TRADE S.A. of $17 million.

See Notes 1 and 2 of Notes to Consolidated Financial Statements.

Item 7. **MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Overview

We are one of the world s leading software and IT services companies. We provide software and processing solutions to institutions throughout the financial services industry, higher education, and the public sector; and we help enterprises of all types maintain the continuity of their business through information availability services. We support more than 25,000 customers in over 70 countries, including the world s 25 largest financial services companies. We operate our business in four segments: Financial Systems (FS), Higher Education (HE), Public Sector (PS) and Availability Services (AS). Our FS segment primarily serves financial services companies, corporate and government treasury departments and energy companies. Our HE segment primarily serves higher education institutions. Our PS segment primarily serves state and local governments and not-for-profit organizations. Our AS segment serves IT-dependent companies across virtually all industries.

SunGard Data Systems Inc. (SunGard) was acquired on August 11, 2005 by a consortium of private equity investment funds associated with Bain Capital Partners, The Blackstone Group, Goldman Sachs & Co., Kohlberg Kravis Roberts & Co., Providence Equity Partners, Silver Lake and TPG (the Transaction).

SunGard is a wholly owned subsidiary of SunGard Holdco LLC, which is wholly owned by SunGard Holding Corp., which is wholly owned by SunGard Capital Corp. II, which is a subsidiary of SunGard Capital Corp. SunGard Capital Corp. II and SunGard Capital Corp. are collectively referred to as the Parent Companies. All of these companies were formed for the purpose of facilitating the Transaction and are collectively referred to as the Holding Companies.

In FS, we primarily serve financial services companies through a broad range of complementary software solutions that process their investment and trading transactions. The principal purpose of most of these systems is to automate the business processes associated with trading securities, managing portfolios and accounting for investment assets.

In HE, we primarily provide software, strategic and systems integration consulting, and technology management services to higher education organizations around the world, including colleges, universities, campuses, foundations and state systems. HE solutions include administration, advancement, IT management, performance analytics, enrollment management, academic performance and strategic planning.

In PS, we primarily provide software and processing solutions designed to meet the specialized needs of central, federal, state and local governments, public safety and justice agencies, public schools, utilities, non-profits, and other public sector institutions. Our PS solutions support a range of specialized enterprise resource planning and administrative solutions.

In AS, we help our customers maintain access to the information and computer systems they need to run their businesses by providing them with cost-effective resources to keep their mission-critical IT systems reliable and secure. We offer a complete range of availability services, including recovery services, managed services, consulting services and business continuity management software.

Table of Contents

Global Economic Conditions

Current instability in the worldwide financial markets, including volatility in and disruption of the credit markets, has resulted in uncertain economic conditions. Late in 2008, a global financial crisis triggered unprecedented market volatility and depressed economic growth.

SunGard s results of operations are typically a trailing indicator of current economic activity, largely due to the multi-year contracts that generate the majority of our revenue. While our 2008 results show some effect of the current crisis, we believe that 2009 will be more challenging. As we have always done, our businesses have right-sized their expense base in line with their expected revenue opportunities, but the lack of visibility in the current economic environment limits our ability to estimate the impact of the crisis.

The following discussion includes historical and certain forward-looking information that should be read together with the accompanying Consolidated Financial Statements and related footnotes and the discussion above of certain risks and uncertainties (see ITEM 1A RISK FACTORS) that could cause future operating results to differ materially from historical results or the expected results indicated by forward-looking statements.

Use of Estimates and Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make many estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. Those estimates and judgments are based on historical experience, future expectations and other factors and assumptions we believe to be reasonable under the circumstances. We review our estimates and judgments on an ongoing basis and revise them when necessary. Actual results may differ from the original or revised estimates. A summary of our significant accounting policies is contained in Note 1 of Notes to Consolidated Financial Statements. A description of the most critical policies and those areas where estimates have a relatively greater effect in the financial statements follows. Our management has discussed the critical accounting policies described below with our audit committee.

Intangible Assets and Purchase Accounting

Purchase accounting requires that all assets and liabilities be recorded at fair value on the acquisition date, including identifiable intangible assets separate from goodwill. Identifiable intangible assets include customer base (which includes customer contracts and relationships), software and trade name. Goodwill represents the excess of cost over the fair value of net assets acquired. For the Transaction and for other significant acquisitions, we obtain independent appraisals and valuations of the intangible (and certain tangible) assets acquired and certain assumed obligations.

The estimated fair values and useful lives of identified intangible assets are based on many factors, including estimates and assumptions of future operating performance and cash flows of the acquired business, the nature of the business acquired, the specific characteristics of the identified intangible assets, and our historical experience and that of the acquired business. The estimates and assumptions used to determine the fair values and useful lives of identified intangible assets could change due to numerous factors, including product demand, market conditions, technological developments, economic conditions and competition. The carrying values and useful lives for amortization of identified intangible assets are reviewed on an ongoing basis, and any resulting changes in estimates could have a material adverse effect on our financial results.

Table of Contents

At least annually, we compare the carrying value of our reporting units to their estimated fair value. If the carrying value is greater than the respective estimated fair value, we then determine if the goodwill is impaired, and whether some or all of the goodwill should be written off as a charge to operations, which could have a material adverse effect on our financial results. The estimate of fair value requires various assumptions including the use of projections of future cash flows and discount rates that reflect the risks associated with achieving the future cash flows. Changes in the underlying business could affect these estimates, which in turn could affect the fair value of the reporting unit.

In connection with certain acquisitions, we have accrued the estimated costs of closing certain facilities. Historically, the estimated cost of closing our existing facilities was included in merger costs and the estimated cost of closing acquired facilities was included in goodwill. Effective for acquisitions after January 1, 2009, the estimated cost of closing acquired facilities will also be recorded in merger costs.

Revenue Recognition

We generate services revenue from availability services, processing services, software maintenance and rentals, professional services and broker/dealer fees. All services revenue is recorded as the services are provided based on the fair value of each element. Fair value is determined based on the sales price of each element when sold separately. Most AS services revenue consists of fixed monthly fees based upon the specific computer configuration or business process for which the service is being provided, and the related costs are incurred ratably over the contract period. When recovering from an interruption, customers generally are contractually obligated to pay additional fees, which typically cover our incremental costs of supporting customers during recoveries. FS services revenue includes monthly fees, which may include a fixed minimum fee and/or variable fees based on a measure of volume or activity, such as the number of accounts, trades or transactions, users or the number of hours of service.

For fixed-fee professional services contracts, services revenue is recorded based upon the estimated percentage of completion, measured by the actual number of hours incurred divided by the total estimated number of hours for the project. When contracts include both professional services and software and require a significant amount of program modification or customization, installation, systems integration or related services, the professional services and license revenue is recorded based upon the estimated percentage of completion, measured in the manner described above. Changes in the estimated costs or hours to complete the contract and losses, if any, are reflected in the period during which the change or loss becomes known.

License fees result from contracts that permit the customer to use our software products at its site. Generally, these contracts are multiple-element arrangements since they usually provide for professional services and ongoing software maintenance. In these instances, license fees are recognized upon the signing of the contract and delivery of the software if the license fee is fixed, collection is probable, and there is sufficient evidence of the fair value of each undelivered element. Revenue is recorded when billed when customer payments are extended beyond normal billing terms, or when there is significant acceptance, technology or service risk. Revenue also is recorded over the contract period in those instances where the software is bundled together with computer equipment or other post-delivery services, and there is not sufficient evidence of the fair value of each undelivered element.

We believe that our revenue recognition practices comply with the complex and evolving rules governing revenue recognition. Future interpretations of existing accounting standards, new standards or changes in our business practices could result in changes in our revenue recognition accounting policies that could have a material effect on our financial results.

Accounting for Income Taxes

The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity s financial statements or tax returns. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets for which no valuation allowance is recorded may not be realized upon changes in facts and circumstances. Tax benefits related to uncertain tax positions taken or expected to be taken on a tax return are recorded when such benefits meet a more likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, which means that the appropriate taxing authority has completed their examination even though the statute of limitations remains open, or the statute of limitation expires. Considerable judgment is required in assessing and estimating these amounts and differences between the actual outcome of these future tax consequences and our estimates could have a material effect on our financial results.

Accounting for Stock-Based Compensation

Stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the appropriate service period. Determining the fair value of stock-based awards requires considerable judgment, including estimating the expected term of stock options, expected volatility of our stock price, and the number of awards expected to be forfeited. In addition, for stock-based awards where vesting is dependent upon achieving certain operating performance goals, we estimate the likelihood of achieving the performance goals. Differences between actual results and these estimates could have a material effect on our financial results. A deferred income tax asset is recorded over the vesting period as stock compensation expense is recorded. Our ability to use the deferred tax asset is ultimately based on the actual value of the stock-based award upon exercise. If the actual value is lower than the fair value determined on the date of grant, then there could be an income tax expense for the portion of the deferred tax asset that cannot be used, which could have a material effect on our financial results.

Results of Operations

We evaluate performance of our segments based on operating results before interest, income taxes, amortization of acquisition-related intangible assets, goodwill impairment charges, stock compensation and certain other costs (see Note 10 of Notes to Consolidated Financial Statements).

Table of Contents

The following table sets forth, for the periods indicated, certain amounts included in our Consolidated Statements of Operations and the relative percentage that those amounts represent to consolidated revenue (unless otherwise indicated).

	2006	% of revenue	2007	% of revenue	2008	% of revenue
(in millions)						
Revenue						
Financial systems (FS)	$ 2,072	48%	$ 2,500	51%	$ 3,078	55%
Higher education (HE)	498	12%	543	11%	540	10%
Public sector systems (PS)	395	9%	410	8%	411	7%
Software & processing solutions	2,965	69%	3,453	70%	4,029	72%
Availability services (AS)	1,358	31%	1,448	30%	1,567	28%
	$ 4,323	100%	$ 4,901	100%	$ 5,596	100%
Costs and Expenses						
Cost of sales and direct operating	$ 1,980	46%	$ 2,268	46%	$ 2,744	49%
Sales, marketing and administration	915	21%	1,042	21%	1,151	21%
Product development	255	6%	271	6%	308	6%
Depreciation and amortization	238	6%	251	5%	278	5%
Amortization of acquisition- related intangible assets	399	9%	438	9%	515	9%
Goodwill impairment charge and merger costs	4	%		%	130	2%
	$ 3,791	88%	$ 4,270	87%	$ 5,126	92%
Income from operations						
Financial systems(1)	$ 414	20%	$ 525	21%	$ 608	20%
Higher education(1)	118	24%	143	26%	130	24%
Public sector systems(1)	79	20%	84	20%	79	19%
Software & processing solutions(1)	611	21%	752	22%	817	20%
Availability services (1)	412	30%	428	30%	443	28%
Corporate administration	(46)	(1)%	(55)	(1)%	(51)	(1)%
Adjusted income from operations(2)	977	23%	1,125	23%	1,209	22%
Amortization of acquisition- related intangible assets	(399)	(9)%	(438)	(9)%	(515)	(9)%
Goodwill impairment charge		%		%	(128)	(2)%
Stock Compensation expense	(38)	(1)%	(32)	(1)%	(35)	(1)%
Merger costs and other items(3)	(8)	%	(24)	%	(61)	(1)%
Income from operations	$ 532	12%	$ 631	13%	$ 470	8%

(1) Percent of revenue is calculated as a percent of revenue from FS, HE, PS, Software & Processing Solutions, and AS, respectively.

(2) We evaluate the performance of our segments based on adjusted income from operations, which is income from operations before amortization of acquisition-related intangible assets, goodwill impairment charges, stock compensation and certain other costs (see Note 10 to the Consolidated Financial Statements).

(3) Merger costs and other items include merger costs, management fees paid to the Sponsors, purchase accounting adjustments, including in 2008 certain acquisition-related compensation expense, and, in 2007, an unfavorable arbitration award related to a customer dispute, partially offset in each year by capitalized software development costs.

Table of Contents

The following table sets forth, for the periods indicated, certain supplemental revenue data and the relative percentage that those amounts represent to total revenue.

(in millions)	2006	% of revenue	2007	% of revenue	2008	% of revenue
Financial Systems						
Services	$ 1,792	41%	$ 2,155	44%	$ 2,737	49%
License and resale fees	196	5%	232	5%	229	4%
Total products and services	1,988	46%	2,387	49%	2,966	53%
Reimbursed expenses	84	2%	113	2%	112	2%
	$ 2,072	48%	$ 2,500	51%	$ 3,078	55%
Higher Education						
Services	$ 409	9%	$ 435	9%	$ 453	8%
License and resale fees	80	2%	98	2%	77	1%
Total products and services	489	11%	533	11%	530	9%
Reimbursed expenses	9	%	10	%	10	%
	$ 498	12%	$ 543	11%	$ 540	10%
Public Sector Systems						
Services	$ 329	8%	$ 348	7%	$ 349	6%
License and resale fees	62	1%	58	1%	57	1%
Total products and services	391	9%	406	8%	406	7%
Reimbursed expenses	4	%	4	%	5	%
	$ 395	9%	$ 410	8%	$ 411	7%
Software & Processing Solutions						
Services	$ 2,530	59%	$ 2,938	60%	$ 3,539	63%
License and resale fees	338	8%	388	8%	363	6%
Total products and services	2,868	66%	3,326	68%	3,902	70%
Reimbursed expenses	97	2%	127	3%	127	2%
	$ 2,965	69%	$ 3,453	70%	$ 4,029	72%
Availability Services						
Services	$ 1,340	31%	$ 1,426	29%	$ 1,544	28%
License and resale fees	4	%	8	%	6	%
Total products and services	1,344	31%	1,434	29%	1,550	28%
Reimbursed expenses	14	%	14	%	17	%
	$ 1,358	31%	$ 1,448	30%	$ 1,567	28%
Total Revenue						
Services	$ 3,870	90%	$ 4,364	89%	$ 5,083	91%

License and resale fees	342	8%	396	8%	369	7%
Total products and services	4,212	97%	4,760	97%	5,452	97%
Reimbursed expenses	111	3%	141	3%	144	3%
	$ 4,323	100%	$ 4,901	100%	$ 5,596	100%

Table of Contents

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

Income from Operations:

Our total operating margin decreased from 13% in 2007 to 8% in 2008 primarily due to a $128 million goodwill impairment charge in PS, intangible asset write-offs of $67 million and the decline in operating margins at each of our operating segments.

Financial Systems:

The FS operating margin was 20% for the year ended December 31, 2008, compared to 21% for the prior year period. The operating margin decline reflects the impact of the increase in revenue at one of our trading systems businesses which has an inherently lower margin, an increase in restructuring charges and an $11 million decrease in software license revenue.

The most important factors affecting the FS operating margin are:

- the level of trading volumes,
- the level of IT spending and its impact on the overall demand for professional services and software license sales,
- the rate and value of contract renewals, new contract signings and contract terminations,
- continued pressure on pricing both in contract renewals and new contract signings,
- the overall condition of the financial services industry and the effect of any further consolidation among financial services firms, and
- the operating margins of recently acquired businesses, which tend to be lower at the outset and improve over a number of years.

Higher Education:

The HE operating margin was 24% for the year ended December 31, 2008 compared to 26% for the year ended December 31, 2007. The operating margin decline is due to a $15 million decrease in software license fees.

The most important factors affecting the HE operating margin are:

- the rate and value of contract renewals, new contract signings and contract terminations,
- the level of IT spending and its impact on the overall demand for professional services and software license sales, and
- continued pressure on pricing both in contract renewals and new contract signings.

Public Sector:

The PS operating margin was 19% for the year ended December 31, 2008 compared to 20% for the year ended December 31, 2007. The operating margin decline is due primarily to the impact of significantly lower margins in the U.K. business and a $4 million decrease in software license fees.

