SunGard VPM Inc.
Form 424B3
August 14, 2012

Table of Contents

FILED PURSUANT TO RULE 424(B)(3)

File Number 333-181873

SUNGARD DATA SYSTEMS INC.

SUPPLEMENT NO. 2 TO

MARKET-MAKING PROSPECTUS DATED JUNE 18, 2012

THE DATE OF THIS SUPPLEMENT IS AUGUST 14, 2012

ON AUGUST 13, 2012, SUNGARD DATA SYSTEMS INC. FILED THE ATTACHED

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2012

Table of Contents

United States

Securities and Exchange Commission

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended June 30, 2012

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 numbers:

SunGard Capital Corp.	000-53653
SunGard Capital Corp. II	000-53654
SunGard Data Systems Inc.	001-12989

SunGard® Capital Corp.

SunGard® Capital Corp. II

SunGard® Data Systems Inc.

(Exact name of registrant as specified in its charter)

Delaware	**20-3059890**
Delaware	**20-3060101**
Delaware	**51-0267091**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

680 East Swedesford Road, Wayne, Pennsylvania 19087

(Address of principal executive offices, including zip code)

484-582-2000

(Registrants telephone number, including area code)

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.

SunGard Capital Corp.	Yes x No ¨
SunGard Capital Corp. II	Yes x No ¨
SunGard Data Systems Inc.	Yes ¨ No x

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

SunGard Capital Corp.	Yes x No ¨
SunGard Capital Corp. II	Yes x No ¨
SunGard Data Systems Inc.	Yes x No ¨

Table of Contents

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.

SunGard Capital Corp.	Large accelerated filer ¨.	Accelerated filer ¨.	Non-accelerated filer x.	Smaller reporting company ¨.
SunGard Capital Corp. II	Large accelerated filer ¨.	Accelerated filer ¨.	Non-accelerated filer x.	Smaller reporting company ¨.
SunGard Data Systems Inc.	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).

SunGard Capital Corp.	Yes ¨	No x
SunGard Capital Corp. II	Yes ¨	No x
SunGard Data Systems Inc.	Yes ¨	No x

The number of shares of the registrants common stock outstanding as of June 30, 2012:

SunGard Capital Corp.	256,529,412 shares of Class A common stock and 28,503,209 shares of Class L common stock
SunGard Capital Corp. II	100 shares of common stock
SunGard Data Systems Inc.	100 shares of common stock

Table of Contents

SunGard Capital Corp.

SunGard Capital Corp. II

SunGard Data Systems Inc.

And Subsidiaries

Index

Table of Contents

Table of Contents

PART I. Financial Information:

Explanatory Note

This Form 10-Q is a combined quarterly report being filed separately by three registrants: SunGard Capital Corp. (SCC), SunGard Capital Corp. II (SCCII) and SunGard Data Systems Inc. (SunGard). SCC and SCCII are collectively referred to as the Parent Companies . Unless the context indicates otherwise, any reference in this report to the Company, we, us and our refer to the Parent Companies together with their direct and indirect subsidiaries, including SunGard. Each registrant hereto is filing on its own behalf all of the information contained in this quarterly report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

Table of Contents

Item 1. Financial Statements

SunGard Capital Corp.

Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2011	June 30, 2012
Assets		
Current:		
Cash and cash equivalents	$ 868	**$ 699**
Trade receivables, less allowance for doubtful accounts of $38 and $48	802	**686**
Earned but unbilled receivables	149	**145**
Prepaid expenses and other current assets	117	**141**
Clearing broker assets	213	**101**
Assets held for sale	1,326	
Total current assets	3,475	**1,772**
Property and equipment, less accumulated depreciation of $1,296 and $1,405	893	**871**
Software products, less accumulated amortization of $1,431 and $1,543	554	**464**
Customer base, less accumulated amortization of $1,269 and $1,385	1,580	**1,470**
Other intangible assets, less accumulated amortization of $22 and $25	144	**119**
Trade name, less accumulated amortization of $10 and $1	1,019	**1,019**
Goodwill	4,885	**4,872**
Total Assets	$ 12,550	**$ 10,587**
Liabilities and Equity		
Current:		
Short-term and current portion of long-term debt	$ 10	**$ 10**
Accounts payable	60	**29**
Accrued compensation and benefits	300	**245**
Accrued interest expense	92	**68**
Accrued income taxes	24	**172**
Other accrued expenses	317	**310**
Clearing broker liabilities	179	**69**
Deferred revenue	862	**817**
Deferred income taxes	76	
Liabilities related to assets held for sale	230	
Total current liabilities	2,150	**1,720**
Long-term debt	7,819	**6,101**
Deferred income taxes	1,125	**1,084**
Total liabilities	11,094	**8,905**
Commitments and contingencies		
Noncontrolling interest in preferred stock of SCCII subject to a put option	28	**30**

Class L common stock subject to a put option	47	**50**
Class A common stock subject to a put option	6	**6**
Stockholders equity:		
Class L common stock, convertible, par value $.001 per share; cumulative 13.5% per annum, compounded quarterly; aggregate liquidation preference of $5,383 million and $5,765 million; 50,000,000 shares authorized, 28,842,773 and 28,944,353 shares issued		
Class A common stock, par value $.001 per share; 550,000,000 shares authorized, 259,589,718 and 260,503,936 shares issued		
Capital in excess of par value	2,768	**2,770**
Treasury stock, 387,638 and 441,144 shares of Class L common stock; and 3,492,925 and 3,974,524 shares of Class A common stock	(39)	**(43)**
Accumulated deficit	(3,346)	**(3,241)**
Accumulated other comprehensive income (loss)	(46)	**(51)**
Total SunGard Capital Corp. stockholders equity (deficit)	(663)	**(565)**
Noncontrolling interest in preferred stock of SCCII	2,038	**2,161**
Total equity	1,375	**1,596**
Total Liabilities and Equity	$ 12,550	**$ 10,587**

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

2

Table of Contents

SunGard Capital Corp.

Consolidated Statements of Comprehensive Income

(In millions)

(Unaudited)

	Three Months Ended June 30, 2011	Three Months Ended June 30, **2012**	Six Months Ended June 30, 2011	Six Months Ended June 30, **2012**
Revenue:				
Services	$ 1,022	**$ 986**	$ 2,017	**$ 1,975**
License and resale fees	81	**83**	142	**114**
Total products and services	1,103	**1,069**	2,159	**2,089**
Reimbursed expenses	30	**15**	60	**34**
Total revenue	1,133	**1,084**	2,219	**2,123**
Costs and expenses:				
Cost of sales and direct operating	482	**446**	975	**915**
Sales, marketing and administration	293	**266**	555	**524**
Product development and maintenance	103	**97**	199	**185**
Depreciation and amortization	68	**70**	137	**141**
Amortization of acquisition-related intangible assets	110	**101**	227	**203**
Total costs and expenses	1,056	**980**	2,093	**1,968**
Operating income (loss)	77	**104**	126	**155**
Interest income	1		2	
Interest expense and amortization of deferred financing fees	(129)	**(101)**	(266)	**(223)**
Loss on extinguishment of debt		**(36)**	(2)	**(51)**
Other income (expense)				**2**
Income (loss) from continuing operations before income taxes	(51)	**(33)**	(140)	**(117)**
Benefit from (provision for) income taxes	20	**25**	31	**32**
Income (loss) from continuing operations	(31)	**(8)**	(109)	**(85)**
Income (loss) from discontinued operations, net of tax	(42)		13	**312**
Net income (loss)	(73)	**(8)**	(96)	**227**
Income attributable to the noncontrolling interest (including $1, $0, $2 and $0 in temporary equity)	(55)	**(60)**	(109)	**(122)**
Net income (loss) attributable to SunGard Capital Corp.	(128)	**(68)**	(205)	**105**
Other comprehensive income (loss):				
Foreign currency translation	18	**(44)**	75	**(11)**
Foreign currency translation, net	18	**(44)**	75	**(11)**
Unrealized gain (loss) on derivative instruments	(9)		(10)	

Less: gain (loss) on derivatives reclassified into income	7	**4**	20	**8**
Less: income tax benefit (expense)	(1)	**(1)**	(5)	**(2)**
Unrealized gain (loss) on derivative instruments, net of tax	(3)	**3**	5	**6**
Comprehensive income (loss) attributable to SunGard Capital Corp.	$ (113)	**$ (109)**	$ (125)	**$ 100**

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

Table of Contents

SunGard Capital Corp.

Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Six Months Ended June 30, 2011	**2012**
Cash flow from operations:		
Net income (loss)	$ (96)	**$ 227**
Income (loss) from discontinued operations	13	**312**
Income (loss) from continuing operations	(109)	**(85)**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	364	**344**
Deferred income tax provision (benefit)	(45)	**13**
Stock compensation expense	14	**20**
Amortization of deferred financing costs and debt discount	20	**19**
Loss on extinguishment of debt	2	**51**
Other noncash items	1	**(1)**
Accounts receivable and other current assets	73	**109**
Accounts payable and accrued expenses	(112)	**(121)**
Accrued income tax	(6)	**(87)**
Clearing broker assets and liabilities, net	(7)	**3**
Deferred revenue	(19)	**(45)**
Cash flow from (used in) continuing operations	176	**220**
Cash flow from (used in) discontinued operations	1	**(234)**
Cash flow from (used in) operations	177	**(14)**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired	(26)	**(9)**
Cash paid for property and equipment and software	(128)	**(115)**
Other investing activities	(1)	**3**
Cash provided by (used in) continuing operations	(155)	**(121)**
Cash provided by (used in) discontinued operations	(5)	**1,742**
Cash provided by (used in) investment activities	(160)	**1,621**
Financing activities:		
Cash received from issuance of common stock	2	
Cash received from borrowings, net of fees	14	**(17)**
Cash used to repay debt	(2)	**(1,725)**
Premium paid to retire debt		**(27)**
Cash used to purchase treasury stock	(1)	**(8)**
Other financing activities	(8)	**(7)**
Cash provided by (used in) continuing operations	5	**(1,784)**
Cash provided by (used in) discontinued operations		

Cash provided by (used in) financing activities	5	**(1,784)**
Effect of exchange rate changes on cash	21	**3**
Increase (decrease) in cash and cash equivalents	43	**(174)**
Beginning cash and cash equivalents includes cash of discontinued operations: 2011, $7 2012, $5	778	**873**
Ending cash and cash equivalents includes cash of discontinued operations: 2011, $8; 2012, $0	$ 821	**$ 699**

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

4

Table of Contents

SunGard Capital Corp. II

Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2011	**June 30, 2012**
Assets		
Current:		
Cash and cash equivalents	$ 868	**$ 699**
Trade receivables, less allowance for doubtful accounts of $38 and $48	802	**686**
Earned but unbilled receivables	149	**145**
Prepaid expenses and other current assets	117	**141**
Clearing broker assets	213	**101**
Assets held for sale	1,326	
Total current assets	3,475	**1,772**
Property and equipment, less accumulated depreciation of $1,296 and $1,405	893	**871**
Software products, less accumulated amortization of $1,431 and $1,543	554	**464**
Customer base, less accumulated amortization of $1,269 and $1,385	1,580	**1,470**
Other intangible assets, less accumulated amortization of $22 and $25	144	**119**
Trade name, less accumulated amortization of $10 and $1	1,019	**1,019**
Goodwill	4,885	**4,872**
Total Assets	$ 12,550	**$ 10,587**
Liabilities and Stockholders Equity		
Current:		
Short-term and current portion of long-term debt	$ 10	**$ 10**
Accounts payable	60	**29**
Accrued compensation and benefits	300	**245**
Accrued interest expense	92	**68**
Accrued income taxes	24	**172**
Other accrued expenses	318	**310**
Clearing broker liabilities	179	**69**
Deferred revenue	862	**817**
Deferred income taxes	76	
Liabilities related to assets held for sale	230	
Total current liabilities	2,151	**1,720**
Long-term debt	7,819	**6,101**
Deferred income taxes	1,124	**1,084**
Total liabilities	11,094	**8,905**
Commitments and contingencies		
Preferred stock subject to a put option	23	**25**
Stockholders equity:		

Preferred stock, par value $.001 per share; cumulative 11.5% per annum, compounded quarterly; aggregate liquidation preference of $2,046 million and $2,170 million; 14,999,000 shares authorized, 9,984,091 and 10,019,254 issued		
Common stock, par value $.001 per share; 1,000 shares authorized, 100 shares issued and outstanding		
Capital in excess of par value	3,785	**3,791**
Treasury stock, 134,215 and 152,738 shares	(18)	**(22)**
Accumulated deficit	(2,288)	**(2,061)**
Accumulated other comprehensive income (loss)	(46)	**(51)**
Total stockholders equity	1,433	**1,657**
Total Liabilities and Stockholders Equity	$ 12,550	**$ 10,587**

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

5

Table of Contents

SunGard Capital Corp. II

Consolidated Statements of Comprehensive Income

(In millions)

(Unaudited)

	Three Months Ended June 30, 2011	Three Months Ended June 30, **2012**	Six Months Ended June 30, 2011	Six Months Ended June 30, **2012**
Revenue:				
Services	$ 1,022	**$ 986**	$ 2,017	**$ 1,975**
License and resale fees	81	**83**	142	**114**
Total products and services	1,103	**1,069**	2,159	**2,089**
Reimbursed expenses	30	**15**	60	**34**
Total revenue	1,133	**1,084**	2,219	**2,123**
Costs and expenses:				
Cost of sales and direct operating	482	**446**	975	**915**
Sales, marketing and administration	293	**266**	555	**524**
Product development and maintenance	103	**97**	199	**185**
Depreciation and amortization	68	**70**	137	**141**
Amortization of acquisition-related intangible assets	110	**101**	227	**203**
Total costs and expenses	1,056	**980**	2,093	**1,968**
Operating income (loss)	77	**104**	126	**155**
Interest income	1		2	
Interest expense and amortization of deferred financing fees	(129)	**(101)**	(266)	**(223)**
Loss on extinguishment of debt		**(36)**	(2)	**(51)**
Other income (expense)				**2**
Income (loss) from continuing operations before income taxes	(51)	**(33)**	(140)	**(117)**
Benefit from (provision for) income taxes	20	**25**	31	**32**
Income (loss) from continuing operations	(31)	**(8)**	(109)	**(85)**
Income (loss) from discontinued operations, net of tax	(42)		13	**312**
Net income (loss)	(73)	**(8)**	(96)	**227**
Other comprehensive income (loss):				
Foreign currency translation	18	**(44)**	75	**(11)**
Foreign currency translation, net	18	**(44)**	75	**(11)**
Unrealized gain (loss) on derivative instruments	(9)		(10)	
Less: gain (loss) on derivatives reclassified into income	7	**4**	20	**8**
Less: income tax benefit (expense)	(1)	**(1)**	(5)	**(2)**
Unrealized gain (loss) on derivative instruments, net of tax	(3)	**3**	5	**6**

