



**SunGard Conference Call Commentary**  
**March 16, 2010**

**Conference Call Operator:**

Welcome to SunGard's Fourth Quarter 2009 Earnings Call. Please note that this call is being recorded and that all statements made by SunGard officers on this call are the property of SunGard and are subject to copyright protection.

If you wish to ask a question, please press star then the number one on your telephone keypad. If you find that your question has already been asked, please press the pound key to remove yourself from the queue.

A replay will be available shortly after the end of the call through midnight on March 23, 2010. To listen to the replay, please dial 706-645-9291, conference ID 59163457.

Please also note that this conference call is complementary to SunGard's earnings release, and that all statements concerning the Company's outlook, future performance, and expectations are forward-looking statements and are covered by the Private Securities Litigation Reform Act of 1995. Please see the press release for further details.

Also, please keep in mind that all comparisons exclude the impact of goodwill impairment charges, amortization of intangible assets, stock-based compensation and purchase accounting adjustments and merger and other costs that are detailed in Note 1 to the financial results included in the press release.

I will now turn the call over to Cris Conde, SunGard's president and CEO. Mr. Conde, please go ahead.

**Cris Conde, president and chief executive officer:**

Good morning everyone, and thanks for joining us. With me on the phone today are Bob Woods, our CFO, Eric Erickson, our treasurer, and Karen Mullane, our controller.

Let me give you the three key takeaways: First, our results show the full-year impact of the credit crisis and the lag effect of our recurring revenue model. We planned for a difficult year, but overall our results were better than anticipated, with better than expected results in Software and Processing more than compensating for weaker than expected AS results. Second, we had a strong finish in our Financial Systems business and closed some significant multi-million dollar contracts – a reflection of high customer satisfaction ratings, strong competitiveness and the fact that our solutions are more mission-critical than ever to our customers. And third, the spending mood shows signs of cautious optimism and pipelines show a slight uptick. We protected investment in R&D last year and are now coming out with new product and service offerings. In terms of where our customers want to go, our bets are the right bets.

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Overall, we are emerging from the economic crisis in a very strong competitive position. Our sales teams are better trained and have better access than ever. However, we do not anticipate a rapid bounce-back in 2010 as sales cycles remain long and the results of our new product offerings will take time to show up in revenue.

Let me give you the key figures. For the quarter, revenue decreased 5% to \$1.47 billion. Adjusted EBITDA decreased by 11% to \$441 million.

Let's drill down into the revenue line – two points: First, organic revenue decreased 7%, with one of our trading businesses, a broker/dealer, contributing four percentage points to the organic revenue decline. Second, services revenue, which is largely recurring in nature, decreased 9% to \$1.27 billion in the quarter with the broker/dealer revenue I mentioned contributing most of the decline. License fees decreased 2% to \$103 million.

Let me give you the breakdown for each of our four segments, starting with Financial Systems.

Revenue decreased 8% to \$836 million in the quarter. Organic revenue decreased 10%. Excluding the broker/dealer business I mentioned earlier, the decrease was 3%. Services revenue decreased 13% primarily due to the effects of the broker/dealer. Excluding the broker/dealer business, services revenue increased 2%. License fees decreased 5% to \$83 million in the quarter.

In Financial Systems, sales pipelines are generally stronger across the board though sales cycles remain long. Customers continue to look for efficiencies and a growing demand for outsourcing is creating opportunities. Our ability to bundle solutions has helped differentiate us across all tiers and geographic regions.

Now let's turn to Higher Ed. Revenue decreased 2% to \$137 million in the quarter. In Higher Education, we continue to see a "proceed with caution" spending pattern with customers delaying large scale, long-term projects until they have clarity around their 2010/11 budgets. Despite the economic conditions, new customers are investing in administrative solutions, including our newly launched hosted offerings, and existing customers are renewing their technology management contracts and expanding their digital campus.

Let's turn to Public Sector. Revenue increased 4% to \$108 million in the quarter. Organic revenue increased by 1%. In Public Sector, customers are focused on cost cutting and getting more value out of what they already have. However, we expect this business to outpace industry growth in 2010 because of very strong sales in the second half of 2009.

And finally, Availability Services. Organic revenue decreased 3%. Reported revenue decreased 2% to \$386 million in the quarter. Our results in 2009 were lower than expected due to new sales being offset by pricing pressure on renewals and customer attrition caused in part by the economic crisis. We expect the operating income trends to continue in the first half of 2010 before easing in the second half.

As you saw in our press release, we recorded a goodwill write-down for the Availability Services business based on what we saw in the fourth quarter and what we are seeing heading into the year. I want to make a few points on this. First, we continue to expect growth in this business over the long term, albeit at a slower rate than we had planned. Second, we are still bullish on the prospects for this business over the long term, and our investment plans remain unchanged. Third, Mike Ruane, our CFO for the last 15 years, has joined the Availability Services business as its CFO in order to strengthen the financial support to the business. And as you know, we have begun a search for new leadership. In the meantime, I am interim CEO.



Availability Services is an important part of SunGard's business and continues to generate significant cash flow. While the write-down in goodwill is necessary, it is a noncash charge resulting from lower growth expectations in the coming years that has no impact on our debt covenant compliance or liquidity, does not change our competitive position or strategy, and has no bearing on our day-to-day customer operations. We plan to increase our investment in facilities and product development which will help us to meet our growth expectations for the business but over a longer period of time than originally expected. The fundamentals, including the cash generation and healthy margins of the Availability Services business remain strong and our focus is on execution and delivering value to our customers.

Market demand for Availability Services remains steady due to growth in data volumes, the increase in the number of mission-critical applications, and customers' capital constraints. We have a very strong competitive position and clear strategy for growth. We are augmenting our recovery services offerings with disk-based services and are also on track to launch enterprise-grade cloud computing services in North America similar to those we already launched in the U.K.

Let's turn to our investment program. We have a recurring revenue model that drives strong and predictable cash flow generation, which in turn allows us to consistently invest in the business. For the year, we generated \$639 million of cash flow from operations, an increase of \$254 million from last year and our leverage ratio improved to 4.99. We spent 7% of Software & Processing revenue on product development, \$327 million on capital expenditures company-wide, and we completed three acquisitions for a total purchase price of \$12 million.

To sum it all up, I am pleased that we continue to hit our targets in the face of very challenging industry conditions. We expected a challenging second half; we baked it into our plans and budgets and that's exactly what we got. We have not changed our outlook for mid to upper single digit top-line growth over the long term. Our competitiveness is very strong, in fact, it is stronger than ever and I'd like to take this opportunity to thank all our employees for their hard work.