Table of Contents

The most important factors affecting the PS operating margin are:

- the rate and value of contract renewals, new contract signings and contract terminations,
- the level of IT spending and its impact on the overall demand for professional services and software license sales, and
- continued pressure on pricing both in contract renewals and new contract signings.

Availability Services:

The AS operating margin was 28% for the year ended December 31, 2008 compared to 30% for the year ended December 31, 2007, primarily due to facility expansions in both North America and Europe, which increased the fixed cost base in advance of anticipated revenue growth.

The most important factors affecting the AS operating margin are:

- the rate and value of contract renewals, new contract signings and contract terminations,
- the timing and magnitude of equipment and facilities expenditures, and
- the trend toward availability solutions utilizing more dedicated resources.

The margin rate of the AS European business is inherently lower than the margin rate of the North American business due primarily to lower economies of scale in the distinct geographic markets served. However, the differential in the margins has narrowed over the past several years because of operational improvements in Europe and the growing proportion of managed services in North America.

Revenue:

Total revenue was $5.60 billion for the year ended December 31, 2008 compared to $4.90 billion for the year ended December 31, 2007. The increase in total revenue in 2008 is due primarily to organic revenue growth of approximately 10%, with trading volumes of one of our trading systems businesses adding $335 million or six percentage points to the growth rate. The broker/dealer revenue has remained uncharacteristically high and is a function of market volatility and customer mix. We expect this revenue to decline at some point but are unable to predict the timing. Organic revenue is defined as revenue from businesses owned for at least one year and further adjusted for the effects of businesses sold in the previous twelve months. When assessing our financial results, we focus on growth in organic revenue because overall revenue growth is affected by the timing and magnitude of acquisitions, dispositions and by purchase accounting adjustments.

Services revenue, which is largely recurring in nature, includes revenue from availability services, processing services, software support and rentals, professional services, broker/dealer fees and hardware rentals. Services revenue increased to $5.08 billion from $4.36 billion, representing approximately 91% of total revenue in 2008 compared to 89% in 2007. The revenue increase of $719 million in 2008 was due primarily to organic revenue growth of $529 million, mostly in FS with $333 million coming from the broker/dealer mentioned above, and the impact of acquired revenue in FS and AS.

Professional services revenue was $961 million and $886 million in 2008 and 2007, respectively. The $75 million increase was due primarily to FS acquired and organic revenue.

Revenue from license and resale fees was $369 million and $396 million for the years ended December 31, 2008 and 2007, respectively, and includes software license revenue of $266 million and $293 million, respectively.

Financial Systems:

FS revenue was $3.08 billion for the year ended December 31, 2008 compared to $2.50 billion for the year ended December 31, 2007. Organic revenue growth was approximately 18% in 2008, with trading volumes of one of our trading systems businesses adding $335 million or 13 percentage points to the growth rate. The broker/dealer revenue has remained uncharacteristically high and is a function of market volatility and customer mix. We expect this revenue to decline at some point but are unable to predict the timing.

Professional services revenue increased $63 million or 11%. Revenue from license and resale fees included software license revenue of $204 million and $214 million, respectively, in 2008 and 2007.

Higher Education:

HE revenue was $540 million for the year ended December 31, 2008 compared to $543 million for the year ended December 31, 2007. Services revenue increased $18 million, primarily from increases in software support revenue. Professional services revenue was $146 million in 2008, an increase of $7 million. In 2008, longer sales cycles caused software license fees and resale fees to decline by $15 million and $6 million, respectively. HE organic revenue decreased 1% in 2008.

Public Sector:

PS revenue was $411 million for the year ended December 31, 2008 compared to $410 million for the year ended December 31, 2007. Excluding the impact of currency exchange rates, organic revenue increased approximately 2%. Increases in software support revenue and processing revenue were offset by a decrease in professional services. Software license fees were $25 million in 2008, a decrease of $4 million.

Availability Services:

AS revenue was $1.57 billion for the year ended December 31, 2008 compared to $1.45 billion for the year ended December 31, 2007, an 8% increase. AS organic revenue increased approximately 3% in 2008. In North America, revenue grew 10% overall and 3% organically as strong growth in managed services was offset in part by a decrease in basic and advanced recovery services. Revenue from license and resale fees included software license revenue of $6 million, an increase of $3 million from the prior year. Revenue in Europe grew 4% overall and 9% excluding the impact of currency exchange rates.

Costs and Expenses:

Cost of sales and direct operating expenses as a percentage of total revenue was 49% and 46% for the years ended December 31, 2008 and 2007, respectively, largely the result of the higher volumes of

Table of Contents

the trading systems business previously mentioned. Also impacting the period were increased costs resulting from acquired businesses, an increase in FS and HE employee-related expenses supporting increased services revenue and an increase in AS facilities costs.

The increase in sales, marketing and administration expenses of $109 million was due primarily to increased costs resulting from acquired businesses, AS employee-related expenses and an insurance settlement in 2007, partially offset by decreases in HE and FS employee-related expenses and an unfavorable arbitration award in 2007 related to a customer dispute.

Because AS product development costs are insignificant, it is more meaningful to measure product development expense as a percentage of revenue from software and processing solutions. For the years ended December 31, 2008 and 2007, software development expenses were unchanged at 8% of revenue from software and processing solutions.

Depreciation and amortization as a percentage of total revenue was 5% for each of the years ended December 31, 2008 and 2007. The $27 million increase in 2008 was due primarily to capital expenditures supporting FS and AS and from the AS business acquired in the third quarter of 2007.

Amortization of acquisition-related intangible assets was 9% of total revenue for each of the years ended December 31, 2008 and 2007. Amortization of acquisition-related intangible assets increased $77 million in 2008 due primarily to the impact of recent acquisitions made by the Company and a $57 million increase in impairment charges.

In December 2008, we recorded an impairment of the PS goodwill of $128 million as a result of updating our annual impairment test which is conducted as of July 1.

Interest expense was $599 million for the year ended December 31, 2008 compared to $645 million for the year ended December 31, 2007. The decrease is primarily due to interest rate decreases and the redemption of the senior floating rate notes in 2007, partially offset by the issuance of $500 million senior notes due 2015, a $500 million increase in the term loan and additional borrowings under our revolving credit facility.

Other expense increased $25 million in the year ended December 31, 2008 due primarily to increased foreign currency translation losses primarily related to our Euro denominated term loan and losses on Euros purchased in advance of and fees associated with unused alternative financing commitments for the acquisition of GL TRADE S.A. (GL TRADE), partially offset by $28 million of expense in 2007 associated with the early retirement of the $400 million of senior floating rate notes due 2013, of which $19 million represented the retirement premium paid to noteholders.

We believe that our overall effective income tax rate is typically between 38% and 40%. The effective income tax rates for 2008 and 2007 were -19% and 5%, respectively. The rate in 2008 reflects a nondeductible goodwill impairment charge as well as an increase to our income tax reserve for tax matters for open years, some of which are currently under audit. The rate in 2007 reflects a change in the mix of taxable income in various jurisdictions and limitations on our ability to utilize certain foreign tax credits.

Table of Contents

Year Ended December 31, 2007 Compared to Year Ended December 31, 2006

Income from Operations:

Our total operating margin increased from 12% in 2006 to 13% in 2007 because of improved performance within FS and HE.

Financial Systems:

The FS operating margin was 21% for the year ended December 31, 2007 compared to 20% for the prior year period. The $32 million increase in software license fees, improvement in the operating contribution from the growth in professional services revenue and operating leverage from other services revenue were partially offset by the impact of recently acquired businesses.

Higher Education:

The HE operating margin was 26% for the year ended December 31, 2007 compared to 24% for the year ended December 31, 2006. Income from operations increased $25 million in 2007 primarily due to a $15 million increase in resale fees, improved operating profit contribution from services revenue, and a $4 million increase in software license fees.

Public Sector:

The PS operating margin was 20% for the year ended December 31, 2007, unchanged from the prior year period. Income from operations increased $5 million in 2007 primarily due to a $3 million increase in software license fees.

Availability Services:

The AS operating margin was 30% for the year ended December 31, 2007, unchanged from the prior year period. Income from operations increased $16 million in 2007 primarily due to improved operating profit contribution.

Revenue:

Total revenue was $4.90 billion for the year ended December 31, 2007 compared to $4.32 billion for the year ended December 31, 2006. The increase in total revenue in 2007 is due primarily to organic revenue growth of approximately 11%, with trading volumes of one of our trading systems businesses adding three percentage points to the growth rate and changes in currency exchange rates adding approximately two percentage points overall. Excluding these items, organic growth would have been 6%.

Services revenue increased to $4.36 billion from $3.87 billion, representing approximately 89% of total revenue in 2007 compared to 90% in 2006. The revenue increase of $494 million in 2007 was due to organic revenue growth of $391 million across all segments and the impact of acquired revenue in FS.

Professional services revenue was $886 million and $767 million in 2007 and 2006, respectively. The $119 million increase was due primarily to FS organic and acquired revenue.

Table of Contents

Revenue from license and resale fees was $396 million and $342 million for the years ended December 31, 2007 and 2006, respectively, and includes software license revenue of $293 million and $255 million, respectively.

Financial Systems:

FS revenue was $2.50 billion for the year ended December 31, 2007 compared to $2.07 billion for the year ended December 31, 2006. Organic revenue growth was approximately 17% in 2007, with trading volumes of one of our trading systems businesses adding $121 million or five percentage points to the growth rate, which exceeded our expectations for the year and the future. Excluding this business, organic revenue growth was approximately 12% in 2007.

Professional services had the most significant contribution to overall FS growth, having increased $133 million or 29%. Revenue from license and resale fees included software license revenue of $214 million and $182 million, respectively, in 2007 and 2006.

Higher Education:

HE revenue was $543 million for the year ended December 31, 2007 compared to $498 million for the year ended December 31, 2006. Services revenue increased $26 million. In 2007, resale fees were $51 million, an increase of $15 million, and software license fees were $47 million, an increase of $4 million. HE organic revenue growth was approximately 9% in 2007.

Public Sector:

PS revenue was $410 million for the year ended December 31, 2007 compared to $395 million for the year ended December 31, 2006, an increase of 4%, with changes in currency exchange rates adding approximately five percentage points. Organic revenue declined approximately 2%. Software license fees were $28 million in 2007, an increase of $3 million.

Availability Services:

AS revenue was $1.45 billion for the year ended December 31, 2007 compared to $1.36 billion for the year ended December 31, 2006, a 7% increase. AS organic revenue increased approximately 4% in 2007. In North America revenue grew 4% overall and 1% organically as strong growth in managed services was offset by a net decrease in basic and advanced recovery services. Revenue in Europe grew 17%, 8% excluding the impact of currency exchange rates.

Costs and Expenses:

Cost of sales and direct operating expenses as a percentage of total revenue remained unchanged at 46% for each of the years ended December 31, 2007 and 2006. The increase of $288 million was due primarily to an increase in FS employee-related and consultant expenses supporting increased services revenue and increased costs related to the higher volumes in one of our trading systems businesses.

Sales, marketing and administration expenses remained unchanged as a percentage of total revenue at 21% for each of the years ended December 31, 2007 and 2006. The increase of $127 million was due primarily to FS businesses acquired in the last twelve months and an unfavorable arbitration award related to a customer dispute, partially offset by reduced stock compensation expense and an insurance settlement.

Table of Contents

Because AS product development costs are insignificant, it is more meaningful to measure product development expense as a percentage of revenue from software and processing solutions. For the years ended December 31, 2007 and 2006, software development expenses were 8% and 9% of revenue from software and processing solutions, respectively.

Depreciation and amortization as a percentage of total revenue was 5% and 6% for the years ended December 31, 2007 and 2006, respectively. The $13 million increase in 2007 was due primarily to capital expenditures supporting AS.

Amortization of acquisition-related intangible assets was 9% of total revenue for each of the years ended December 31, 2007 and 2006. Amortization of acquisition-related intangible assets increased $39 million in 2007 due primarily to the impact of recent acquisitions made by the Company and an impairment charge of $10 million.

Interest expense was $645 million for the year ended December 31, 2007 compared to $656 million for the year ended December 31, 2006. The decrease is primarily due to a lower effective interest cost due to the refinancing of our term loan facility in February 2007, partially offset by the additional borrowing on our Term loan prior to the early retirement of the senior floating rate notes and an increase in average borrowings under the revolving credit facility.

Other expense increased $39 million in the year ended December 31, 2007 due primarily to $28 million of expense associated with the early retirement of the $400 million of senior floating rate notes due 2013, of which $19 million represented the retirement premium paid to noteholders.

We believe that our overall effective income tax rate is typically between 38% and 40%. The effective income tax rates for 2007 and 2006 were 5% and 15%, respectively. The lower rates in 2007 and 2006 reflect the combination of our overall net loss in each year, limitations on our ability to utilize foreign tax credits resulting from the large amount of interest expense and, in 2007, changes in enacted tax rates in certain state and foreign jurisdictions. The result is a lower income tax benefit in each of 2007 and 2006 than would otherwise be expected.

Liquidity And Capital Resources:

At December 31, 2008, cash and cash equivalents were $975 million, an increase of $548 million from December 31, 2007, while availability under our revolving credit facility decreased $458 million to $483 million. Early in 2009, $250 million was used to repay the senior notes.

Cash flow from operations was $385 million in the year ended December 31, 2008 compared to cash flow from operations of $701 million in the year ended December 31, 2007. The decrease in cash flow from operations is due primarily to increased working capital needed to replace the liquidity provided by the terminated accounts receivable securitization program, higher income tax payments and higher incentive compensation payments, partially offset by lower interest payments and improvement in earnings before interest, taxes, depreciation and amortization and goodwill impairment (EBITDA as defined and calculated below).

Net cash used in investing activities was $1.1 billion in 2008 and $564 million in 2007. We spent $721 million for six acquisitions during 2008, including $546 million for the acquisition of GL TRADE in our FS business, and $265 million for eleven acquisitions during 2007, including $161 million for the acquisition of Vericenter in our AS business. Capital expenditures were $392 million in 2008 and $307 million in 2007.

Net cash provided by financing activities was $1.3 billion in 2008, the proceeds of which were used to fund the acquisition of GL TRADE, replace the liquidity provided by the terminated accounts receivable securitization facility and repay $250 million of senior notes due in January 2009.

In September 2008 the Credit Agreement was amended to increase the amount of our term loan borrowings under the Credit Agreement by $500 million (Incremental Term Loan), and we issued at a $6 million discount $500 million aggregate principal amount of 10.625% Senior Notes due 2015.

We use interest rate swap agreements to manage the amount of our floating rate debt in order to reduce our exposure to variable rate interest payments associated with the senior secured credit facilities. We pay a stream of fixed interest payments for the term of the swap, and in turn, receive variable interest payments based on LIBOR (2.39% at December 31, 2008). The net receipt or payment from the interest rate swap agreements is included in interest expense. A summary of our interest rate swaps at December 31, 2008 follows:

Inception	Maturity	Notional Amount (in millions)	Interest rate paid	Interest rate received
November 2005	February 2009	$ 800	4.85%	LIBOR
February 2006	February 2011	$ 800	5.00%	LIBOR
January 2008	February 2011	$ 750	3.17%	LIBOR
February 2008	February 2010	$ 750	2.71%	LIBOR
Total/Weighted average interest rate		$ 3,100	3.96%	

In early 2009, we entered into 3-year interest rate swaps that expire in February 2012 for an aggregate notional amount of $1.2 billion under which we pay fixed interest payments (at 1.78%) for the term of the swaps, and in turn, receive variable interest payments based on LIBOR.