Comprehensive income (loss)	$ (58)	**$ (49)**	$ (16)	**$ 222**

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

Table of Contents

SunGard Capital Corp. II

Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2012
Cash flow from operations:		
Net income (loss)	$ (96)	**$ 227**
Income (loss) from discontinued operations	13	**312**
Income (loss) from continuing operations	(109)	**(85)**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	364	**344**
Deferred income tax provision (benefit)	(45)	**13**
Stock compensation expense	14	**20**
Amortization of deferred financing costs and debt discount	20	**19**
Loss on extinguishment of debt	2	**51**
Other noncash items	1	**(1)**
Accounts receivable and other current assets	73	**109**
Accounts payable and accrued expenses	(112)	**(121)**
Accrued income tax	(6)	**(87)**
Clearing broker assets and liabilities, net	(7)	**3**
Deferred revenue	(19)	**(45)**
Cash flow from (used in) continuing operations	176	**220**
Cash flow from (used in) discontinued operations	1	**(234)**
Cash flow from (used in) operations	177	**(14)**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired	(26)	**(9)**
Cash paid for property and equipment and software	(128)	**(115)**
Other investing activities	(1)	**3**
Cash provided by (used in) continuing operations	(155)	**(121)**
Cash provided by (used in) discontinued operations	(5)	**1,742**
Cash provided by (used in) investment activities	(160)	**1,621**
Financing activities:		
Cash received from borrowings, net of fees	14	**(17)**
Cash used to repay debt	(2)	**(1,725)**
Premium paid to retire debt		**(27)**
Cash used to purchase treasury stock		**(4)**
Other financing activities	(7)	**(11)**
Cash provided by (used in) continuing operations	5	**(1,784)**
Cash provided by (used in) discontinued operations		

Cash provided by (used in) financing activities	5	**(1,784)**
Effect of exchange rate changes on cash	21	**3**
Increase (decrease) in cash and cash equivalents	43	**(174)**
Beginning cash and cash equivalents includes cash of discontinued operations: 2011, $7 2012, $5	778	**873**
Ending cash and cash equivalents includes cash of discontinued operations: 2011, $8; 2012, $0	$ 821	**$ 699**

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

7

Table of Contents

SunGard Data Systems Inc.

Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2011	**June 30, 2012**
Assets		
Current:		
Cash and cash equivalents	$ 868	**$ 699**
Trade receivables, less allowance for doubtful accounts of $38 and $48	802	**686**
Earned but unbilled receivables	149	**145**
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Clearing broker assets	213	**101**
Assets held for sale	1,326	
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Trade name, less accumulated amortization of $10 and $1	1,019	**1,019**
Goodwill	4,885	**4,872**
Total Assets	$ 12,550	**$ 10,587**
Liabilities and Stockholder s Equity		
Current:		
Short-term and current portion of long-term debt	$ 10	**$ 10**
Accounts payable	60	**29**
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Accrued interest expense	92	**68**
Accrued income taxes	24	**172**
Other accrued expenses	318	**311**
Clearing broker liabilities	179	**69**
Deferred revenue	862	**817**
Deferred income taxes	76	
Liabilities related to assets held for sale	230	
Total current liabilities	2,151	**1,721**
Long-term debt	7,819	**6,101**
Deferred income taxes	1,119	**1,078**
Total liabilities	11,089	**8,900**
Commitments and contingencies		
Stockholder s equity:		
Common stock, par value $.01 per share; 100 shares authorized, issued and outstanding		
Capital in excess of par value	3,793	**3,797**

Accumulated deficit	(2,286)	**(2,059)**
Accumulated other comprehensive income (loss)	(46)	**(51)**
Total stockholder s equity	1,461	**1,687**
Total Liabilities and Stockholder s Equity	$ 12,550	**$ 10,587**

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

Table of Contents

SunGard Data Systems Inc.

Consolidated Statements of Comprehensive Income

(In millions)

(Unaudited)

	Three Months Ended June 30, 2011	Three Months Ended June 30, **2012**	Six Months Ended June 30, 2011	Six Months Ended June 30, **2012**
Revenue:				
Services	$ 1,022	**$ 986**	$ 2,017	**$ 1,975**
License and resale fees	81	**83**	142	**114**
Total products and services	1,103	**1,069**	2,159	**2,089**
Reimbursed expenses	30	**15**	60	**34**
Total revenue	1,133	**1,084**	2,219	**2,123**
Costs and expenses:				
Cost of sales and direct operating	482	**446**	975	**915**
Sales, marketing and administration	293	**266**	555	**524**
Product development and maintenance	103	**97**	199	**185**
Depreciation and amortization	68	**70**	137	**141**
Amortization of acquisition-related intangible assets	110	**101**	227	**203**
Total costs and expenses	1,056	**980**	2,093	**1,968**
Operating income (loss)	77	**104**	126	**155**
Interest income	1		2	
Interest expense and amortization of deferred financing fees	(129)	**(101)**	(266)	**(223)**
Loss on extinguishment of debt		**(36)**	(2)	**(51)**
Other income (expense)				**2**
Income (loss) from continuing operations before income taxes	(51)	**(33)**	(140)	**(117)**
Benefit from (provision for) income taxes	20	**25**	31	**32**
Income (loss) from continuing operations	(31)	**(8)**	(109)	**(85)**
Income (loss) from discontinued operations, net of tax	(42)		13	**312**
Net income (loss)	(73)	**(8)**	(96)	**227**
Other comprehensive income (loss):				
Foreign currency translation	18	**(44)**	75	**(11)**
Foreign currency translation, net	18	**(44)**	75	**(11)**
Unrealized gain (loss) on derivative instruments	(9)		(10)	
Less: gain (loss) on derivatives reclassified into income	7	**4**	20	**8**
Less: income tax benefit (expense)	(1)	**(1)**	(5)	**(2)**
Unrealized gain (loss) on derivative instruments, net of tax	(3)	**3**	5	**6**

Comprehensive income (loss)	$ (58)	**$ (49)**	$ (16)	**$ 222**

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

Table of Contents

SunGard Data Systems Inc.

Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2012
Cash flow from operations:		
Net income (loss)	$ (96)	**$ 227**
Income (loss) from discontinued operations	13	**312**
Income (loss) from continuing operations	(109)	**(85)**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	364	**344**
Deferred income tax provision (benefit)	(45)	**13**
Stock compensation expense	14	**20**
Amortization of deferred financing costs and debt discount	20	**19**
Loss on extinguishment of debt	2	**51**
Other noncash items	1	**(1)**
Accounts receivable and other current assets	73	**109**
Accounts payable and accrued expenses	(112)	**(121)**
Accrued income tax	(6)	**(87)**
Clearing broker assets and liabilities, net	(7)	**3**
Deferred revenue	(19)	**(45)**
Cash flow from (used in) continuing operations	176	**220**
Cash flow from (used in) discontinued operations	1	**(234)**
Cash flow from (used in) operations	177	**(14)**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired	(26)	**(9)**
Cash paid for property and equipment and software	(128)	**(115)**
Other investing activities	(1)	**3**
Cash provided by (used in) continuing operations	(155)	**(121)**
Cash provided by (used in) discontinued operations	(5)	**1,742**
Cash provided by (used in) investment activities	(160)	**1,621**
Financing activities:		
Cash received from borrowings, net of fees	14	**(17)**
Cash used to repay debt	(2)	**(1,725)**
Premium paid to retire debt		**(27)**
Other financing activities	(7)	**(15)**
Cash provided by (used in) continuing operations	5	**(1,784)**
Cash provided by (used in) discontinued operations		
Cash provided by (used in) financing activities	5	**(1,784)**

Effect of exchange rate changes on cash	21	**3**
Increase (decrease) in cash and cash equivalents	43	**(174)**
Beginning cash and cash equivalents includes cash of discontinued operations: 2011, $7 2012, $5	778	**873**
Ending cash and cash equivalents includes cash of discontinued operations: 2011, $8; 2012, $0	$ 821	**$ 699**

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

Table of Contents

SUNGARD CAPITAL CORP.