At December 31, 2008, contingent purchase price obligations that depend upon the operating performance of certain acquired businesses could total $71 million, $20 million of which could be due in the next 12 months. We also have outstanding letters of credit and bid bonds that total approximately $25 million.

We are highly leveraged and our debt service requirements are significant. At December 31, 2008, our total indebtedness was $8.87 billion and we had $483 million available for borrowing under the revolving credit facility, after giving effect to certain outstanding letters of credit. In addition, at December 31, 2008, we had outstanding $77 million under our $450 million off-balance sheet accounts receivable securitization program that was terminated in December 2008. We funded the $77 million outstanding during January 2009 with collections of receivables previously sold into the facility and repaid the $250 million senior notes that matured in January 2009.

At December 31, 2008, our contractual obligations follow (in millions):

	Total	2009	2010 2011	2012 2013	2014 and After
Short-term and long-term debt(1)	$ 8,901	$ 322	$ 625	$ 5,730	$ 2,224
Interest payments(2)	2,907	563	1,091	919	334
Operating leases	942	198	291	200	253
Purchase obligations(3)	151	89	51	8	3
	$ 12,901	$ 1,172	$ 2,058	$ 6,857	$ 2,814

Table of Contents

(1) The senior notes due 2014 and the senior notes due 2015 are recorded at $230 million and $494 million, respectively, as of December 31, 2008, reflecting the remaining unamortized discount caused by the Transaction. The $26 million discount at December 31, 2008 will be amortized and included in interest expense over the remaining periods to maturity.

(2) Interest payments consist of interest on both fixed-rate and variable-rate debt. Variable-rate debt consists primarily of the unhedged portion of the US$ term loan facility ($849 million at 3.58% at December 31, 2008), the euro denominated portion of the term loan facility ($181 million at 4.71% at December 31, 2008) and pound sterling denominated portion of the term loan facility ($119 million at 4.52% at December 31, 2008), the revolving credit facility ($500 million at 3.1%) and the Incremental Term Loan ($499 million at 6.75%). See Note 5 to Notes to Consolidated Financial Statements. The swap agreements put in place in early 2009 will increase the amount of interest payments in the table above by $2 million in 2009 and $5 million in 2010-2011.

(3) Purchase obligations include our estimate of the minimum outstanding obligations under noncancelable commitments to purchase goods or services.

We expect our cash on hand, cash flows from operations and availability under our revolving credit facility to provide sufficient liquidity to fund our current obligations, projected working capital requirements and capital spending for a period that includes the next 12 months.

Depending on market conditions, the Company, its Sponsors and their affiliates, may from time to time repurchase debt securities issued by the Company, in privately negotiated or open market transactions, by tender offer or otherwise.

The Transaction

As a result of the Transaction (August 11, 2005), we are highly leveraged and our debt service requirements are significant. Below is a summary of our debt instruments.

Senior Secured Credit Facilities

Borrowings under the senior secured credit facilities bear interest at a rate equal to an applicable margin plus, at our option, either (a) a base rate that is the higher of (1) the prime rate of JPMorgan Chase Bank, N.A. and (2) the federal funds rate plus 1/2 of 1% or (b) LIBOR based on the costs of funds for deposits in the currency of such borrowing for either 30, 60, 90 or 180 days. The applicable margin for borrowings under the revolving credit facility and the term loan facility may change subject to attaining certain leverage ratios. In addition to paying interest on outstanding principal under the senior secured credit facilities, we pay a commitment fee to the lenders under the revolving credit facility in respect of the unutilized commitments. The commitment fee rate is 0.375% per annum and may change subject to attaining certain leverage ratios.

All obligations under the senior secured credit facilities are fully and unconditionally guaranteed by SunGard Holdco LLC and by substantially all domestic, 100% wholly owned subsidiaries.

We are required to repay installments on the loans under the term loan facilities in quarterly principal amounts of 0.25% of their funded total principal amount through March 2013, with the remaining amount payable in May 2013, provided, however, that such date will automatically become February 2014 if all the Senior Notes due 2013 are extended, renewed or refinanced on or prior to May 15, 2013.

Table of Contents

The senior secured credit facilities also require us to prepay outstanding term loans, subject to certain exceptions, with excess cash flow and proceeds from certain asset sales, casualty and condemnation events, other borrowings and certain financings under our accounts receivable securitization program (terminated in December 2008). Any required payments would be applied pro rata to the term loan lenders and to installments of the term loan facilities in direct order of maturity.

Principal amounts outstanding under the revolving credit facility are due and payable in full at maturity in August 2011. As of December 31, 2008, we have $483 million available under the revolving credit facility, after giving effect to certain letters of credit.

The second amendment to the Credit Agreement in September 2008 changed certain terms applicable to the Incremental Term Loan. Borrowings can be at either a Base Rate or a Eurocurrency Rate. Base Rate borrowings reset daily and bear interest at a minimum of 4.0% plus a spread of 2.75%. Eurocurrency borrowings can be made for periods of 30, 60, 90 or 180 days and bear interest at a minimum of 3.0% plus a spread of 3.75%. The interest rate at December 31, 2008 was 6.75%.

The senior secured credit facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, our (and most or all of our subsidiaries) ability to incur additional debt or issue preferred stock, pay dividends and distributions on or repurchase capital stock, create liens on assets, enter into sale and leaseback transactions, repay subordinated indebtedness, make investments, loans or advances, make capital expenditures, engage in certain transactions with affiliates, amend certain material agreements, change our lines of business, sell assets and engage in mergers or consolidations. In addition, under the senior secured credit facilities, we are required to satisfy certain total leverage and interest coverage ratios. We were in compliance with all covenants at December 31, 2008.

Senior Notes due 2009 and 2014

On January 15, 2004, we issued $500 million of senior unsecured notes, of which $250 million 3.75% notes were due and paid in full in January 2009 and $250 million are 4.875% notes due 2014, which are subject to certain standard covenants. As a result of the Transaction, these senior notes became collateralized on an equal and ratable basis with loans under the senior secured credit facilities and are guaranteed by all subsidiaries that guarantee the senior notes due 2013 and 2015 and senior subordinated notes due 2015. The senior notes due 2014 are recorded at $230 million as of December 31, 2008, reflecting the remaining unamortized discount caused by the Transaction. The $20 million discount will be amortized and included in interest expense.

Senior Notes due 2013 and 2015 and Senior Subordinated Notes due 2015

The senior notes due 2013 and 2015 are senior unsecured obligations that rank senior in right of payment to future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the senior notes, including the senior subordinated notes. The senior notes (i) rank equally in right of payment to all existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the senior notes, (ii) are effectively subordinated in right of payment to all existing and future secured debt to the extent of the value of the assets securing such debt, and (iii) are structurally subordinated to all obligations of each subsidiary that is not a guarantor of the senior notes. All obligations under the senior notes are fully and unconditionally guaranteed, subject to certain exceptions, by substantially all domestic, 100% wholly owned subsidiaries of the Company.

Table of Contents

The senior subordinated notes due 2015 are unsecured senior subordinated obligations that are subordinated in right of payment to the existing and future senior debt, including the senior secured credit facilities, the senior notes due 2014 and the senior notes due 2013 and 2015. The senior subordinated notes (i) rank equally in right of payment to all future senior subordinated debt, (ii) are effectively subordinated in right of payment to all existing and future secured debt to the extent of the value of the assets securing such debt, (iii) are structurally subordinated to all obligations of each subsidiary that is not a guarantor of the senior subordinated notes, and (iv) rank senior in right of payment to all future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the senior subordinated notes.

The senior notes due 2013 and 2015 and senior subordinated notes due 2015 are redeemable in whole or in part, at our option, at any time at varying redemption prices that generally include premiums, which are defined in the applicable indentures. In addition, upon a change of control, we are required to make an offer to redeem all of the senior notes and senior subordinated notes at a redemption price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest.

The indentures governing the senior notes due 2013 and 2015 and senior subordinated notes due 2015 contain a number of covenants that restrict, subject to certain exceptions, our ability and the ability of our restricted subsidiaries to incur additional indebtedness or issue certain preferred shares, pay dividends on or make other distributions in respect of its capital stock or make other restricted payments, make certain investments, enter into certain types of transactions with affiliates, create liens securing certain debt without securing the senior notes due 2013 and 2015 or senior subordinated notes due 2015, as applicable, sell certain assets, consolidate, merge, sell or otherwise dispose of all or substantially all of our assets and designate our subsidiaries as unrestricted subsidiaries.

The senior notes due 2015 contain registration rights by which the Company has agreed to use its reasonable efforts to register with the U.S. Securities & Exchange Commission notes having substantially identical terms. The Company will use its reasonable best efforts to cause the exchange offer to be completed or, if required, to have one or more shelf registration statements declared effective, within 360 days after the issue date of the senior notes due 2015.

If the Company fails to meet this target (a registration default) with respect to the senior notes due 2015, the annual interest rate on the senior notes due 2015 will increase by 0.25% for each subsequent 90-day period during which the registration default continues, up to a maximum additional interest rate of 1.0% per year over the applicable interest rate. If the registration default is corrected or, if it is not corrected, upon the two year anniversary of the issue date of the senior notes due 2015, the applicable interest rate on such senior notes due 2015 will revert to the original level.

Off-Balance Sheet Debt Accounts Receivable Securitization Program

In December 2008, we terminated our accounts receivable securitization program. Under the accounts receivable facility, eligible receivables were sold to third-party conduits through a wholly owned, bankruptcy remote special purpose entity that is not consolidated for financial reporting purposes. We serviced the receivables and charged a monthly servicing fee at market rates. The third-party conduits were sponsored by certain lenders under our senior secured credit facilities.

Sales of receivables under the facility qualified as sales under applicable accounting pronouncements. Accordingly, receivables totaling $363 million net of applicable allowances, and the corresponding borrowings, totaling $77 million, are excluded from our consolidated balance sheet as of December 31, 2008. Our retained interest in these receivables is $285 million as of December 31, 2008. Expenses associated with the receivables facilities totaled $25 million for 2008, which related to the loss on sale of the receivables and the discount on retained interest, and is recorded in other income (expense) in our consolidated statements of operations. The loss on sale of receivables was determined at the date of transfer based upon the fair value of the assets sold and the interests retained based on the present value of expected cash flows.

Covenant Compliance

Our senior secured credit facilities and the indentures governing our senior notes due 2013 and 2015 and our senior subordinated notes due 2015 contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things:

- incur additional indebtedness or issue certain preferred shares,
- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments,
- make certain investments,
- sell certain assets,
- create liens,
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets, and
- enter into certain transactions with our affiliates.

In addition, pursuant to the Principal Investor Agreement by and among our Holding Companies and the Sponsors, we are required to obtain approval from certain Sponsors prior to the declaration or payment of any dividend by us or any of our subsidiaries (other than dividends payable to us or any of our wholly owned subsidiaries).

Under the senior secured credit facilities, we are required to satisfy and maintain specified financial ratios and other financial condition tests. As of December 31, 2008, we are in compliance with the financial and nonfinancial covenants. While we believe that we will remain in compliance, our continued ability to meet those financial ratios and tests can be affected by events beyond our control, and there is no assurance that we will meet those ratios and tests. A breach of any of these covenants could result in a default under the senior secured credit facilities. Upon the occurrence of an event of default under the senior secured credit facilities, the lenders could elect to declare all amounts outstanding under the senior secured credit facilities to be immediately due and payable and terminate all commitments to extend further credit.

Adjusted earnings before interest, taxes, depreciation and amortization and goodwill impairment (EBITDA) is a non-GAAP measure used to determine our compliance with certain covenants contained in the indentures governing the senior notes due 2013 and 2015 and senior subordinated notes due 2015 and in our senior secured credit facilities. Adjusted EBITDA is defined as EBITDA further adjusted to exclude unusual items and other adjustments permitted in calculating covenant compliance under the indentures and our senior secured credit facilities. We believe that including supplementary information concerning Adjusted EBITDA is appropriate to provide additional information to investors to demonstrate compliance with our financing covenants.

Table of Contents

The breach of covenants in our senior secured credit facilities that are tied to ratios based on Adjusted EBITDA could result in a default and the lenders could elect to declare all amounts borrowed due and payable. Any such acceleration would also result in a default under our indentures. Additionally, under our debt agreements, our ability to engage in activities such as incurring additional indebtedness, making investments and paying dividends is also tied to ratios based on Adjusted EBITDA.

Adjusted EBITDA does not represent net income (loss) or cash flow from operations as those terms are defined by GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. While Adjusted EBITDA and similar measures are frequently used as measures of operations and the ability to meet debt service requirements, these terms are not necessarily comparable to other similarly titled captions of other companies due to the potential inconsistencies in the method of calculation. Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters that we may consider not to be indicative of our ongoing operations. In particular, the definition of Adjusted EBITDA in the indentures allows us to add back certain non-cash, extraordinary, unusual or non-recurring charges that are deducted in calculating net income (loss). However, these are expenses that may recur, vary greatly and are difficult to predict. Further, our debt instruments require that Adjusted EBITDA be calculated for the most recent four fiscal quarters. As a result, the measure can be disproportionately affected by a particularly strong or weak quarter. Further, it may not be comparable to the measure for any subsequent four-quarter period or any complete fiscal year.

The following is a reconciliation of net loss, which is a GAAP measure of our operating results, to Adjusted EBITDA as defined in our debt agreements. The terms and related calculations are defined in the indentures.

	Year ended December 31,		
(in millions)	**2006**	**2007**	**2008**
Net loss	$ (118)	$ (60)	$ (242)
Interest expense, net	642	626	581
Taxes	(21)	(3)	38
Depreciation and amortization	637	689	793
Goodwill impairment charge			128
EBITDA	1,140	1,252	1,298
Purchase accounting adjustments[1]	(2)	14	39
Non-cash charges[2]	41	37	35
Unusual or non-recurring items[3]	30	43	68
Acquired EBITDA, net of disposed EBITDA[4]		12	57
Pro forma expense savings related to acquisitions[5]			17
Other[6]	16	38	76
Adjusted EBITDA Senior Secured Credit Facilities	1,225	1,396	1,590
Loss on sale of receivables[7]	29	29	25
Adjusted EBITDA Senior Notes due 2013 and 2015 and Senior Subordinated Notes due 2015	$ 1,254	$ 1,425	$ 1,615

(1) Purchase accounting adjustments include the adjustment of deferred revenue and lease reserves to fair value at the dates of the Transaction and subsequent acquisitions made by the Company and certain acquisition-related compensation expense.

Table of Contents

(2) Non-cash charges include stock-based compensation resulting from stock-based compensation accounted for under SFAS 123R (see Note 7 of Notes to Consolidated Financial Statements) and loss on the sale of assets.

(3) Unusual or non-recurring items include debt refinancing costs, severance and related payroll taxes, an unfavorable arbitration award related to a customer dispute, an insurance recovery and other expenses associated with acquisitions made by the Company.

(4) Acquired EBITDA net of disposed EBITDA reflects the EBITDA impact of businesses that were acquired or disposed of during the period as if the acquisition or disposition occurred at the beginning of the period.

(5) Pro forma adjustments represent the full-year impact of savings resulting from post-acquisition integration activities.

(6) Other includes gains or losses related to fluctuation of foreign currency exchange rates impacting the foreign-denominated debt, management fees paid to the Sponsors and franchise and similar taxes reported in operating expenses, partially offset by certain charges relating to the accounts receivable securitization facility (terminated in December 2008).

(7) The loss on sale of receivables under the accounts receivable securitization facility (terminated in December 2008) is added back in calculating Adjusted EBITDA for purposes of the indentures governing the senior notes due 2013 and 2015 and the senior subordinated notes due 2015 but is not added back in calculating Adjusted EBITDA for purposes of the senior secured credit facilities.

Our covenant requirements and actual ratios for the year ended December 31, 2008 are as follows:

	Covenant Requirements	Actual Ratios
Senior secured credit facilities[1]		
Minimum Adjusted EBITDA to consolidated interest expense ratio	1.65x	2.65x
Maximum total debt to Adjusted EBITDA	6.75x	5.01x
Senior Notes due 2013 and Senior Subordinated Notes due 2015[2]		
Minimum Adjusted EBITDA to fixed charges ratio required to incur additional debt pursuant to ratio provisions	2.00x	2.67x

(1) Our senior secured credit facilities require us to maintain an Adjusted EBITDA to consolidated interest expense ratio starting at a minimum of 1.65x for the four-quarter period ended December 31, 2008 and increasing over time to 1.70x by the end of 2009, to 1.80x by the end of 2010 and 2.20x by the end of 2013. Consolidated interest expense is defined in the senior secured credit facilities as consolidated cash interest expense less cash interest income further adjusted for certain non-cash or nonrecurring interest expense and the elimination of interest expense and fees associated with our accounts receivable securitization program (terminated in December 2008). Beginning with the four-quarter period ending December 31, 2008, we are required to maintain a consolidated total debt to Adjusted EBITDA ratio of 6.75x and decreasing over time to 6.25x by the end of 2009, to 5.50x by the end of 2010 and to 4.0x by the end of 2013. Consolidated total debt is defined in the senior secured credit facilities as total debt less certain indebtedness and further adjusted for cash and cash equivalents on our balance sheet in excess of $50 million. Failure to satisfy these ratio requirements would constitute a default under the senior secured

Table of Contents

credit facilities. If our lenders failed to waive any such default, our repayment obligations under the senior secured credit facilities could be accelerated, which would also constitute a default under our indentures.

(2) Our ability to incur additional debt and make certain restricted payments under our indentures, subject to specified exceptions, is tied to an Adjusted EBITDA to fixed charges ratio of at least 2.0x, except that we may incur certain debt and make certain restricted payments and certain permitted investments without regard to the ratio, such as our ability to incur up to an aggregate principal amount of $6.15 billion under credit facilities (inclusive of amounts outstanding under our senior credit facilities from time to time; as of December 31, 2008, we had $4.75 billion outstanding under our term loan facilities and available commitments of $483 million under our revolving credit facility), to acquire persons engaged in a similar business that become restricted subsidiaries and to make other investments equal to 6% of our consolidated assets. Fixed charges is defined in the indentures governing the Senior Notes due 2013 and 2015 and the Senior Subordinated Notes due 2015 as consolidated interest expense less interest income, adjusted for acquisitions, and further adjusted for non-cash interest and the elimination of interest expense and fees associated with our accounts receivable securitization program.

EFFECT OF RECENT ACCOUNTING PRONOUNCEMENTS:

In December 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141R, Business Combinations, (SFAS 141R), which changes accounting principles for business acquisitions. SFAS No. 141R requires the recognition of all the assets acquired and liabilities assumed in the transaction based on the acquisition-date fair value. Certain provisions of this standard will, among other things, impact the determination of consideration paid or payable in a business combination and change accounting practices for transaction costs, acquired contingencies, acquisition-related restructuring costs, in-process research and development, indemnification assets, and tax benefits. SFAS No. 141R is effective for business combinations and adjustments to all acquisition-related deferred tax asset and liability balances occurring after December 31, 2008. This standard could have a significant impact on our consolidated financial statements.

In December 2007, the FASB also issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51 (SFAS 160). The objective of SFAS 160 is to improve the relevance, comparability and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective January 1, 2009. We do not expect the adoption of SFAS 160 to have a material impact on the consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities (SFAS 161). SFAS 161 is intended to help investors better understand how derivative instruments and hedging activities affect an entity s financial position, financial performance and cash flows through enhanced disclosure requirements. SFAS 161 is effective as of January 1, 2009. We do not expect the adoption of SFAS 161 to have a material impact on the consolidated financial statements.

In April 2008, the FASB issued FASB Staff Position (FSP) No. FAS 142-3, Determination of the Useful Life of Intangible Assets. FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, Goodwill and Other Intangible Assets (SFAS 142). FSP 142-3 is intended to improve the consistency between the useful life of an intangible asset determined under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R and other GAAP. FSP 142-3 is effective as of January 1, 2009. We do not expect the adoption of FSP 142-3 to have a material impact on the consolidated financial statements.

In November 2008, the Emerging Issues Task Force (EITF) issued Issue No. 08-7, Accounting for Defensive Intangible Assets (EITF 08-7). EITF 08-7 applies to all acquired intangible assets in which the acquirer does not intend to actively use the asset but intends to hold (lock up) the asset to prevent its competitors from obtaining access to the asset (a defensive asset), assets that the acquirer will never actually use, as well as assets that will be used by the acquirer during a transition period when the intention of the acquirer is to discontinue the use of those assets. EITF 08-7 is effective as of January 1, 2009. We do not expect the adoption of EITF 08-7 to have a material impact on the consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk:

We do not use derivative financial instruments for trading or speculative purposes. We have invested our available cash in short-term, highly liquid financial instruments, with a substantial portion having initial maturities of three months or less. When necessary, we have borrowed to fund acquisitions.

At December 31, 2008, we had total debt of $8.87 billion, including $5.25 billion of variable rate debt. We entered into four interest rate swap agreements which fixed the interest rates for $3.1 billion of our variable rate debt. Our four swap agreements each have notional values of $800 million or $750 million (see table above), and effectively fix our interest rates at a weighted average rate of 3.96%, and expire in February 2009, 2010 or 2011. In early 2009, we entered into additional three-year interest rate swap agreements for a notional amount of $1.2 billion, under which we are required to pay a stream of fixed rate interest payments of 1.78%, and in turn, receive variable interest payments based on LIBOR. After the early 2009 activity, our remaining variable rate debt of $1.75 billion is subject to changes in underlying interest rates and our interest payments will also change as a result of market changes. During the period when our interest rate swap agreements are effective, a 1% change in interest rates would result in a change in interest of approximately $17 million per year. Upon the expiration of interest rate swap agreements in February 2010, 2011 and 2012, a 1% change in interest rates would result in a change in interest of approximately $25 million, $40 million and $52 million per year, respectively. See Note 5 to Consolidated Financial Statements.

In addition, at December 31, 2008, one of our U.K. subsidiaries, whose functional currency is the pound sterling, has $181 million of debt which is denominated in euros. A 10% change in the euro-pound sterling exchange rate would result in a charge or credit in the statement of operations of approximately $19 million.

During 2008, approximately 29% of our revenue was from customers outside the United States with approximately 76% of this revenue coming from customers located in the United Kingdom and Continental Europe. Only a portion of the revenue from customers outside the United States is denominated in other currencies, the majority being pounds sterling and euros. Revenue and expenses of our foreign operations are generally denominated in their respective local currencies. We continue to monitor our exposure to currency exchange rates.

Table of Contents

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

SunGard Data Systems Inc.

Index to Consolidated Financial Statements

Table of Contents

Management s Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate. Management conducted an assessment of the Company s internal control over financial reporting based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control Integrated Framework. We have excluded from the scope of our assessment of internal control over financial reporting the operations and related assets of GL TRADE SA, which we acquired on October 1, 2008. At December 31, 2008 and for the period from October 1, 2008 through December 31, 2008, total assets and total revenues subject to GL TRADE SA s internal control over financial reporting represented 5% and 1% of SunGard s consolidated total assets and total revenues, respectively, as of and for the year ended December 31, 2008. Based on the assessment, management concluded that, as of December 31, 2008, the Company s internal control over financial reporting is effective.

This annual report does not include an attestation report of the Company s independent registered public accounting firm regarding internal control over financial reporting. Management s report was not subject to attestation by the Company s independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management s report in this annual report.

SunGard Data Systems Inc.

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder of SunGard Data Systems Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of stockholder s equity and of cash flows present fairly, in all material respects, the financial position of SunGard Data Systems Inc. and its subsidiaries (the Company) at December 31, 2008 and December 31, 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

March 5, 2009

Table of Contents

SunGard Data Systems Inc.

Consolidated Balance Sheets

(in millions except share and per-share amounts)	December 31, 2007	December 31, 2008
Assets		
Current:		
Cash and cash equivalents	$ 427	**$ 975**
Trade receivables, less allowance for doubtful accounts of $12 and $15	290	**701**
Earned but unbilled receivables	63	**81**
Prepaid expenses and other current assets	166	**122**
Clearing broker assets	469	**309**
Retained interest in accounts receivable sold	243	**285**
Deferred income taxes	32	**22**
Total current assets	1,690	**2,495**
Property and equipment, less accumulated depreciation of $533 and $689	852	**898**
Software products, less accumulated amortization of $542 and $793	1,266	**1,159**
Customer base, less accumulated amortization of $475 and $668	2,745	**2,616**
Other tangible and intangible assets, less accumulated amortization of $21 and $29	179	**207**
Trade name	1,022	**1,075**
Goodwill	7,086	**7,328**
Total Assets	$ 14,840	**$ 15,778**
Liabilities and Stockholder s Equity		
Current:		
Short-term and current portion of long-term debt	$ 55	**$ 322**
Accounts payable	85	**87**
Accrued compensation and benefits	271	**314**
Accrued interest expense	148	**159**
Other accrued expenses	390	**401**
Clearing broker liabilities	434	**310**
Deferred revenue	825	**977**
Total current liabilities	2,208	**2,570**
Long-term debt	7,430	**8,553**
Deferred income taxes	1,646	**1,592**
Total liabilities	11,284	**12,715**
Commitments and contingencies		
Stockholder s equity:		
Common stock, par value $.01 per share; 100 shares authorized, issued and oustanding		
Capital in excess of par value	3,694	**3,731**
Accumulated deficit	(207)	**(449)**
Accumulated other comprehensive income (loss)	69	**(219)**
Total stockholder s equity	3,556	**3,063**
Total Liabilities and Stockholder s Equity	$ 14,840	**$ 15,778**

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

SunGard Data Systems Inc.

Consolidated Statements of Operations

(in millions)	Year ended December 31, 2006	2007	2008
Revenue:			
Services	$ 3,870	$ 4,364	**$ 5,083**
License and resale fees	342	396	**369**
Total products and services	4,212	4,760	**5,452**
Reimbursed expenses	111	141	**144**
	4,323	4,901	**5,596**
Costs and expenses:			
Cost of sales and direct operating	1,980	2,268	**2,744**
Sales, marketing and administration	915	1,042	**1,151**
Product development	255	271	**308**
Depreciation and amortization	238	251	**278**
Amortization of acquisition-related intangible assets	399	438	**515**
Goodwill impairment charge and merger costs	4		**130**
	3,791	4,270	**5,126**
Income from operations	532	631	**470**
Interest income	14	19	**18**
Interest expense and amortization of deferred financing fees	(656)	(645)	**(599)**
Other expense	(29)	(68)	**(93)**
Loss before income taxes	(139)	(63)	**(204)**
Provision (benefit) for income taxes	(21)	(3)	**38**
Net loss	$ (118)	$ (60)	**$ (242)**

The accompanying notes are an integral part of these consolidated financial statements.

51

Table of Contents

SunGard Data Systems Inc.

Consolidated Statements of Cash Flows

(in millions)	Year ended December 31, 2006	2007	2008
Cash flow from operations:			
Net loss	$ (118)	$ (60)	**$ (242)**
Reconciliation of net loss to cash flow from operations:			
Depreciation and amortization	637	689	**793**
Goodwill impairment charge			**128**
Deferred income tax benefit	(86)	(120)	**(108)**
Stock compensation expense	38	32	**35**
Amortization of deferred financing costs and debt discount	40	46	**37**
Other noncash items	(2)	14	**50**
Accounts receivable and other current assets	(47)	(20)	**(341)**
Accounts payable and accrued expenses	(4)	71	**(28)**
Clearing broker assets and liabilities, net	(13)	9	**36**
Deferred revenue	46	40	**25**
Cash flow from operations	491	701	**385**
Investment activities:			
Cash paid for acquired businesses, net of cash acquired	(163)	(265)	**(721)**
Cash paid for property and equipment and software	(312)	(307)	**(392)**
Other investing activities	6	8	**4**
Cash used in investment activities	(469)	(564)	**(1,109)**
Financing activities:			
Cash received from borrowings, net of fees		591	**1,444**
Cash used to repay debt	(48)	(623)	**(119)**
Other financing activities			**(22)**
Cash provided by (used in) financing activities	(48)	(32)	**1,303**
Effect of exchange rate changes on cash	25	6	**(31)**
Increase (decrease) in cash and cash equivalents	(1)	111	**548**
Beginning cash and cash equivalents	317	316	**427**
Ending cash and cash equivalents	$ 316	$ 427	**$ 975**
Supplemental information:			
Interest paid	$ 613	$ 643	**$ 550**
Income taxes paid, net of refunds	$ 24	$ 62	**$ 134**
Acquired businesses:			
Property and equipment	$ 2	$ 40	**$ 14**
Software products	58	68	**133**
Customer base	44	92	**215**
Goodwill	96	166	**613**

Other tangible and intangible assets	5	11	**67**
Deferred income taxes	(29)	(49)	**(123)**
Purchase price obligations and debt assumed	(6)	(41)	**(75)**
Net current liabilities assumed	(7)	(22)	**(123)**
Cash paid for acquired businesses, net of cash acquired of $5, $22 and $78, respectively	$ 163	$ 265	**$ 721**

The accompanying notes are an integral part of these consolidated financial statements.

52

Table of Contents

SunGard Data Systems Inc.

Consolidated Statement of Stockholder s Equity

(in millions)	Common Stock Number of Shares	Common Stock Par Value	Capital in Excess of Par Value	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss) Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss) Net Unrealized Gain (Loss) on Derivative Instruments	Total
Balances at December 31, 2005		$	$ 3,629	$ (29)	$ (27)	$ (1)	$ 3,572
Comprehensive loss:							
Net loss				(118)			
Foreign currency translation					82		
Net unrealized gain on derivative instruments (net of tax provision of $2)						3	
Total comprehensive loss							(33)
Stock compensation expense			38				38
Other			(3)				(3)
Balances at December 31, 2006			3,664	(147)	55	2	3,574
Comprehensive loss:							
Net loss				(60)			
Foreign currency translation					35		
Net unrealized loss on derivative instruments (net of tax benefit of $15)						(23)	
Total comprehensive loss							(48)
Stock compensation expense			32				32
Other			(2)				(2)
Balances at December 31, 2007			3,694	(207)	90	(21)	3,556
Comprehensive loss:							
Net loss				(242)			
Foreign currency translation					(249)		
Net unrealized loss on derivative instruments (net of tax benefit of $25)						(39)	
Total comprehensive loss							(530)
Stock compensation expense			35				35
Other			2				2
Balances at December 31, 2008		$	$ 3,731	$ (449)	$ (159)	$ (60)	$ 3,063

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

SunGard Data Systems Inc.

Notes to Consolidated Financial Statements

1. Basis of Presentation and Summary of Significant Accounting Policies:

SunGard Data Systems Inc. (SunGard or the Company) was acquired on August 11, 2005 (the Transaction) by a consortium of private equity investment funds associated with Bain Capital Partners, The Blackstone Group, Goldman Sachs & Co., Kohlberg Kravis Roberts & Co., Providence Equity Partners, Silver Lake and TPG (collectively, the Sponsors).