SUNGARD CAPITAL CORP. II

SUNGARD DATA SYSTEMS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation:

SunGard Data Systems Inc. (SunGard) was acquired on August 11, 2005 (the LBO) in a leveraged buy-out 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 (SCCII), which is a subsidiary of SunGard Capital Corp. (SCC). All four of these companies were formed for the purpose of facilitating the LBO and are collectively referred to as the Holding Companies. SCC, SCCII and SunGard are separate reporting companies and, together with their direct and indirect subsidiaries, are collectively referred to as the Company .

The Company has three reportable segments: Financial Systems (FS), Availability Services (AS) and Other, which is comprised of K-12 Education (K-12) and Public Sector (PS). 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 accompanying interim consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), consistent in all material respects with those applied in the Company s Annual Report on Form 10-K for the year ended December 31, 2011 for SCC and SCCII and the Company s Registration Statement on Form S-1 dated June 4, 2012 for SunGard. Interim financial reporting does not include all of the information and footnotes required by GAAP for annual financial statements. The interim financial information is unaudited, but, in the opinion of management, includes all adjustments, consisting only of normal recurring adjustments necessary to provide a fair statement of results for the interim periods presented. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2012.

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

Recent Accounting Pronouncements

In October 2011, the Financial Accounting Standards Board (FASB) announced that the specific requirement to present items that are reclassified from other comprehensive income to net income alongside their respective components of net income and other comprehensive income will be deferred. Therefore, those requirements related to the presentation of comprehensive income have not been adopted by the Company.

In September 2011, the FASB issued amended guidance that could simplify how entities test goodwill for impairment. After assessment of certain qualitative factors, if it is determined to be more likely than not that the fair value of a reporting unit is less than its carrying amount, entities must perform the quantitative analysis of the goodwill impairment test. Otherwise, the quantitative test(s) become optional. This guidance will be applicable for the annual goodwill impairment test performed as of July 1, 2012.

On July 27, 2012, the FASB issued Accounting Standards Update No. 2012-02, *Intangibles Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment*. The Update simplifies the guidance for testing the decline in the realizable value (impairment) of indefinite-lived intangible assets other than goodwill. Examples of intangible assets subject to the guidance include indefinite-lived trademarks, licenses, and distribution rights. The amendments allow an organization the option to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test. An organization electing to perform a qualitative assessment is no longer required to calculate the fair value of an indefinite-lived intangible asset unless the organization determines, based on a qualitative assessment, that it is more likely than not that the asset is impaired. Under former guidance, an organization was required to test an indefinite-lived intangible asset for impairment on at least an annual basis by comparing the fair value of the asset with its carrying amount. If the carrying amount of an indefinite-lived intangible asset exceeded its fair value, an impairment loss was recognized in an amount equal to the difference. The amendments in this Update are effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The Company is currently evaluating the impact of this Update, but does not expect the Update to have a material impact on the consolidated financial statements.

2. Acquisitions and Discontinued Operations:

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 the six months ended June 30, 2012, the Company completed one acquisition in its FS segment. Cash paid, net of cash acquired, was $9 million. The impact of this acquisition was not material to the consolidated financial statements.

Table of Contents

At June 30, 2012, contingent purchase price obligations that depend on the operating performance of certain acquired businesses were $6 million, of which $3 million is included in other accrued expenses.

Discontinued Operations

In January 2012, the Company sold its Higher Education (HE) business and used the net cash proceeds (as defined in its senior secured credit agreement (Credit Agreement)) of $1.222 billion, which is the gross transaction value of $1.775 billion less applicable taxes and fees, to repay a pro-rata portion of its outstanding term loans (see note 5). The results for the discontinued operations for the three and six months ended June 30, 2011 and 2012 were as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	**2012**	2011	**2012**
Revenue	$ 133	**$**	$ 257	**$ 23**
Operating income (loss)	30		44	**(2)**
Gain on sale of business				**563**
Income (loss) before income taxes	30		44	**561**
Benefit from (provision for) income taxes	(72)		(31)	**(249)**
Income (loss) from discontinued operations	$ (42)	**$**	$ 13	**$ 312**

Assets held for sale and liabilities related to assets held for sale consisted of the following (in millions) at December 31, 2011 and for the closing balance sheet on January 20, 2012:

	December 31, 2011	January 20, 2012
Cash	$ 5	$ 7
Accounts receivable, net	88	90
Prepaid expenses and other current assets	13	14
Property and equipment, net	31	31
Software products, net	78	78
Customer base, net	182	182
Goodwill	929	929
Assets held for sale	$ 1,326	$ 1,331
Accounts payable	$ 1	$ 5
Accrued compensation and benefits	15	21
Other accrued expenses	12	9
Deferred revenue	106	109
Deferred income taxes	96	96
Liabilities related to assets held for sale	$ 230	$ 240

Table of Contents

3. Goodwill:

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

	Cost				Accumulated Impairment			
	FS	AS	Other	Subtotal	AS	Other	Subtotal	Total
Balance at December 31, 2011	$ 3,480	$ 2,239	$ 545	$ 6,264	$ (1,162)	$ (217)	$ (1,379)	$ 4,885
2012 acquisitions	4			4				4
Adjustments related to the LBO and prior year acquisitions	(2)	(2)		(4)				(4)
Effect of foreign currency translation	(10)	(3)		(13)				(13)
Balance at June 30, 2012	$ 3,472	$ 2,234	$ 545	$ 6,251	$ (1,162)	$ (217)	$ (1,379)	$ 4,872

4. Clearing Broker Assets and Liabilities:

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

	December 31, 2011	**June 30, 2012**
Segregated customer cash and treasury bills	$ 23	$ 13
Securities borrowed	157	50
Receivables from customers and other	33	38
Clearing broker assets	$ 213	$ 101
Payables to customers	$ 16	$ 9
Securities loaned	145	41
Payable to brokers and dealers	18	19
Clearing broker liabilities	$ 179	$ 69

Segregated customer cash is held by the Company on behalf of customers. 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.

The Company is currently winding-down the operations of its stock loan and clearing services business. As a result, the Company expects the balances of clearing broker assets and liabilities will continue to decrease through the remainder of 2012.

5. Debt and Derivatives:

On January 20, 2012, the Company completed the sale of HE and used net cash proceeds (as defined in the Credit Agreement) of $1.22 billion to repay, on a pro-rata basis, outstanding term loans.

On April 2, 2012, SunGard redeemed, for $527 million plus accrued and unpaid interest to the redemption date, all of its outstanding $500 million 10.625% senior notes due 2015 (2015 Notes) under the Indenture dated as of September 29, 2008 among SunGard, the guarantors named therein, and The Bank of New York Mellon, as trustee (as amended or supplemented from time to time, the 2015 Indenture). In conjunction with the redemption of the 2015 Notes, the Company expensed approximately $7 million of unamortized deferred financing costs and the $3 million issue discount.

On March 2, 2012, SunGard amended its Credit Agreement to, among other things, extend the maturity date of approximately $908 million of tranche A and incremental term loans from February 28, 2014 to February 28, 2017, extend the maturity of $880 million of revolving credit facility commitments from May 11, 2013 to November 29, 2016, and amend certain covenants and other provisions, in order to, among other things, permit the potential spin-off of AS. The tranche B, tranche C and revolving credit facility each have springing maturity provisions which are described in the Company s Credit Agreement as amended and filed with the Company s Form 8-K dated March 2, 2012.