SunGard is a wholly owned subsidiary of SunGard Holdco LLC, which is wholly owned by SunGard Holding Corp., which is wholly owned by SunGard Capital Corp. II, which is a subsidiary of SunGard Capital Corp. SunGard Capital Corp. and SunGard Capital Corp. II are collectively referred to as the Parent Companies. All of these companies were formed for the purpose of facilitating the Transaction and are collectively referred to as the Holding Companies.

SunGard has four segments: Financial Systems (FS), Higher Education (HE), Public Sector (PS) and Availability Services (AS). The Company Software & Processing Solutions business is comprised of the FS, HE and PS segments. The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated. The consolidated financial statements exclude the accounts of the Holding Companies.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make many estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. The Company evaluates its estimates and judgments on an ongoing basis and revises them when necessary. Actual results may differ from the original or revised estimates.

The Company amortizes identifiable intangible assets over periods that it believes approximate the related useful lives of those assets based upon estimated future operating results and cash flows of the underlying business operations. The Company closely monitors estimates of those lives, which could change due to many factors, including product demand, market conditions, technological developments, economic conditions and competition.

The presentation of certain prior year amounts has been revised to conform to the current year presentation.

Revenue Recognition

The following criteria must be met in determining whether revenue may be recorded: persuasive evidence of a contract exists; services have been provided; the price is known; and collection is reasonably assured.

The Company generates services revenue from availability services, processing services, software maintenance and rentals, professional services and broker/dealer fees. Services revenue is recorded as the services are provided based on the fair value of each element which is based on the sales price of each element when sold separately. Most AS services revenue consists of fixed monthly fees based upon the specific computer configuration or business process for which the service is being provided, and the related costs are incurred ratably over the contract period. When recovering from an interruption, customers generally are contractually obligated to pay additional fees, which typically cover the incremental costs of supporting customers during recoveries. FS services revenue includes monthly fees, which may include a fixed minimum fee and/or variable fees based on a measure of volume or activity, such as the number of accounts, trades or transactions, users or the number of hours of service.

For fixed-fee professional services contracts, services revenue is recorded based upon the estimated percentage of completion, measured by the actual number of hours incurred divided by the total estimated number of hours for the project. When contracts include both professional services and software and there are significant program modifications or customization, installation, systems integration or related services, the professional services and license revenue is combined and recorded based upon the estimated percentage of completion, measured in the manner described above. Changes in the estimated costs or hours to complete the contract and losses, if any, are reflected in the period during which the change or loss becomes known.

License fees result from contracts that permit the customer to use a SunGard software product at the customer s site. Generally, these contracts are multiple-element arrangements since they usually provide for professional services and ongoing software maintenance. In these instances, license fees are recognized upon the signing of the contract and delivery of the software if the license fee is known, collection is probable, and there is sufficient evidence of the fair value of each undelivered element. Revenue is recorded when billed when customer payments are extended beyond normal billing terms, or at acceptance when there is significant acceptance, technology or service risk. Revenue also is recorded over the contract period in those instances where the software is bundled together with computer equipment or other post-delivery services and there is not sufficient evidence of the fair value of each undelivered element.

Sufficient evidence of fair value is determined by reference to applicable accounting standards and is defined as vendor specific objective evidence (VSOE). If there is no VSOE of the fair value of the delivered element (which is usually the software) but there is VSOE of the fair value of each of the undelivered elements (which are usually maintenance and professional services), then the residual method is used to determine the revenue for the delivered element. The revenue for each of the undelivered elements is set at the fair value of those elements using VSOE of the price paid when each of the undelivered elements is sold separately. The revenue remaining after allocation to the undelivered elements (i.e., the residual) is allocated to the delivered element.

VSOE supporting the fair value of maintenance is based on the optional renewal rates for each product and is typically 18% to 20% of the software license fee per year. VSOE supporting the fair value of professional services is based on the standard daily rates charged when those services are sold separately.

In some multiple-element arrangements that include software licenses and services, the services rates are discounted. In these cases, a portion of the software license fee is deferred and recognized as the services are performed based on VSOE of the services.

Unbilled receivables are created when services are performed or software is delivered and revenue is recognized in advance of billings. Deferred revenue is created when billing occurs in advance of performing certain services.

Table of Contents

Cash and Cash Equivalents

Cash and cash equivalents consist of investments that are readily convertible into cash and have original maturities of three months or less.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable. The Company sells a significant portion of its products and services to the financial services industry and could be affected by the overall condition of that industry. The Company believes that any credit risk associated with accounts receivable is substantially mitigated by the relatively large number of customer accounts and reasonably short collection terms. Accounts receivable are stated at estimated net realizable value, which approximates fair value. By policy, the Company places its available cash and short-term investments with institutions of high credit-quality and limits the amount of credit exposure to any one issuer.

Foreign Currency Translation

The functional currency of each of the Company s foreign operations is generally the local currency of the country in which the operation is located. All assets and liabilities are translated into U.S. dollars using exchange rates in effect at the balance sheet date. Revenue and expenses are translated using average exchange rates during the period.

Increases and decreases in net assets resulting from foreign currency translation are reflected in stockholder s equity as a component of accumulated other comprehensive income (loss).

Property and Equipment

Property and equipment are recorded at cost and depreciated on the straight-line method over the estimated useful lives of the assets (three to eight years for equipment and ten to 40 years for buildings and improvements). Leasehold improvements are amortized ratably over their remaining lease term or useful life, if shorter. Depreciation and amortization of property and equipment was $212 million in 2006, $219 million in 2007 and $240 million in 2008.

Software Products

Product development costs are expensed as incurred and consist primarily of design and development costs of new products and significant enhancements to existing products incurred before the establishment of technological feasibility. Costs associated with purchased software, software obtained through business acquisitions, and new products and enhancements to existing products that are technologically feasible and recoverable are capitalized and amortized over the estimated useful lives of the related products, generally two to eleven years (average life is seven years), using the straight-line method or the ratio of current revenue to current and anticipated revenue from such software, whichever provides the greater amortization. Amortization of all software products aggregated $223 million in 2006, $246 million in 2007 and $267 million in 2008. Capitalized development costs were $21 million in 2006, $26 million in 2007 and $17 million in 2008.

Customer Base Intangible Assets

Customer base intangible assets represent customer contracts and relationships obtained as part of acquired businesses and are amortized using the straight-line method over their estimated useful lives, ranging from three to 19 years (average life is 13 years).

Table of Contents

Other Tangible and Intangible Assets

Other tangible and intangible assets consist primarily of deferred financing costs incurred in connection with debt issued in the Transaction and for the acquisition of GL TRADE S.A. (GL TRADE) (see Notes 2 and 5), noncompetition agreements obtained in business acquisitions, long-term accounts receivable, prepayments and long-term investments. Deferred financing costs are amortized over the term of the related debt. Noncompetition agreements are amortized using the straight-line method over their stated terms, ranging from two to five years.

Future Amortization of Acquisition-Related Intangible Assets

Based on amounts recorded at December 31, 2008, total expected amortization of all acquisition-related intangible assets in each of the years ended December 31 follows (in millions):

2009	$ 508
2010	499
2011	472
2012	424
2013	370

Trade Name and Goodwill

The trade name intangible asset primarily represents the fair value of the SunGard trade name at August 11, 2005 and is an indefinite-lived asset and therefore is not subject to amortization but is reviewed at least annually for impairment.

Goodwill represents the excess of cost over the fair value of net assets acquired. At least annually, the Company compares the carrying value of its reporting units to their estimated fair value. If the carrying value is greater than the respective estimated fair value, the Company then determines if the goodwill is impaired and whether some or all of the goodwill should be written off as a charge to operations. The estimate of fair value requires various assumptions including the use of projections of future cash flows and discount rates that reflect the risks associated with achieving the future cash flows. Changes in the underlying business could affect these estimates, which in turn could affect the fair value of the reporting unit.

The following table summarizes changes in goodwill by segment (in millions):

	FS	HE	PS	AS	Total
Balance at December 31, 2006	$ 2,918	$ 976	$ 904	$ 2,153	$ 6,951
2007 acquisitions	47		12	129	188
Adjustments related to the Transaction and prior year acquisitions	(33)	(5)	(6)	(28)	(72)
Effect of foreign currency translation	10		1	8	19
Balance at December 31, 2007	2,942	971	911	2,262	7,086
2008 acquisitions	561			67	628
Adjustments related to the Transaction and prior year acquisitions	(45)	(6)	(3)	(15)	(69)
Impairment charges			(128)		(128)
Effect of foreign currency translation	(27)		(95)	(67)	(189)
Balance at December 31, 2008	$ 3,431	$ 965	$ 685	$ 2,247	$ 7,328

Table of Contents

The Company completes its annual goodwill impairment test as of July 1 and generally estimates the fair value of its reporting units using the present value of expected future cash flows. As a result of the change in the economic environment in the second half of 2008 and completion of the annual budgeting process, the Company reviewed its annual impairment test in December 2008 and concluded that the decline in expected future cash flows in the PS reporting unit was sufficient to result in an impairment of goodwill of $128 million.

Stock Compensation

Statement of Financial Accounting Standards (SFAS) Number 123R (revised 2004), Share-Based Payment (SFAS 123R) requires companies to expense the fair value of employee stock options. Using the fair value recognition provisions of SFAS 123R, stock-based compensation cost is measured at the grant date based on the fair value of the award or using the Black-Scholes pricing model and is recognized as expense over the appropriate service period.

Income Taxes

The Company recognizes deferred income tax assets and liabilities based upon the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred income tax assets and liabilities are calculated based on the difference between the financial and tax bases of assets and liabilities using the currently enacted income tax rates in effect during the years in which the differences are expected to reverse. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets for which no valuation allowance is recorded may not be realized upon changes in facts and circumstances. Tax benefits related to uncertain tax positions taken or expected to be taken on a tax return are recorded when such benefits meet a more likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, which means that the appropriate taxing authority has completed their examination even though the statute of limitations remains open, or the statute of limitation expires. Considerable judgment is required in assessing and estimating these amounts and differences between the actual outcome of these future tax consequences and estimates made could have a material effect on the consolidated financial results.

Effect of Recent Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141R, Business Combinations, (SFAS 141R), which changes accounting principles for business acquisitions. SFAS 141R requires the recognition of all the assets acquired and liabilities assumed in the transaction based on the acquisition-date fair value. Certain provisions of this standard will, among other things, impact the determination of consideration paid or payable in a business combination and change accounting practices for transaction costs, acquired contingencies, acquisition-related restructuring costs, in-process research and development, indemnification assets, and tax benefits. SFAS 141R is effective for business combinations and adjustments to all acquisition-related deferred tax asset and liability balances occurring after December 31, 2008. This standard could have a significant impact on the consolidated financial statements.

In December 2007, the FASB also issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51 (SFAS 160). The objective of SFAS 160 is to improve the relevance, comparability and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting

Table of Contents

standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective January 1, 2009. The Company does not expect the adoption of SFAS 160 to have a material impact on the consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities (SFAS 161). SFAS 161 is intended to help investors better understand how derivative instruments and hedging activities affect an entity s financial position, financial performance and cash flows through enhanced disclosure requirements. SFAS 161 is effective as of January 1, 2009. The Company does not expect the adoption of SFAS 161 to have a material impact on the consolidated financial statements.

In April 2008, the FASB issued FASB Staff Position (FSP) No. FAS 142-3, Determination of the Useful Life of Intangible Assets. FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, Goodwill and Other Intangible Assets (SFAS 142). FSP 142-3 is intended to improve the consistency between the useful life of an intangible asset determined under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R and other GAAP. FSP 142-3 is effective as of January 1, 2009. The Company does not expect the adoption of FSP 142-3 to have a material impact on the consolidated financial statements.

In November 2008, the Emerging Issues Task Force (EITF) issued Issue No. 08-7, Accounting for Defensive Intangible Assets (EITF 08-7). EITF 08-7 applies to all acquired intangible assets in which the acquirer does not intend to actively use the asset but intends to hold (lock up) the asset to prevent its competitors from obtaining access to the asset (a defensive asset), assets that the acquirer will never actually use, as well as assets that will be used by the acquirer during a transition period when the intention of the acquirer is to discontinue the use of those assets. EITF 08-7 is effective as of January 1, 2009. The Company does not expect the adoption of EITF 08-7 to have a material impact on the consolidated financial statements.

2. Acquisitions:

The Company seeks to acquire businesses that broaden its existing product lines and service offerings by adding complementary products and service offerings and by expanding its geographic reach. During 2008, the Company completed four acquisitions in its FS segment and two in its AS segment. Cash paid, subject to certain adjustments, was $721 million.

The following table lists the businesses the Company acquired in 2008:

Acquired Company/Business	Date Acquired	Description
Advanced Portfolio Technologies, Inc.	2/29/2008	Portfolio optimization and risk management software.
Corporate Payments Division of Payformance Corporation	2/29/2008	Integrated electronic and outsourced payment solutions.
Strohl Systems Group, Inc.	5/21/2008	Business continuity planning software.
Delphi Technologies Ltd.	7/1/2008	Consulting and IT professional services to banks and insurance companies in Ireland.
GL TRADE S.A.	10/1/2008	A leading provider of equity and derivative trading solutions and market connectivity for financial institutions.
Assets of a disaster recovery business based in Paris, France	10/7/2008	Disaster recovery business based in Paris, France.

Table of Contents

At December 31, 2008, the purchase price allocations for certain businesses acquired in 2008 are preliminary and subject to finalization of independent appraisals of acquired software and customer base assets and deferred income taxes.

During 2007, the Company completed nine acquisitions in its FS segment and one in each of its AS and PS segments, and, in 2006, the Company completed ten acquisitions in its FS segment.

At December 31, 2008, contingent purchase price obligations that depend upon the operating performance of five acquired businesses total $71 million, $20 million of which could be due in the next 12 months. The amount paid, if any, will be recorded as a charge to the income statement at the time the actual performance is known and the amounts become due. There were no amounts earned or paid in 2006 or 2007 and approximately $1 million was paid during 2008. There were no amounts payable as of December 31, 2008.

Pro forma financial information (unaudited)

The following unaudited pro forma results of operations (in millions) for 2007 and 2008 assume that businesses acquired in 2007 and 2008 occurred as of the beginning of 2007 and were reflected in the Company s results from that date. The pro forma results for 2008 include the businesses listed in the table above. For 2007, in addition to the businesses listed in the table above, the pro forma results include the 2007 acquisitions, the more significant of which are VeriCenter, Inc., DSPA Software Inc. and Aspiren Group Limited. This unaudited pro forma information should not be relied upon as necessarily being indicative of the historical results that would have been obtained if the acquisitions had actually occurred at the beginning of each period presented, nor of the results that may be obtained in the future. The pro forma adjustments include the effect of purchase accounting adjustments, interest expense and related tax effects.

	2007	2008
Revenue	$ 5,299	$ 5,822
Net loss	(95)	(254)

3. Clearing Broker Assets and Liabilities:

Clearing broker assets and liabilities are comprised of the following (in millions):

	December 31, 2007	December 31, 2008
Segregated customer cash and treasury bills	$ 109	**$ 148**
Securities owned	25	**44**
Securities borrowed	302	**87**
Receivables from customers and other	33	**30**
Clearing broker assets	$ 469	**$ 309**
Payables to customers	$ 114	**$ 191**
Securities loaned	271	**47**
Customer securities sold short, not yet purchased	16	**3**
Payable to brokers and dealers	33	**69**
Clearing broker liabilities	$ 434	**$ 310**

Table of Contents

Segregated customer cash and treasury bills are held by the Company on behalf of customers. Clearing broker securities consist of trading and investment securities at fair market values, which are based on quoted market rates. Securities borrowed and loaned are collateralized financing transactions which are cash deposits made to or received from other broker/dealers. Receivables from and payables to customers represent amounts due or payable on cash and margin transactions.

4. Property and Equipment:

Property and equipment consisted of the following (in millions):

	December 31, 2007	December 31, 2008
Computer and telecommunications equipment	$ 599	**$ 681**
Leasehold improvements	503	**565**
Office furniture and equipment	96	**99**
Buildings and improvements	118	**130**
Land	23	**22**
Construction in progress	46	**90**
	1,385	**1,587**
Accumulated depreciation and amortization	(533)	**(689)**
	$ 852	**$ 898**

5. Debt and Derivative Instruments:

Debt consisted of the following (in millions):

	December 31, 2007	December 31, 2008
Secured revolving credit facility (8.50% and 3.08%) (A)	$ 30	**$ 500**
Secured term loan facilities, effective interest rate of 6.95% and 5.37% (A)	4,344	**4,748**
Senior Notes due 2009 at 3.75%, net of discount of $6 and $-(B)	244	**250**
Senior Notes due 2014 at 4.875%, net of discount of $24 and $20 (B)	226	**230**
Senior Notes due 2013 at 9.125% (C)	1,600	**1,600**
Senior Subordinated Notes due 2015 at 10.25% (C)	1,000	**1,000**
Senior Notes due 2015 at 10.625%, net of discount of $6 (C)		**494**
Other, primarily acquisition purchase price and capital lease obligations	41	**53**
	7,485	**8,875**
Short-term borrowings and current portion of long-term debt	(55)	**(322)**
Long-term debt	$ 7,430	**$ 8,553**

On August 11, 2005, the Company (i) entered into a $5.0 billion senior secured credit facility, consisting of a $3.69 billion term loan facility with SunGard as the borrower, a $315 million-equivalent term loan facility with a U.K. subsidiary as the borrower (denominated in euros and pounds sterling), and a $1.0 billion revolving credit facility ($483 million available as of December 31, 2008 after giving effect to certain outstanding letters of credit), and (ii) issued $3.0 billion aggregate principal amount of senior notes and senior subordinated notes. The amounts outstanding under the term loan facility denominated in euros and pounds sterling was $181 million and $119 million,

61

Table of Contents

respectively, at December 31, 2008. In February 2007 the Credit Agreement was amended to reduce the effective interest rates on the term loan facility, increase the size of that facility from $4.0 billion to $4.4 billion, extend the maturity by one year and change certain other terms. The Company used the additional borrowings to redeem $400 million of senior floating rate notes that were due 2013. The related redemption premium of $19 million and write-off of approximately $9 million of deferred financing costs were included in other expense. In September 2008 the Credit Agreement was amended to increase the amount of term loan borrowings by the Company under the Credit Agreement by $500 million (Incremental Term Loan), and the Company issued at a $6 million discount $500 million aggregate principal amount of 10.625% Senior Notes due 2015, together with the Incremental Term Loan, to fund the acquisition of GL TRADE and repay $250 million of senior notes due in January 2009.

(A) Senior Secured Credit Facilities

Borrowings under the senior secured credit facilities bear interest at a rate equal to an applicable margin plus, at the Company s option, either (a) a base rate that is the higher of (1) the prime rate of JP Morgan Chase Bank, N.A. and (2) the federal funds rate plus 1/2 of 1% or (b) LIBOR based on the costs of funds for deposits in the currency of such borrowing for either 30, 60, 90 or 180 days. The applicable margin for borrowings under the revolving credit facility may change subject to attaining certain leverage ratios. In addition to paying interest on outstanding principal under the senior secured credit facilities, the Company pays a commitment fee to the lenders under the revolving credit facility in respect of the unutilized commitments. The commitment fee rate is 0.375% per annum and may change subject to attaining certain leverage ratios.

All obligations under the senior secured credit agreement are fully and unconditionally guaranteed by SunGard Holdco LLC and by substantially all domestic, 100% wholly owned subsidiaries, referred to, collectively, as U.S. Guarantors.

The Company is required to repay installments on the loans under the term loan facilities in quarterly principal amounts of 0.25% of their funded total principal amount through March 2013, with the remaining amount payable in May 2013, provided, however, that such date will automatically become February 2014 if all the Senior Notes due 2013 are extended, renewed or refinanced on or prior to May 15, 2013.

The senior secured credit facilities also require the Company to pay outstanding term loans, subject to certain exceptions, with excess cash flow and proceeds from certain asset sales, casualty and condemnation events, other borrowings and certain financings under the Company s accounts receivable securitization program (terminated in December 2008). Any required payments would be applied pro rata to the term loan lenders and to installments of the term loan facilities in direct order of maturity.

Principal amounts outstanding under the revolving credit facility are due and payable in full at maturity in August 2011.

The second amendment to the Credit Agreement in September 2008 changed certain terms applicable to the Incremental Term Loan. Borrowings can be at either a Base Rate or a Eurocurrency Rate. Base Rate borrowings reset daily and bear interest at a minimum of 4.0% plus a spread of 2.75%. Eurocurrency borrowings can be made for periods of 30, 60, 90 or 180 days and bear interest at a minimum of 3.0% plus a spread of 3.75%. The interest rate at December 31, 2008 was 6.75%.

The senior secured credit facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, the Company s (and most or all of its subsidiaries) ability to incur additional debt or issue preferred stock, pay dividends and distributions on or repurchase capital stock, create liens on assets, enter into sale and leaseback transactions, repay subordinated indebtedness, make investments, loans or advances, make capital expenditures, engage in certain transactions with affiliates, amend certain material agreements, change its lines of business, sell assets and engage in mergers or consolidations. In addition, under the senior secured credit facilities, the Company is required to satisfy certain total leverage and interest coverage ratios.

The Company uses interest rate swap agreements to manage the amount of its floating rate debt in order to reduce its exposure to variable rate interest payments associated with the senior secured credit facilities. The Company pays a stream of fixed interest payments for the term of the swap, and in turn, receives variable interest payments based on LIBOR (2.39% at December 31, 2008). The net receipt or payment from the interest rate swap agreements is included in interest expense. A summary of the Company s interest rate swaps follows:

Inception	Maturity	Notional Amount (in millions)	Interest rate paid	Interest rate received
November 2005	February 2009	$ 800	4.85%	LIBOR
February 2006	February 2011	$ 800	5.00%	LIBOR
January 2008	February 2011	$ 750	3.17%	LIBOR
February 2008	February 2010	$ 750	2.71%	LIBOR
Total/Weighted Average interest rate		$ 3,100	3.96%	

In early 2009, the Company entered into 3-year interest rate swaps that expire in February 2012 for an aggregate notional amount of $1.2 billion under which the Company pays a stream of fixed interest payments (at 1.78%) for the term of the swap, and in turn, receives variable interest payments based on LIBOR.

The interest rate swaps are designated and qualify as a cash flow hedge under SFAS 133, Accounting for Derivative Instruments and Hedging Activities, and included at estimated fair value as an asset or a liability in the consolidated balance sheet based on a discounted cash flow model using applicable market swap rates and assumptions. For 2006, 2007 and 2008, the Company included an unrealized after-tax gain of $3 million, an unrealized after-tax loss of $23 million and an unrealized after-tax loss of $39 million, respectively, in Other Comprehensive Income (Loss) related to the change in market value on the swaps. The market value of the swaps recorded in Other Comprehensive Income (Loss) may be recognized in the statement of operations if certain terms of the senior secured credit facilities change or if the loan is extinguished. The $98 million fair value of the swap agreements at December 31, 2008 is included in accrued expenses. The effects of the November 2005, the February 2006, the January 2008 and the February 2008 swaps are reflected in the effective interest rate for the senior secured credit facilities in the table above.

(B) Senior Notes due 2009 and 2014

On January 15, 2004, the Company issued $500 million of senior unsecured notes, of which $250 million 3.75% notes were due and paid in full in January 2009 and $250 million are 4.875% notes due 2014, which are subject to certain standard covenants. As a result of the Transaction, these senior notes became collateralized on an equal and ratable basis with loans under the senior secured credit facilities and are guaranteed by all subsidiaries that guarantee the senior notes due 2013 and 2015 and senior

Table of Contents

subordinated notes due 2015. The senior notes due 2009 and 2014 are recorded at $470 million and $480 million as of December 31, 2007 and 2008, respectively, reflecting the remaining unamortized discount caused by the Transaction. The $20 million discount at December 31, 2008 will be amortized and included in interest expense over the remaining periods to maturity.

(C) Senior Notes due 2013 and 2015 and Senior Subordinated Notes due 2015

The senior notes due 2013 and 2015 are senior unsecured obligations that rank senior in right of payment to future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the senior notes, including the senior subordinated notes. The senior notes (i) rank equally in right of payment to all existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the senior notes, (ii) are effectively subordinated in right of payment to all existing and future secured debt to the extent of the value of the assets securing such debt, and (iii) are structurally subordinated to all obligations of each subsidiary that is not a guarantor of the senior notes. All obligations under the senior notes are fully and unconditionally guaranteed, subject to certain exceptions, by substantially all domestic, 100% wholly owned subsidiaries of the Company.

The senior subordinated notes due 2015 are unsecured senior subordinated obligations that are subordinated in right of payment to the existing and future senior debt, including the senior secured credit facilities, the senior notes due 2009 and 2014 and the senior notes due 2013 and 2015. The senior subordinated notes (i) rank equally in right of payment to all future senior subordinated debt, (ii) are effectively subordinated in right of payment to all existing and future secured debt to the extent of the value of the assets securing such debt, (iii) are structurally subordinated to all obligations of each subsidiary that is not a guarantor of the senior subordinated notes, and (iv) rank senior in right of payment to all future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the senior subordinated notes.

The senior notes due 2013 and 2015 and senior subordinated notes due 2015 are redeemable in whole or in part, at the option of the Company, at any time at varying redemption prices that generally include premiums, which are defined in the applicable indentures. In addition, upon a change of control, the Company is required to make an offer to redeem all of the senior notes and senior subordinated notes at a redemption price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest.

The indentures governing the senior notes due 2013 and 2015 and senior subordinated notes due 2015 contain a number of covenants that restrict, subject to certain exceptions, the Company s ability and the ability of its restricted subsidiaries to incur additional debt or issue certain preferred shares, pay dividends on or make other distributions in respect of its capital stock or make other restricted payments, make certain investments, enter into certain types of transactions with affiliates, create liens securing certain debt without securing the senior notes due 2013 and 2015 or senior subordinated notes due 2015, as applicable, sell certain assets, consolidate, merge, sell or otherwise dispose of all or substantially all of its assets and designate its subsidiaries as unrestricted subsidiaries.

The senior notes due 2015 contain registration rights by which the Company has agreed to use its reasonable efforts to register with the U.S. Securities & Exchange Commission notes having substantially identical terms. The Company will use its reasonable best efforts to cause the exchange offer to be completed or, if required, to have one or more shelf registration statements declared effective, within 360 days after the issue date of the senior notes due 2015.

Table of Contents

If the Company fails to meet this target (a registration default) with respect to the senior notes due 2015, the annual interest rate on the senior notes due 2015 will increase by 0.25% for each subsequent 90-day period during which the registration default continues, up to a maximum additional interest rate of 1.0% per year over the applicable interest rate. If the registration default is corrected or, if it is not corrected, upon the two year anniversary of the issue date of the senior notes due 2015, the applicable interest rate on such senior notes due 2015 will revert to the original level.

(D) Off Balance Sheet Debt Accounts Receivable Securitization Program

In December 2008, the Company terminated its accounts receivable securitization program. Under the accounts receivable facility, eligible receivables were sold to third-party conduits through a wholly owned, bankruptcy remote, special purpose entity that is not consolidated for financial reporting purposes. The Company serviced the receivables and charged a monthly servicing fee at market rates. The third-party conduits were sponsored by certain lenders under the Company s senior secured credit facilities. Sales of receivables under the facility qualified as sales under the provisions of SFAS No. 140 Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities (SFAS 140). Accordingly, these receivables, totaling $682 million and $363 million as of December 31, 2007 and 2008, respectively, net of applicable allowances, and the corresponding borrowings, totaling $441 million and $77 million at December 31, 2007 and 2008, respectively, are excluded from the Company s consolidated balance sheets. The Company s retained interest in receivables sold as of December 31, 2007 and 2008 is $243 million and $285 million, respectively. The loss on sale of receivables and discount on retained interests are included in other expense and totaled $29 million for each of 2006 and 2007 and $25 million for 2008. The gain or loss on sale of receivables was determined at the date of transfer based upon the fair value of the assets sold and the interests retained. The Company estimated fair value based on the present value of expected cash flows.

Future Maturities

At December 31, 2008, annual maturities of long-term debt during the next five years and thereafter are as follows (in millions):

2009	$ 322
2010	67
2011	558
2012	49
2013	5,681
Thereafter [(1)]	2,224

(1) Thereafter includes debt discounts of $26 million.

Fair Value of Financial Instruments

The following table presents the carrying amounts and fair values of financial instruments as of the end of the last two years (in millions):

	December 31, 2007		December 31, 2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Interest rate swap contracts	$ (35)	$ (35)	**$ (98)**	**$ (98)**
Floating rate debt	4,374	4,228	**5,248**	**4,437**
Fixed rate debt	3,111	3,142	**3,627**	**2,903**

Table of Contents

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, to the extent the underlying liability will be settled in cash, approximate carrying values because of the short-term nature of these instruments. The derivative financial instruments are carried at fair value. The fair value of the Company s floating rate and fixed rate long-term debt is based on market rates.

6. Fair Value Measurements:

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements (SFAS 157). SFAS 157 clarifies the definition of fair value, prescribes methods for measuring fair value, establishes a fair value hierarchy based on inputs used to measure fair value, and expands disclosure about the use of fair value measures. The Company adopted SFAS 157 for financial assets and liabilities on January 1, 2008 with no impact on its financial position or operating results. FASB Staff Position SFAS 157-2, Effective Date of FASB Statement 157, permits the Company to defer recognition and measurement of nonfinancial assets and liabilities measured on a nonrecurring basis until January 1, 2009.

The fair value hierarchy, as defined by SFAS 157, is as follows:

Level 1 quoted prices in active markets for identical assets or liabilities

Level 2 quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 inputs that are unobservable (for example, cash flow modeling inputs based on assumptions)

The following table summarizes assets and liabilities measured at fair value on a recurring basis at December 31, 2008 (in millions):

	Fair Value Measures Using			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Clearing broker assets securities owned	$ 44	$	$	$ 44
Retained interest in accounts receivable sold			285	285
	$ 44	$	$ 285	$ 329
Liabilities				
Clearing broker liabilities customer securities sold short, not yet purchased	$ 3	$	$	$ 3
Interest rate swap agreements		98		98
	$ 3	$ 98	$	$ 101

Clearing broker assets and liabilities securities owned and customer securities sold short, not yet purchased are recorded at closing exchange-quoted prices. Retained interest in accounts receivable sold is calculated using a discounted cash flow model using an applicable market interest rate and assumptions based upon collection period. Fair values of the interest rate swap agreements and currency option are calculated using a discounted cash flow model using applicable market swap rates and assumptions and are compared to market valuations obtained from brokers. During 2008, the fair value of retained interest in accounts receivable sold increased $42 million from $243 million at December 31, 2007 resulting from purchases, issuances and settlements.

Table of Contents

7. Stock Option and Award Plans and Stock-Based Compensation:

To provide long-term equity incentives following the Transaction, the SunGard 2005 Management Incentive Plan (Plan) was established. The Plan authorizes the issuance of equity subject to awards made under the Plan for up to 60 million shares of Class A common stock and 7 million shares of Class L common stock of SunGard Capital Corp. and 2.5 million shares of preferred stock of SunGard Capital Corp. II.