Debt consisted of the following at December 31, 2011 and June 30, 2012 (in millions):

Table of Contents

	December 31, 2011	June 30, 2012
Senior Secured Credit Facilities:		
Secured revolving credit facility	$	$
Tranche A, effective interest rate of 3.33% and 1.99%	1,386	255
Tranche B, effective interest rate of 4.32% and 4.38%	2,407	1,719
Tranche C, effective interest rate of 3.99%		908
Incremental term loan at 3.78% and 3.75%	479	169
Total Senior Secured Credit Facilities	4,272	3,051
Senior Secured Notes due 2014 at 4.875%, net of discount of $8 and $6	242	244
Senior Notes due 2015 at 10.625%, net of discount of $3 and $0	497	
Senior Notes due 2018 at 7.375%	900	900
Senior Notes due 2020 at 7.625%	700	700
Senior Subordinated Notes due 2015 at 10.25%	1,000	1,000
Secured accounts receivable facility, at 3.79% and 3.74%	200	200
Other	18	16
Total debt	7,829	6,111
Short-term borrowings and current portion of long-term debt	(10)	(10)
Long-term debt	$ 7,819	$ 6,101

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 Credit Agreement. Each of these swap agreements is designated as a cash flow hedge. SunGard pays a stream of fixed interest payments for the term of the swap, and in turn, receives variable interest payments based on LIBOR. The net receipt or payment from the interest rate swap agreements is included in interest expense. The Company does not enter into interest rate swaps for speculative or trading purposes. A summary of the Company s interest rate swaps follows:

Inception	Maturity	Notional Amount (in millions)	Interest rate paid	Interest rate received (LIBOR)
February 2010	May 2013	$ 500	1.99%	3-Month

The fair values of interest rate swaps designated as cash flow hedging instruments, included in other accrued expenses on the consolidated balance sheets, are $11 million and $7 million as of December 31, 2011 and June 30, 2012, respectively.

The Company has no ineffectiveness related to its swap agreements. The Company expects to reclassify in the next twelve months approximately $7 million from other comprehensive income (loss) into earnings related to the Company s interest rate swaps based on the borrowing rates at June 30, 2012.

6. Fair Value Measurements:

The following table summarizes assets and liabilities measured at fair value on a recurring basis at June 30, 2012 (in millions):

	Fair Value Measures Using			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents money market funds	$ 171	$	$	$ 171
Liabilities				

Interest rate swap agreements and other	$	$ 8	$	$ 8

14

Table of Contents

The following table summarizes assets and liabilities measured at fair value on a recurring basis at December 31, 2011 (in millions):

	Fair Value Measures Using			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents money market funds	$ 351	$	$	$ 351
Liabilities				
Interest rate swap agreements and other	$	$ 15	$	$ 15

A Level 1 fair value measure is based upon quoted prices in active markets for identical assets or liabilities. A Level 2 fair value measure is based upon quoted prices for similar assets and liabilities in active markets or inputs that are observable. A Level 3 fair value measure is based upon inputs that are unobservable (for example, cash flow modeling inputs based on assumptions).

Cash and cash equivalents money market funds is recognized and measured at fair value in the Company s financial statements. Fair values of the interest rate swap agreements are calculated using a discounted cash flow model using observable applicable market swap rates and assumptions and are compared to market valuations obtained from brokers.

The following table presents the carrying amount and estimated fair value of the Company s debt, including current portion and excluding the interest rate swaps, as of December 31, 2011 and June 30, 2012 (in millions):

	December 31, 2011		**June 30, 2012**	
	Carrying Value	Fair Value	**Carrying Value**	**Fair Value**
Floating rate debt	$ 4,472	$ 4,372	**$ 3,251**	**$ 3,213**
Fixed rate debt	3,357	3,454	**2,860**	**3,005**

The fair value of the Company s floating rate and fixed rate long-term debt (level 2) is determined using actual market quotes and benchmark yields received from independent vendors.

7. Equity:

A rollforward of SCC s equity for 2012 follows (in millions):

	SunGard Capital Corp. stockholders				Noncontrolling interest		
	Class L - temporary equity	Class A - temporary equity	Permanent equity	Total	Temporary equity	Permanent equity	Total
Balance at December 31, 2011	$ 47	$ 6	$ (663)	$ (610)	$ 28	$ 2,038	$ 2,066
Net income (loss)			105	105		122	122
Foreign currency translation			(11)	(11)			
Net unrealized gain on derivative instruments			6	6			
Comprehensive income (loss)			100	100		122	122
Stock compensation expense			20	20			
Termination of put options due to employee terminations and other	(8)	(1)	10	1	(5)	3	(2)
Purchase of treasury stock			(5)	(5)		(2)	(2)
Transfer intrinsic value of vested restricted stock units	11	1	(19)	(7)	7		7
Other			(8)	(8)			

Balance at June 30, 2012	$ 50	$ 6	$ (565)	$ (509)	$ 30	$ 2,161	$ 2,191

Table of Contents

A rollforward of SCC s equity for 2011 follows (in millions):

	SunGard Capital Corp. stockholders				Noncontrolling interest		
	Class L - temporary equity	Class A - temporary equity	Permanent equity	Total	Temporary equity	Permanent equity	Total
Balance at December 31, 2010	$ 87	$ 11	$ (330)	$ (232)	$ 54	$ 1,782	$ 1,836
Net income (loss)			(205)	(205)	2	107	109
Foreign currency translation			75	75			
Net unrealized gain on derivative instruments			5	5			
Comprehensive income (loss)			(125)	(125)	2	107	109
Stock compensation expense			15	15			
Termination of put options due to employee terminations and other	(36)	(4)	41	1	(28)	28	
Issuance of common and preferred stock	(1)		3	2			
Purchase of treasury stock			(1)	(1)			
Transfer intrinsic value of vested restricted stock units	5		(8)	(3)	3		3
Other			(8)	(8)			
Balance at June 30, 2011	$ 55	$ 7	$ (413)	$ (351)	$ 31	$ 1,917	$ 1,948

In the case of termination of employment resulting from disability or death, an employee or his/her estate may exercise a put option which would require the Company to repurchase vested shares at the current fair market value. These common or preferred shares must be classified as temporary equity (between liabilities and equity) on the balance sheet of SCC and SCCII. At vesting or exercise, grant-date intrinsic value or exercise value, respectively, is reclassified to temporary equity. On termination of employment for other than death or disability, the value included in temporary equity is reclassified to permanent equity.

The components of accumulated other comprehensive income (loss) at December 31, 2011 and June 30, 2012 are as follows (in millions):

	December 31, 2011	**June 30, 2012**
Foreign currency translation	$ (37)	**$ (48)**
Unrealized gain (loss) on derivative instruments, net of tax	(9)	**(3)**
Accumulated other comprehensive income (loss)	$ (46)	**$ (51)**

8. Segment Information:

The Company has three reportable segments: FS, AS and Other. The Company evaluates the performance of its segments based on operating results before interest, income taxes, amortization of acquisition-related intangible assets, stock compensation and certain other costs. The operating results apply to each of SCC, SCCII and SunGard unless otherwise noted. The operating results for each segment follow (in millions):

Table of Contents

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012	Six Months Ended June 30, 2011	Six Months Ended June 30, 2012
Revenue:				
Financial Systems	$ 714	**$ 683**	$ 1,386	**$ 1,315**
Availability Services	366	**351**	730	**707**
Other	53	**50**	103	**101**
Total revenue	$ 1,133	**$ 1,084**	$ 2,219	**$ 2,123**
Depreciation and amortization:				
Financial Systems	$ 21	**$ 20**	$ 42	**$ 41**
Availability Services	45	**48**	91	**96**
Other	2	**2**	4	**4**
Total depreciation and amortization	$ 68	**$ 70**	$ 137	**$ 141**
Operating income (loss):				
Financial Systems	$ 139	**$ 147**	$ 254	**$ 252**
Availability Services	81	**72**	154	**135**
Other	14	**13**	28	**27**
Corporate	(30)	**(13)**	(49)	**(28)**
Other costs [(1)]	(127)	**(115)**	(261)	**(231)**
Total operating income (loss)	$ 77	**$ 104**	$ 126	**$ 155**
Cash paid for property and equipment and software:				
Financial Systems	$ 21	**$ 23**	$ 44	**$ 43**
Availability Services	45	**30**	80	**68**
Other	1	**2**	2	**4**
Corporate			2	
Total cash paid for property and equipment and software	$ 67	**$ 55**	$ 128	**$ 115**

(1) Includes stock compensation expense, management fees paid to the Sponsors, other items and amortization of acquisition-related intangible assets of $110 million and $101 million for the three months ended June 30, 2011 and 2012, respectively, and $227 million and $203 million for the six months ended June 30, 2011 and 2012, respectively.