Under the Plan, awards of time-based and performance-based options have been granted to purchase Units in the Parent Companies. Each Unit consists of 1.3 shares of Class A common stock and 0.1444 shares of Class L common stock of SunGard Capital Corp. and 0.05 shares of preferred stock of SunGard Capital Corp. II. The shares comprising a Unit are in the same proportion as the shares issued to all stockholders of the Parent Companies. Option Units are exercisable only for whole Units and cannot be separately exercised for the individual classes of stock. Beginning in 2007, hybrid equity awards generally were granted under the Plan, which awards are composed of restricted stock units (RSUs) for Units in the Parent Companies and options to purchase Class A common stock in SunGard Capital Corp. All awards under the Plan are granted at fair market value on the date of grant.

Time-based options vest over five years as follows: 25% one year after date of grant, and 1/48th of the remaining balance each month thereafter for 48 months. Time-based RSUs vest over five years as follows: 10% one year after date of grant, and 1/48th of the remaining balance each month thereafter for 48 months. Performance-based options and RSUs vest upon the attainment of certain annual or cumulative earnings goals based on Internal EBITA (defined as income from operations before amortization of acquisition-related intangible assets, stock compensation expense and certain other items) targets for the Company during a specified performance period, generally five or six years. Time-based and performance-based options can partly or fully vest upon a change of control and certain other termination events, subject to certain conditions, and expire ten years from the date of grant. Once vested, time-based and performance-based RSUs become payable in shares upon the first to occur of a change of control, separation from service without cause, or the date that is five years after the date of grant.

The total fair value of options that vested for 2006, 2007 and 2008 was $50 million, $31 million and $32 million, respectively. The total fair value of RSUs that vested for the years 2007 and 2008 was $0.7 million and $3 million, respectively. At December 31, 2007 and 2008, approximately 32,000 and 163,000 RSU Units were vested.

The fair value of option Units granted in each year using the Black-Scholes pricing model and related assumptions follow:

	Year ended December 31,		
	2006	2007	2008
Weighted-average fair value on date of grant	$ 9.99	$ 11.47	$ 7.67
Assumptions used to calculate fair value:			
Volatility	62%	60%	37%
Risk-free interest rate	4.8%	4.6%	1.5%
Expected term	4.8 years	5.0 years	5.0 years
Dividends	zero	zero	zero

Table of Contents

The fair value of options on Class A shares granted in 2007 and 2008 using the Black-Scholes pricing model and related assumptions follow:

	Year ended December 31, 2007	2008
Weighted-average fair value on date of grant	$ 1.49	$ 1.73
Assumptions used to calculate fair value:		
Volatility	79%	84%
Risk-free interest rate	4.1%	2.8%
Expected term	5.0 years	5.0 years
Dividends	zero	zero

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. Since the Company is not publicly traded, the Company utilizes equity valuations based on (a) stock market valuations of public companies in comparable businesses, (b) recent transactions involving comparable companies and (c) any other factors deemed relevant. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Expected volatilities are based on implied volatilities from market comparisons of certain publicly traded companies and other factors. The expected term of stock options granted is derived from historical experience and expectations and represents the period of time that stock options granted are expected to be outstanding. The requisite service period is generally five years from the date of grant.

Table of Contents

For 2006, 2007 and 2008, the Company included non-cash stock compensation expense of $38 million, $32 million and $35 million, respectively, in sales, marketing and administration expenses. At December 31, 2008, there is approximately $42 million and $38 million, respectively, of unearned non-cash stock-based compensation related to time-based options and RSUs that the Company expects to record as expense over a weighted average of 2.4 and 4.4 years, respectively. In addition, at December 31, 2008, there is approximately $110 million and $40 million, respectively, of unearned non-cash stock-based compensation related to performance-based options and RSUs that the Company could record as expense over a weighted-average of 2.2 and 3.7 years, respectively, depending on the level of achievement of financial performance goals. For time-based options and RSUs, compensation expense is recorded on a straight-line basis over the requisite service period of five years. For performance-based options and RSUs, recognition of compensation expense starts when the achievement of financial performance goals becomes probable and is recorded over the remaining service period. The following table summarizes option/RSU activity:

	Units					
	Options (in millions)	Weighted-Average Price	RSUs (in millions)	Weighted-Average Price	Class A Options (in millions)	Weighted-Average Price
Outstanding at December 31, 2005	36.5	$ 15.40				
Granted	2.6	18.00				
Exercised	(0.3)	4.58				
Canceled	(1.4)	18.00				
Outstanding at December 31, 2006	37.4	15.57				
Granted	1.7	20.72	1.1	$ 21.14	2.7	$ 2.26
Exercised	(1.4)	6.25				
Canceled	(2.5)	18.08				
Outstanding at December 31, 2007	35.2	16.03	1.1	21.14	2.7	2.26
Granted	**0.4**	**22.17**	**2.8**	**23.75**	**7.1**	**2.56**
Exercised	**(1.4)**	**9.11**				
Canceled	**(2.4)**	**18.16**	**(0.2)**	**22.24**	**(0.4)**	**2.58**
Outstanding at December 31, 2008	**31.8**	**16.25**	**3.7**	**23.07**	**9.4**	**2.47**

Shares available for grant under the 2005 plan at December 31, 2008 were approximately 0.8 million shares of Class A common stock and 1.5 million shares of Class L common stock of SunGard Capital Corp. and 0.6 million shares of preferred stock of SunGard Capital Corp II.

The total intrinsic value of options exercised during the years 2006, 2007 and 2008 was $4 million, $20 million and $20 million, respectively.

Cash proceeds received on behalf of the Parent Companies related to exercises of stock options are generally used to fund repurchases of stock of the Parent Companies from terminated employees.

Table of Contents

The following table summarizes information as of December 31, 2008 concerning options for Units and Class A shares that have vested and that are expected to vest in the future:

	Vested and Expected to Vest			Exercisable		
Exercise Price	**Number of Options Outstanding (in millions)**	**Weighted-average Remaining Life (years)**	**Aggregate Intrinsic Value (in millions)**	**Number of Options (in millions)**	**Weighted-average Remaining Life (years)**	**Aggregate Intrinsic Value (in millions)**
Units						
$ 4.50	4.56	4.6	$ 80	4.56	4.6	$ 80
18.00	14.23	6.7	57	10.41	6.7	42
20.72	0.87	8.2	1	0.40	8.2	1
22.00	0.17	10.0		0.01	10.0	
24.51	0.01	9.4			9.4	
Class A Shares						
1.41	0.87	9.9		0.06	9.9	
2.22	0.90	8.7		0.36	8.7	
2.38	0.28	9.0		0.10	9.0	
3.06	2.87	9.4		0.09	9.4	

8. Savings Plans:

The Company and its subsidiaries maintain savings and other defined contribution plans that cover substantially all employees. Certain of these plans generally provide that employee contributions are matched with cash contributions by the Company subject to certain limitations including a limitation on the Company s contributions to 4% of the employee s compensation. Total expense under these plans aggregated $49 million in 2006, $53 million in 2007 and $58 million in 2008.

9. Income Taxes:

The provision (benefit) for income taxes for 2006, 2007 and 2008 consisted of the following (in millions):

	Year ended December 31,		
	2006	**2007**	**2008**
Current:			
Federal	$	$ 46	**$ 90**
State	13	15	**18**
Foreign	52	56	**38**
	65	117	**146**
Deferred:			
Federal	(79)	(99)	**(84)**
State	2	(4)	**3**
Foreign	(9)	(17)	**(27)**
	(86)	(120)	**(108)**
	$ (21)	$ (3)	**$ 38**

Table of Contents

Income (loss) before income taxes for 2006, 2007 and 2008 consisted of the following (in millions):

	Year ended December 31,		
	2006	2007	2008
U.S. operations	$ (263)	$ (195)	**$ (79)**
Foreign operations	124	132	**(125)**
	$ (139)	$ (63)	**$ (204)**

Differences between income tax expense (benefit) at the U.S. federal statutory income tax rate and the Company s effective income tax rate for 2006, 2007 and 2008 were as follows (in millions):

	Year ended December 31,		
	2006	2007	2008
Tax at federal statutory rate	$ (48)	$ (22)	**$ (71)**
State income taxes, net of federal benefit	8	6	**15**
Foreign taxes, net of US foreign tax credit	16	12	**28**
Tax rate changes		(4)	
Nondeductible goodwill impairment charge			**45**
Nondeductible expenses			**4**
Change in tax positions			**17**
Other, net	3	5	
	$ (21)	$ (3)	**$ 38**
Effective income tax rate	15%	5%	**(19)%**

Deferred income taxes are recorded based upon differences between financial statement and tax bases of assets and liabilities. Deferred tax assets and liabilities at December 31, 2007 and 2008 are summarized as follows (in millions):

	December 31, 2007	December 31, 2008
Current:		
Trade receivables and retained interest	$ 14	**$ 13**
Accrued Expenses, net	18	**18**
Total current deferred income tax asset	32	**31**
Valuation allowance		**(9)**
Net current deferred income tax asset	$ 32	**$ 22**
Long-term:		
Property and equipment	$ 63	**$ 51**
Intangible assets	(1,800)	**(1,766)**
Net operating loss carry-forwards	132	**103**
Other, net	34	**71**
Total long-term deferred income tax liability	(1,571)	**(1,541)**
Valuation allowance	(75)	**(51)**

Net long-term deferred income tax liability	$	(1,646)	**$**	**(1,592)**

Table of Contents

The U.S. tax loss carry-forwards include federal of $99 million and state of $1.4 billion, respectively, and a total of $8 million in Canada, Mexico and Brazil. European and Asian tax loss carry-forwards total $152 million. These tax loss carry-forwards expire between 2009 and 2028 and utilization is limited in certain jurisdictions. Israeli tax loss carry-forwards, totaling $24 million, are unlimited in duration and are linked to the Israeli consumer price index. The Company recorded the benefit of tax loss carry-forwards of $58 million, $2 million and $2 million in 2006, 2007 and 2008, respectively. A valuation allowance for deferred income tax assets associated with certain net operating loss carry-forwards has been established. Net operating loss carry-forwards of the predecessor entity prior to the Transaction as of December 31, 2008 were $198 million. Utilization, if any, of predecessor entity net operating loss carry-forwards not recorded as an asset at August 10, 2005 will be recorded as a benefit to the income statement.

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48) on January 1, 2007 with no material effect. A reconciliation of the beginning and ending amount of unrecognized tax benefits follows (in millions):

Balance at January 1, 2007	$ 28
Reduction due to settled audits	(7)
Reduction for tax positions of prior years	(2)
Additions for incremental interest	1
Balance at December 31, 2007	20
Additions for tax positions of prior years	17
Additions for incremental interest	1
Balance at December 31, 2008	$ 38

Included in the balance of unrecognized tax benefits at December 31, 2008 is approximately $3 million (net of federal and state benefit) of accrued interest and penalties. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense.

The Company is currently under audit by the Internal Revenue Service for the calendar years 2003 through 2007 and various state and foreign jurisdiction tax years remain open to examination as well. At any time some portion of the Company s operations are under audit. Accordingly, certain matters may be resolved within the next 12 months which could result in a change in the liability.

As of December 31, 2008, the Company has not accrued deferred U.S. income taxes on $300 million of unremitted earnings from non-U.S. subsidiaries as such earnings are expected to be reinvested overseas and used for U.K. debt service. If all of these earnings were to be repatriated at one time, the residual U.S. tax is estimated to be $28 million.

10. Segment Information:

The Company has four segments: FS, HE and PS, which together form the Company s Software & Processing Solutions business, and AS. FS primarily serves financial services companies through a broad range of complementary software solutions that process their investment and trading transactions. The principal purpose of most of these systems is to automate the many detailed processes associated with trading securities, managing investment portfolios and accounting for investment assets.

HE primarily provides software, strategic and systems integration consulting, and technology management services to colleges and universities.

Table of Contents

PS primarily provides software and processing solutions designed to meet the specialized needs of local, state, federal and central governments, public safety and justice agencies, public schools, utilities, non-profits and other public sector institutions.

AS helps its customers maintain access to the information and computer systems they need to run their businesses by providing them with cost-effective resources to keep their IT systems reliable and secure. AS offers a complete range of availability services, including recovery services, managed services, consulting services and business continuity management software.

The Company evaluates the performance of its segments based on operating results before interest, income taxes, amortization of acquisition-related intangible assets, goodwill impairment, stock compensation and certain other costs. The operating results for each segment follow (in millions):

2006	**FS**	**HE**	**PS**	**AS**	**Total Operating Segments**	**Corporate and Other Items**	**Consolidated Total**
Revenue	$ 2,072	$ 498	$ 395	$ 1,358	$ 4,323	$	$ 4,323
Depreciation and amortization	57	7	8	166	238		238
Income from operations	414	118	79	412	1,023	(491)[1]	532
Cash paid for property and equipment and software	89	13	8	202	312		312
2007	**FS**	**HE**	**PS**	**AS**	**Total Operating Segments**	**Corporate and Other Items**	**Consolidated Total**
Revenue	$ 2,500	$ 543	$ 410	$ 1,448	$ 4,901	$	$ 4,901
Depreciation and amortization	59	8	9	175	251		251
Income from operations	525	143	84	428	1,180	(549)[1]	631
Total assets	8,109	1,986	1,734	6,483	18,312	(3,472)[2]	14,840
Cash paid for property and equipment and software	87	21	10	189	307		307
2008	**FS**	**HE**	**PS**	**AS**	**Total Operating Segments**	**Corporate and Other Items**	**Consolidated Total**
Revenue	**$ 3,078**	**$ 540**	**$ 411**	**$ 1,567**	**$ 5,596**	**$**	**$ 5,596**
Depreciation and amortization	**70**	**10**	**9**	**189**	**278**		**278**
Income from operations	**608**	**130**	**79**	**443**	**1,260**	**(790)[1]**	**470**
Total assets	**9,004**	**2,062**	**1,373**	**6,646**	**19,085**	**(3,307)[2]**	**15,778**
Cash paid for property and equipment and software	**91**	**24**	**8**	**269**	**392**		**392**

(1) Includes corporate administrative expenses, goodwill impairment, stock compensation expense, management fees paid to the Sponsors, merger costs and certain other items, and amortization of acquisition-related intangible assets of $399 million, $438 million and $515 million in the years ended December 31, 2006, 2007 and 2008, respectively.

(2) Includes items that are eliminated in consolidation and deferred income taxes.

Table of Contents

Amortization of acquisition-related intangible assets by segment follows (in millions):

	FS	HE	PS	AS	Total Operating Segments	Corporate	Consolidated Total
2006	$ 207	$ 32	$ 41	$ 117	$ 397	$ 2	$ 399
2007	238(1)	35	40	122	435	3	438
2008	**286**(2)	**34**	**62**(2)	**129**	**511**	**4**	**515**

(1) Includes approximately $10 million of impairment charges related to software, customer base and goodwill.

(2) Includes the combined effect of approximately $67 million of impairment charges related to software and customer base affecting both FS and PS.

The FS segment is organized to align with customer-facing business areas. FS revenue by business area follows (in millions):

	Year Ended December 31, 2006	Year Ended December 31, 2007	Year Ended December 31, 2008
Trading Systems	$ 323	$ 459	**$ 806**
Banks & Corporations	249	347	**367**
Capital Markets	263	321	**333**
Wealth Management	223	258	**268**
Institutional Asset Management	208	216	**235**
Brokerage & Clearance	224	218	**232**
Workflow & Business Processing	168	176	**168**
All other	414	505	**669**
Total Financial Systems	$ 2,072	$ 2,500	**$ 3,078**

The Company s revenue by customer location follows (in millions):

	Year ended December 31, 2006	2007	2008
United States	$ 3,091	$ 3,426	**$ 3,952**
International:			
United Kingdom	569	635	**639**
Continental Europe	376	511	**609**
Canada	122	133	**169**
Asia/Pacific	79	83	**104**
Other	86	113	**123**
	1,232	1,475	**1,644**
	$ 4,323	$ 4,901	**$ 5,596**

74

Table of Contents

The Company s property and equipment by geographic location follows (in millions):

	December 31, 2007	December 31, 2008
United States	$ 570	**$ 628**
International:		
United Kingdom	185	**166**
Continental Europe	52	**58**
Canada	30	**35**
Asia/Pacific	10	**10**
Other	5	**1**
	282	**270**
	$ 852	**$ 898**

11. Related Party Transactions:

In connection with the Transaction, SunGard Holdco LLC, the Company s parent, paid the Sponsors $96 million in fees and expenses for financial and structural advice and analysis as well as assistance with due diligence investigations and debt financing negotiations. This amount has been allocated as debt issuance costs or included in the overall purchase price of the Transaction.

The Company is required to pay management fees to affiliates of the Sponsors in connection with management consulting services provided to the Company and the Parent Companies. These services include financial, managerial and operational advice and implementation strategies for improving the operating, marketing and financial performance of the Company and its subsidiaries. The management fees are equal to 1% of quarterly Adjusted EBITDA, defined as earnings before interest, taxes, depreciation and amortization, further adjusted to exclude unusual items and other adjustments as defined in the management agreement, and are payable quarterly in arrears. In addition, these affiliates of the Sponsors may be entitled to additional fees in connection with certain financing, acquisition, disposition and change in control transactions. For the years ended December 31, 2006, 2007 and 2008, the Company recorded $14 million, $17 million and $23 million, respectively, relating to management fees in sales, marketing and administration expenses in the statement of operations, of which $4 million and $10 million, respectively, is included in other accrued expenses on the balance sheet at December 31, 2007 and 2008, respectively.

Two of our Sponsors, Goldman Sachs & Co. and Kohlberg Kravis Roberts & Co., and/or their respective affiliates served as co-managers in connection with our recent debt offering of $500 million Senior Notes due 2015 and $500 million Incremental Term Loan. In connection with serving in such capacity, Goldman Sachs & Co. and Kohlberg Kravis Roberts & Co. were paid $26 million and $4 million, respectively, for customary fees and expenses.

In connection with the Transaction, SunGard Capital Corp. received a $16 million promissory note from the Company s Chief Executive Officer (CEO) in payment for 1.6 million shares of Class A common stock and 0.2 million shares of Class L common stock and SunGard Capital Corp. II received a $6 million promissory note (together with the SunGard Capital Corp. note, the Notes) from the CEO in payment for 61 thousand shares of preferred stock. In 2007, these notes were fully repaid and cancelled. The Notes bore interest at a floating rate equal to LIBOR plus 2.5% divided by 0.84725 per annum and were payable on the last day of each calendar quarter in arrears. SunGard

Data Systems Inc. was not a party to these arrangements, which were entered into prior to the consummation of the Transaction, therefore no amounts relating to the Notes were ever recorded in the Company s financial statements.

12. Commitments, Contingencies and Guarantees:

The Company leases a substantial portion of its computer equipment and facilities under operating leases. The Company s leases are generally non-cancelable or cancelable only upon payment of cancellation fees. All lease payments are based on the passage of time, but include, in some cases, payments for insurance, maintenance and property taxes. There are no bargain purchase options on operating leases at favorable terms, but most facility leases have one or more renewal options and have either fixed or Consumer Price Index escalation clauses. Certain facility leases include an annual escalation for increases in utilities and property taxes. In addition, certain facility leases are subject to restoration clauses, whereby the facility may need to be restored to its original condition upon termination of the lease. There were $22 million of restoration liabilities included in accrued expenses at December 31, 2008. Future minimum rentals under operating leases with initial or remaining non-cancelable lease terms in excess of one year at December 31, 2008 follow (in millions):

2009	$ 198
2010	163
2011	128
2012	107
2013	93
Thereafter	253
	$ 942

Rent expense aggregated $184 million in 2006, $208 million in 2007 and $226 million in 2008.

At December 31, 2008, the Company had outstanding letters of credit and bid bonds of $25 million, issued primarily as security for performance under certain customer contracts. In connection with certain previously acquired businesses, up to $71 million could be paid as additional consideration depending on the future operating results of those businesses (see Note 2).

In the event that the management agreement described in Note 11 is terminated by the Sponsors (or their affiliates) or the Company and its Parent Companies, the Sponsors (or their affiliates) will receive a lump sum payment equal to the present value of the annual management fees that would have been payable for the remainder of the term of the management agreement. The initial term of the management agreement is ten years, and it extends annually for one year unless the Sponsors (or their affiliates) or the Company and its Parent Companies provide notice to the other.

The Company is presently a party to certain lawsuits arising in the ordinary course of its business. In the opinion of management, none of its current legal proceedings will be material to the Company s business or financial results. The Company s customer contracts generally include typical indemnification of customers, primarily for intellectual property infringement claims. Liabilities in connection with such obligations have not been material.

Table of Contents

13. Quarterly Financial Data (unaudited):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2007				
Revenue	$ 1,116	$ 1,175	$ 1,222	$ 1,388
Gross profit[1]	591	632	641	769
Income (loss) before income taxes	(83)	(24)	(4)	48
Net income (loss)	(96)	(5)	11	30
2008				
Revenue	**$ 1,302**	**$ 1,357**	**$ 1,394**	**$ 1,543**
Gross profit[1]	**659**	**704**	**666**	**823**
Income (loss) before income taxes	**(40)**	**2**	**(26)**	**(140)**[2]
Net income (loss)	**(22)**	**2**	**(35)**	**(187)**[2]

(1) Gross profit equals revenue less cost of sales and direct operating expenses.

(2) Includes pre-tax goodwill impairment charge of $128 million and an $8 million charge to correct previously reported loss on sale of receivables in connection with the Company s accounts receivable securitization program, which was terminated in December 2008.

14. Supplemental Guarantor Condensed Consolidating Financial Statements:

On August 11, 2005, in connection with the Transaction, the Company issued $3.0 billion aggregate principal amount of senior notes and senior subordinated notes, $2.6 billion of which was outstanding at December 31, 2008, as described in Note 5. On September 29, 2008, the Company issued $500 million aggregate principal amount of senior notes due 2015, all of which was outstanding at December 31, 2008. The senior notes are jointly and severally, fully and unconditionally guaranteed on a senior unsecured basis and the senior subordinated notes are jointly and severally, fully and unconditionally guaranteed on an unsecured senior subordinated basis, in each case, subject to certain exceptions, by substantially all wholly owned, domestic subsidiaries of the Company (collectively, the Guarantors). Each of the Guarantors is 100% owned, directly or indirectly, by the Company. None of the other subsidiaries of the Company, either direct or indirect, guarantee the senior notes and senior subordinated notes (Non-Guarantors). The Guarantors also unconditionally guarantee the senior secured credit facilities, described in Note 5.

Table of Contents

The following tables present the financial position, results of operations and cash flows of the Company (Parent), the Guarantor subsidiaries, the Non-Guarantor subsidiaries and Eliminations as of December 31, 2007 and 2008, and for the years ended December 31, 2006, 2007 and 2008 to arrive at the information for SunGard Data Systems Inc. on a consolidated basis.

Supplemental Condensed Consolidating Balance Sheet

	December 31, 2007				
(in millions)	**Parent Company**	**Guarantor Subsidiaries**	**Non-Guarantor Subsidiaries**	**Eliminations**	**Consolidated**
Assets					
Current:					
Cash and cash equivalents	$ 39	$ 2	$ 386	$	$ 427
Intercompany balances	(4,616)	4,628	(12)		
Trade receivables, net	(1)	74	280		353
Prepaid expenses, taxes and other current assets	1,416	98	784	(1,388)	910
Total current assets	(3,162)	4,802	1,438	(1,388)	1,690
Property and equipment, net	1	562	289		852
Intangible assets, net	153	4,420	639		5,212
Intercompany balances	684	(720)	36		
Goodwill		6,120	966		7,086
Investment in subsidiaries	13,205	2,120		(15,325)	
Total Assets	$ 10,881	$ 17,304	$ 3,368	$ (16,713)	$ 14,840
Liabilities and Stockholder s Equity					
Current:					
Short-term and current portion of long-term debt	$ 40	$ 6	$ 9	$	$ 55
Accounts payable and other current liabilities	264	2,222	1,055	(1,388)	2,153
Total current liabilities	304	2,228	1,064	(1,388)	2,208
Long-term debt	7,049	10	371		7,430
Intercompany debt	(5)	330	(166)	(159)	
Deferred income taxes	(23)	1,531	138		1,646
Total liabilities	7,325	4,099	1,407	(1,547)	11,284
Total stockholder s equity	3,556	13,205	1,961	(15,166)	3,556
Total Liabilities and Stockholder s Equity	$ 10,881	$ 17,304	$ 3,368	$ (16,713)	$ 14,840

Table of Contents

Supplemental Condensed Consolidating Balance Sheet

	December 31, 2008				
(in millions)	**Parent Company**	**Guarantor Subsidiaries**	**Non-Guarantor Subsidiaries**	**Eliminations**	**Consolidated**
Assets					
Current:					
Cash and cash equivalents	$ 511	$ 16	$ 448	$	$ 975
Intercompany balances	(5,192)	5,268	(76)		
Trade receivables, net	(1)	406	377		782
Prepaid expenses, taxes and other current assets	1,680	75	660	(1,677)	738
Total current assets	(3,002)	5,765	1,409	(1,677)	2,495
Property and equipment, net	1	619	278		898
Intangible assets, net	178	4,106	773		5,057
Intercompany balances	967	(720)	(247)		
Goodwill		6,146	1,182		7,328
Investment in subsidiaries	13,686	2,298		(15,984)	
Total Assets	$ 11,830	$ 18,214	$ 3,395	$ (17,661)	$ 15,778
Liabilities and Stockholder s Equity					
Current:					
Short-term and current portion of long-term debt	$ 295	$ 9	$ 18	$	$ 322
Accounts payable and other current liabilities	319	2,611	995	(1,677)	2,248
Total current liabilities	614	2,620	1,013	(1,677)	2,570
Long-term debt	8,227	9	317		8,553
Intercompany debt	(8)	416	(162)	(246)	
Deferred income taxes	(66)	1,483	175		1,592
Total liabilities	8,767	4,528	1,343	(1,923)	12,715
Total stockholder s equity	3,063	13,686	2,052	(15,738)	3,063
Total Liabilities and Stockholder s Equity	$ 11,830	$ 18,214	$ 3,395	$ (17,661)	$ 15,778

Table of Contents

Supplemental Condensed Consolidating Schedule of Operations

(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	Year ended December 31, 2006				
Total revenue	$	$ 3,145	$ 1,332	$ (154)	$ 4,323
Costs and expenses:					
Cost of sales and direct operating		1,469	665	(154)	1,980
Sales, marketing and administration	118	492	305		915
Product development		171	84		255
Depreciation and amortization		171	67		238
Amortization of acquisition-related intangible assets	2	329	68		399
Merger costs	4				4
	124	2,632	1,189	(154)	3,791
Income (loss) from operations	(124)	513	143		532
Net interest income (expense)	(632)	(11)	1		(642)
Other income (expense)	374	76	(26)	(453)	(29)
Income (loss) before income taxes	(382)	578	118	(453)	(139)
Provision (benefit) for income taxes	(264)	204	39		(21)
Net income (loss)	$ (118)	$ 374	$ 79	$ (453)	$ (118)

Supplemental Condensed Consolidating Schedule of Operations

(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	Year ended December 31, 2007				
Total revenue	$	$ 3,436	$ 1,610	$ (145)	$ 4,901
Costs and expenses:					
Cost of sales and direct operating		1,546	867	(145)	2,268
Sales, marketing and administration	124	546	372		1,042
Product development		173	98		271
Depreciation and amortization		184	67		251
Amortization of acquisition-related intangible assets	4	363	71		438
	128	2,812	1,475	(145)	4,270
Income (loss) from operations	(128)	624	135		631
Net interest income (expense)	(606)	(70)	50		(626)
Other income (expense)	403	59	(43)	(487)	(68)
Income (loss) before income taxes	(331)	613	142	(487)	(63)
Provision (benefit) for income taxes	(271)	181	87		(3)
Net income (loss)	$ (60)	$ 432	$ 55	$ (487)	$ (60)

80

Table of Contents

Supplemental Condensed Consolidating Schedule of Operations

	Year ended December 31, 2008				
(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Total revenue	$	$ 3,540	$ 2,149	$ (93)	$ 5,596
Costs and expenses:					
Cost of sales and direct operating		1,558	1,279	(93)	2,744
Sales, marketing and administration	111	583	457		1,151
Product development		183	125		308
Depreciation and amortization		205	73		278
Amortization of acquisition-related intangible assets	4	373	138		515
Goodwill impairment charge and merger costs	1	1	128		130
	116	2,903	2,200	(93)	5,126
Income (loss) from operations	(116)	637	(51)		470
Net interest income (expense)	(533)	(18)	(30)		(581)
Other income (expense)	173	(209)	(72)	15	(93)
Income (loss) before income taxes	(476)	410	(153)	15	(204)
Provision (benefit) for income taxes	(234)	212	60		38
Net income (loss)	$ (242)	$ 198	$ (213)	$ 15	$ (242)

Table of Contents

Supplemental Condensed Consolidating Schedule of Cash Flows

	Year ended December 31, 2006				
(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash Flow From Operations					
Net income (loss)	$ (118)	$ 374	$ 79	$ (453)	$ (118)
Non cash adjustments	(293)	351	116	453	627
Changes in operating assets and liabilities	(284)	310	(44)		(18)
Cash flow provided by (used in) operations	(695)	1,035	151		491
Investment Activities					
Intercompany transactions	722	(654)	(68)		
Cash paid for acquired businesses, net of cash acquired		(163)			(163)
Cash paid for property and equipment and software	(1)	(244)	(67)		(312)
Other investing activities	(7)	18	(5)		6
Cash provided by (used in) investment activities	714	(1,043)	(140)		(469)
Financing Activities					
Net repayments of long-term debt	(37)	(3)	(8)		(48)
Cash used in financing activities	(37)	(3)	(8)		(48)
Effect of exchange rate changes on cash			25		25
Increase (decrease) in cash and equivalents	(18)	(11)	28		(1)
Beginning cash and equivalents	74	(8)	251		317
Ending cash and equivalents	$ 56	$ (19)	$ 279	$	$ 316

Table of Contents

Supplemental Condensed Consolidating Schedule of Cash Flows

	Year ended December 31, 2007				
(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash Flow From Operations					
Net income (loss)	$ (60)	$ 432	$ 55	$ (487)	$ (60)
Non cash adjustments	(368)	403	139	487	661
Changes in operating assets and liabilities	(793)	854	39		100
Cash flow provided by (used in) operations	(1,221)	1,689	233		701
Investment Activities					
Intercompany transactions	1,219	(1,222)	3		
Cash paid for acquired businesses, net of cash acquired		(237)	(28)		(265)
Cash paid for property and equipment and software		(211)	(96)		(307)
Other investing activities	2	6			8
Cash provided by (used in) investment activities	1,221	(1,664)	(121)		(564)
Financing Activities					
Net repayments of long-term debt	(17)	(4)	(11)		(32)
Cash used in financing activities	(17)	(4)			