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

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012	Six Months Ended June 30, 2011	Six Months Ended June 30, 2012
Financial Systems	$ 63	**$ 53**	$ 132 [(2)]	**$ 108**
Availability Services	43	**43**	86	**86**
Other	4	**5**	9	**9**
Total amortization of acquisition-related intangible assets	$ 110	**$ 101**	$ 227	**$ 203**

(2) Includes approximately $7 million of impairment charges related to customer base and software.

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

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012	Six Months Ended June 30, 2011	Six Months Ended June 30, 2012
Capital Markets	$ 292	**$ 275**	$ 577	**$ 513**
Asset Management	115	**113**	223	**226**
Wealth Management	82	**87**	168	**172**
Corporate Liquidity & Energy	73	**67**	134	**132**
Banking	63	**57**	115	**104**
Insurance	42	**40**	81	**81**
Other	47	**44**	88	**87**
Total Financial Systems	$ 714	**$ 683**	$ 1,386	**$ 1,315**

17

Table of Contents

9. Related Party Transactions:

In accordance with the Management Agreement between the Company and affiliates of the Sponsors, the Company recorded $2 million and $4 million of management fees in sales, marketing and administration expenses during the three months ended June 30, 2011 and 2012, respectively. The Company recorded $5 million and $6 million of management fees in sales, marketing and administration expenses during the six months ended June 30, 2011 and 2012, respectively. At December 31, 2011 and June 30, 2012, $4 million and $3 million, respectively, was included in other accrued expenses.

Additionally, during the first quarter of 2012, the Company paid to the Sponsors $17.8 million of management fees related to the sale of HE, which are included in the results of discontinued operations.

10. Supplemental Cash Flow Information:

Supplemental cash flow information for the six months ended June 30, 2011 and 2012 follows (in millions):

	Six Months Ended June 30,	
Supplemental information:	2011	**2012**
Interest paid	$ 258	**$ 228**
Income taxes paid, net of refunds of $19 million and $5 million	$ 27	**$ 279[(1)]**
Acquired businesses:		
Property and equipment	$ 1	**$**
Software products	11	
Customer base	12	**7**
Goodwill	6	**4**
Deferred income taxes	(5)	**(2)**
Net current liabilities assumed	1	
Cash paid for acquired businesses, net of cash acquired of $4 and $2 million, respectively	$ 26	**$ 9**

(1) Approximately $241 million is related to the sale of HE and the income tax provision was included in discontinued operations.

11. Supplemental Guarantor Condensed Consolidating Financial Statements:

SunGard s senior unsecured 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 SunGard (collectively, the Guarantors). Each of the Guarantors is 100% owned, directly or indirectly, by SunGard. None of the other subsidiaries of SunGard, either direct or indirect, nor any of the Holding Companies, guarantee the senior notes and senior subordinated notes (Non-Guarantors). The Guarantors and SunGard Holdco LLC also unconditionally guarantee the senior secured credit facilities. The Guarantors are subject to release under certain circumstances as described below.

The indentures evidencing the guarantees provide for a Guarantor to be automatically and unconditionally released and discharged from its guarantee obligations in certain circumstances, including upon the earliest to occur of:

The sale, exchange or transfer of the subsidiary s capital stock or all or substantially all of its assets;

Designation of the Guarantor as an unrestricted subsidiary for purposes of the indenture covenants;

Release or discharge of the Guarantor s guarantee of certain other indebtedness; or

Legal defeasance or covenant defeasance of the indenture obligations when provision has been made for them to be fully satisfied.

The following tables present the financial position, results of operations and cash flows of SunGard (referred to as Parent Company for purposes of this note only), the Guarantor subsidiaries, the Non-Guarantor subsidiaries and Eliminations as of December 31, 2011 and June 30, 2012, and for the three and six month periods ended June 30, 2011 and 2012 to arrive at the information for SunGard on a consolidated basis. SCC and SCCII are neither parties to nor guarantors of the debt issued as described in the notes to consolidated financial statements included in the Company s Form 10-K for the year ended December 31, 2011.

18

Table of Contents

(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	Supplemental Condensed Consolidating Balance Sheet December 31, 2011				
Assets					
Current:					
Cash and cash equivalents	$ 529	$ (15)	$ 354	$	$ 868
Intercompany balances	(5,247)	4,516	731		
Trade receivables, net	2	603	346		951
Prepaid expenses, taxes and other current assets	1,461	54	271	(1,456)	330
Assets held for sale		1,315	13	(2)	1,326
Total current assets	(3,255)	6,473	1,715	(1,458)	3,475
Property and equipment, net		588	305		893
Intangible assets, net	120	2,701	476		3,297
Intercompany balances	250	1	(251)		
Goodwill		3,784	1,101		4,885
Investment in subsidiaries	12,673	2,253		(14,926)	
Total Assets	$ 9,788	$ 15,800	$ 3,346	$ (16,384)	$ 12,550
Liabilities and Stockholder s Equity					
Current:					
Short-term and current portion of long-term debt	$	$ 3	$ 7	$	$ 10
Accounts payable and other current liabilities	296	2,170	901	(1,456)	1,911
Liabilities related to assets held for sale		219	11		230
Total current liabilities	296	2,392	919	(1,456)	2,151
Long-term debt	7,612	2	205		7,819
Intercompany debt	82	19	16	(117)	
Deferred income taxes	337	714	68		1,119
Total liabilities	8,327	3,127	1,208	(1,573)	11,089
Total stockholder s equity	1,461	12,673	2,138	(14,811)	1,461
Total Liabilities and Stockholder s Equity	$ 9,788	$ 15,800	$ 3,346	$ (16,384)	$ 12,550

19

Table of Contents

(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	Supplemental Condensed Consolidating Balance Sheet June 30, 2012				
Assets					
Current:					
Cash and cash equivalents	$ 397	$ (1)	$ 303	$	$ 699
Intercompany balances	(2,789)	2,044	745		
Trade receivables, net	4	552	275		831
Prepaid expenses, taxes and other current assets	1,284	133	186	(1,361)	242
Assets held for sale					
Total current assets	(1,104)	2,728	1,509	(1,361)	1,772
Property and equipment, net		578	293		871
Intangible assets, net	99	2,543	430		3,072
Intercompany balances	245		(245)		
Goodwill		3,832	1,040		4,872
Investment in subsidiaries	8,866	2,030		(10,896)	
Total Assets	$ 8,106	$ 11,711	$ 3,027	$ (12,257)	$ 10,587
Liabilities and Stockholder s Equity					
Current:					
Short-term and current portion of long-term debt	$	$ 2	$ 8	$	$ 10
Accounts payable and other current liabilities	120	2,242	710	(1,361)	1,711
Liabilities related to assets held for sale					
Total current liabilities	120	2,244	718	(1,361)	1,721
Long-term debt	5,894	2	205		6,101
Intercompany debt	83	(89)	6		
Deferred income taxes	322	688	68		1,078
Total liabilities	6,419	2,845	997	(1,361)	8,900
Total stockholder s equity	1,687	8,866	2,030	(10,896)	1,687
Total Liabilities and Stockholder s Equity	$ 8,106	$ 11,711	$ 3,027	$ (12,257)	$ 10,587

(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	Supplemental Condensed Consolidating Schedule of Comprehensive Income Three Months Ended June 30, 2011				
Total revenue	$	$ 745	$ 520	$ (132)	$ 1,133
Costs and expenses:					
Cost of sales and administrative expenses	38	575	397	(132)	878
Depreciation and amortization		45	23		68
Amortization of acquisition-related intangible assets		90	20		110
Total costs and expenses	38	710	440	(132)	1,056
Operating income (loss)	(38)	35	80		77
Net interest income (expense)	(120)		(8)		(128)
Other income (expense)	73	49		(122)	

Income (loss) from continuing operations before income taxes	(85)	84	72	(122)	(51)
Benefit from (provision for) income taxes	54	(12)	(22)		20
Income (loss) from continuing operations	(31)	72	50	(122)	(31)
Income (loss) from discontinued operations, net of tax	(42)	(42)	2	40	(42)
Net income (loss)	$ (73)	$ 30	$ 52	$ (82)	$ (73)
Comprehensive income (loss)	$ (58)	$ 48	$ 70	$ (118)	$ (58)

Table of Contents

	Supplemental Condensed Consolidating Schedule of Comprehensive Income Three Months Ended June 30, 2012				
(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Total revenue	$	$ 732	$ 438	$ (86)	$ 1,084
Costs and expenses:					
Cost of sales and administrative expenses	24	522	349	(86)	809
Depreciation and amortization		48	22		70
Amortization of acquisition-related intangible assets		85	16		101
Total costs and expenses	24	655	387	(86)	980
Operating income (loss)	(24)	77	51		104
Net interest income (expense)	(95)		(6)		(101)
Other income (expense)	14	20		(70)	(36)
Income (loss) from continuing operations before income taxes	(105)	97	45	(70)	(33)
Benefit from (provision for) income taxes	97	(47)	(25)		25
Income (loss) from continuing operations	(8)	50	20	(70)	(8)
Income (loss) from discontinued operations, net of tax		(6)	(7)	13	
Net income (loss)	$ (8)	$ 44	$ 13	$ (57)	$ (8)
Comprehensive income (loss)	$ (49)	$ 15	$ (14)	$ (1)	$ (49)

	Supplemental Condensed Consolidating Schedule of Comprehensive Income Six Months Ended June 30, 2011				
(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Total revenue	$	$ 1,471	$ 964	$ (216)	$ 2,219
Costs and expenses:					
Cost of sales and administrative expenses	64	1,096	785	(216)	1,729
Depreciation and amortization		92	45		137
Amortization of acquisition-related intangible assets		181	46		227
Total costs and expenses	64	1,369	876	(216)	2,093
Operating income (loss)	(64)	102	88		126
Net interest income (expense)	(247)	(1)	(16)		(264)
Other income (expense)	94	49		(145)	(2)
Income (loss) from continuing operations before income taxes	(217)	150	72	(145)	(140)
Benefit from (provision for) income taxes	108	(55)	(22)		31
Income (loss) from continuing operations	(109)	95	50	(145)	(109)
Income (loss) from discontinued operations, net of tax	13	13	2	(15)	13
Net income (loss)	$ (96)	$ 108	$ 52	$ (160)	$ (96)

Comprehensive income (loss)	$ (16)	$ 182	$ 123	$ (305)	$ (16)

21

Table of Contents

Supplemental Condensed Consolidating Schedule of Comprehensive Income
Six Months Ended June 30, 2012

(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Total revenue	$	$ 1,445	$ 851	$ (173)	$ 2,123
Costs and expenses:					
Cost of sales and administrative expenses	49	1,056	692	(173)	1,624
Depreciation and amortization		96	45		141
Amortization of acquisition-related intangible assets		169	34		203
Total costs and expenses	49	1,321	771	(173)	1,968
Operating income (loss)	(49)	124	80		155
Net interest income (expense)	(209)		(14)		(223)
Other income (expense)	66	43	2	(160)	(49)
Income (loss) from continuing operations before income taxes	(192)	167	68	(160)	(117)
Benefit from (provision for) income taxes	107	(50)	(25)		32
Income (loss) from continuing operations	(85)	117	43	(160)	(85)
Income (loss) from discontinued operations, net of tax	312	87	(3)	(84)	312
Net income (loss)	$ 227	$ 204	$ 40	$ (244)	$ 227
Comprehensive income (loss)	$ 222	$ 200	$ 35	$ (235)	$ 222

Supplemental Condensed Consolidating Schedule of Cash Flows
Six Months Ended June 30, 2011

(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flow from operations:					
Net income (loss)	$ (96)	$ 108	$ 52	$ (160)	$ (96)
Income (loss) from discontinued operations	13	13	2	(15)	13
Income (loss) from continuing operations	(109)	95	50	(145)	(109)
Non cash adjustments	(70)	186	95	145	356
Changes in operating assets and liabilities	(110)	74	(35)		(71)
Cash flow provided by (used in) continuing operations	(289)	355	110		176
Cash flow provided by (used in) discontinued operations		2	(1)		1
Cash flow provided by (used in) operations	(289)	357	109		177
Investment activities:					
Intercompany transactions	349	(252)	(97)		
Cash paid for acquired businesses, net of cash acquired		(6)	(20)		(26)
Cash paid for property and equipment and software	(1)	(91)	(36)		(128)
Other investing activities	(3)		2		(1)
Cash provided by (used in) continuing operations	345	(349)	(151)		(155)
Cash provided by (used in) discontinued operations		(5)			(5)

Cash provided by (used in) investment activities	345	(354)	(151)		(160)
Financing activities:					
Net repayments of long-term debt	(5)	1	16		12
Other financing activities	(6)		(1)		(7)
Cash provided by (used in) continuing operations	(11)	1	15		5
Cash provided by (used in) discontinued operations					
Cash provided by (used in) financing activities	(11)	1	15		5
Effect of exchange rate changes on cash			21		21
Increase (decrease) in cash and cash equivalents	45	4	(6)		43
Beginning cash and cash equivalents	179		599		778
Ending cash and cash equivalents	$ 224	$ 4	$ 593	$	$ 821

Table of Contents

(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	Supplemental Condensed Consolidating Schedule of Cash Flows Six Months Ended June 30, 2012				
Cash flow from operations:					
Net income (loss)	$ 227	$ 204	$ 40	$ (244)	$ 227
Income (loss) from discontinued operations	312	87	(3)	(84)	312
Income (loss) from continuing operations	(85)	117	43	(160)	(85)
Non cash adjustments	13	199	74	160	446
Changes in operating assets and liabilities	(151)	30	(20)		(141)
Cash flow from (used in) continuing operations	(223)	346	97		220
Cash flow from (used in) discontinued operations	(240)	3	3		(234)
Cash flow from (used in) operations	(463)	349	100		(14)
Investment activities:					
Intercompany transactions	2,115	(223)	(121)	(1,771)	
Cash paid for acquired businesses, net of cash acquired			(9)		(9)
Cash paid for property and equipment and software		(83)	(32)		(115)
Other investing activities			3		3
Cash provided by (used in) continuing operations	2,115	(306)	(159)	(1,771)	(121)
Cash provided by (used in) discontinued operations		1,742			1,742
Cash provided by (used in) investment activities	2,115	1,436	(159)	(1,771)	1,621
Financing activities:					
Intercompany dividends of HE sale proceeds		(1,771)		1,771	
Net repayments of long-term debt	(1,742)				(1,742)
Premium paid to retire debt	(27)				(27)
Other financing activities	(15)				(15)
Cash provided by (used in) continuing operations	(1,784)	(1,771)		1,771	(1,784)
Cash provided by (used in) discontinued operations					
Cash provided by (used in) financing activities	(1,784)	(1,771)		1,771	(1,784)
Effect of exchange rate changes on cash			3		3
Increase (decrease) in cash and cash equivalents	(132)	14	(56)		(174)
Beginning cash and cash equivalents	529	(15)	359		873
Ending cash and cash equivalents	$ 397	$ (1)	$ 303	$	$ 699

During the first quarter of 2012, the Company determined that it had incorrectly accounted for intercompany dividend income and the related eliminations presented in the Supplemental Condensed Consolidating Schedules of Operations in the Company s Form 10-K for the periods ended December 31, 2009, 2010 and 2011. The Company determined that the incorrect presentation resulted in an understatement of income (or overstatement of loss) from continuing operations and net income (loss) for both the Non-Guarantor subsidiaries and the Guarantor subsidiaries. It was further determined that cash flows from operations and cash flows from investment activities for Parent (SunGard), Guarantor subsidiaries and Non-Guarantor subsidiaries were each affected between operating and investing. The Company also identified a misclassification of expense between Guarantor subsidiaries and Non-Guarantor subsidiaries in 2010 totaling $91 million. In addition, the Company also determined that it had incorrectly recorded intercompany transactions between certain Guarantor and Non-Guarantor subsidiaries as a component of net interest income (expense) resulting in an understatement of operating expenses for the Guarantor subsidiaries and an understatement of revenues for the Non-Guarantor subsidiaries. These errors had no impact on the consolidated financial statements of SunGard or any debt covenants and had no impact on the ability of SunGard s subsidiaries to dividend cash to SunGard for debt service requirements. The Company assessed the materiality of these items on previously issued annual and interim financial statements in accordance with SEC Staff Accounting Bulletin No. 99, and concluded that the errors were not material to the consolidated financial statements. The preceding tables for 2011 have been revised to reflect the correction of these errors.

Table of Contents

The following is a summary of the impacts of the errors on each of the statements that were included in the Quarterly Report on Form 10-Q for the periods indicated (n/c = no change).

	Parent Company		Guarantor		Non-Guarantor		Eliminations	
(in millions)	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised
Three Months Ended June 30, 2011								
Revenue	n/c	n/c	$ 866	$ 745[c]	$ 399	$ 520[c]	$ 1	$ (132)[c]
Operating income (loss)	$ (39)	$ (38)	194	35[c]	(49)	80[c]	n/c	n/c
Other income (loss)	29	73[a]	12	49[a]	n/c	n/c[a]	(40)	(122)[a]
Income (loss) from before income taxes	(128)	n/a	129	n/a	18	n/a	(40)	n/a
Income (loss) from continuing operations before income taxes	n/a	(85)[a]	n/a	84[a]	n/a	72[a]	n/a	(122)[a]
Income (loss) from continuing operations	n/a	(31)[a]	n/a	72[a]	n/a	50[a]	n/a	(122)[a]
Net loss	n/c	n/c	28	30[a]	12	52[a]	(40)	(82)[a]
Six Months Ended June 30, 2011								
Revenue	n/c	n/c	$ 1,711	$ 1,471[c]	$ 765	$ 964[c]	$	$ (216)[c]
Operating income (loss)	$ (65)	$ (64)	359	102[c]	(125)	88[c]	n/c	n/c
Other income	78	94[b]	(50)	49[b]	n/c	n/c[b]	(29)	(145)[b]
Income (loss) from before income taxes	(192)	n/a	197	n/a	(72)	n/a	(29)	n/a
Income (loss) from continuing operations before income taxes	n/a	(217)[b]	n/a	150[b]	n/a	72[b]	n/a	(145)[b]
Income (loss) from continuing operations	n/a	(109)[b]	n/a	95[b]	n/a	50[b]	n/a	(145)[b]
Net loss	n/c	n/c	79	108[b]	(50)	52[b]	(29)	(160)[b]

In addition to the change in the presentation of HE as a discontinued operation subsequent to the initial reporting, the changes outlined below have been made in the amounts presented As Revised .

(a) Impact of the correction of intercompany dividends of $2 million, $54 million and $(56) million for Parent, guarantor subsidiaries and non-guarantor subsidiaries, respectively.

(b) Impact of the correction of intercompany dividends of $42 million, $105 million and $(147) million for Parent, guarantor subsidiaries and non-guarantor subsidiaries, respectively.

(c) The correction of the error related to intercompany transactions caused an increase in Non-Guarantor Revenue and an increase in Guarantor Costs of sales and administrative expenses. As the amounts are intercompany charges, the related eliminations also increased by an equal amount. These amounts had previously been reported in the caption Interest income (expense) and correction of the error decreases Interest income for the Non-Guarantor subsidiaries and decreases Interest expense for the Guarantor subsidiaries. The impacts to each of the periods presented in the table above for this error were as follows:

Three months ended June 30, 2011: $132 million;

Six months ended June 30, 2011: $216 million.

n/a = not applicable as the Company did not report discontinued operations in the original filing.

Table of Contents

Supplemental Condensed Consolidating Schedule of Cash Flows

(in millions)	Parent Company		Guarantor Subsidiaries		Non-Guarantor Subsidiaries		Eliminations	
	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised
Six Months Ended June 30, 2011								
Cash flow from operations:								
Net income (loss)	n/c	n/c	$ 79	$ 108	$ (50)	$ 52	$ (29)	$ (160)
Income (loss) from continuing operations	n/a	$ (109)	n/a	95	n/a	50	n/a	(145)
Non-cash adjustments	$ (53)	(70)	322	186	98	95	29	145
Changes in operating assets and liabilities	82	(110)	(131)	74	(74)	(35)	n/c	n/c
Cash flow from (used in) continuing operations	n/a	(289)	n/a	355	n/a	110	n/a	
Cash flow from (used in) operations	(67)	(289)	270	357	(26)	109	n/c	n/c
Investment activities:								
Intercompany transactions	127	349	(165)	(252)	38	(97)	n/c	n/c
Cash provided by (used in) continuing operations	n/a	345	n/a	(349)	n/a	(151)	n/a	
Cash provided by (used in) operations in investment activities	123	345	(267)	(354)	(16)	(151)	n/c	n/c

The impact of the dividend elimination error is shown above as the difference between As Reported and As Revised Cash flow from (used in) operations and Cash provided by (used in) investment activities. Other captions presented above have been adjusted to reflect both the error and the presentation of HE as a discontinued operation.

The Company will revise the September 30, 2011 financial statements, which were presented in the Form 10-Q for the three and nine months ended September 30, 2011 to reflect the revisions discussed above, the next time such financial statements are included for comparative purposes. Condensed summaries of the As Reported and As Revised results of operations for the three and nine months ended September 30, 2011 and cash flows for the nine months ended September 30, 2011 were presented in Note 11 of Notes to Consolidated Financial Statements included in the Company s Form 10-Q for the three months ended March 31, 2012. See Note 11 of Notes to Consolidated Financial Statements included in the Company s Form 10-Q for the three months ended March 31, 2012 for other periods corrected as a result of the errors, including the three and nine months ended September 30, 2011.

Table of Contents

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations:
Introduction

The following discussion and analysis supplements management s discussion and analysis in the Company s Annual Report on Form 10-K for the year ended December 31, 2011 and presumes that readers have read or have access to the discussion and analysis in this filing. The following discussion and analysis includes historical and certain forward-looking information that should be read together with the accompanying Consolidated Financial Statements, related footnotes, and the discussion below of certain risks and uncertainties that could cause future operating results to differ materially from historical results or from the expected results indicated by forward-looking statements. The following discussion reflects the results of operations and financial condition of SCC, which are materially the same as the results of operations and financial condition of SCCII and SunGard. Therefore, the discussions provided are applicable to each of SCC, SCCII and SunGard unless otherwise noted.

Except as otherwise noted, all explanations below exclude the impacts from changes in currency translation, which we refer to as constant currency, a non-GAAP measure. We believe presenting our results on a constant currency basis is meaningful for assessing how our underlying businesses have performed due to the fact that we have international operations that are material to our overall operations. As a result, total revenues and expenses are affected by changes in the U.S. Dollar against international currencies. To present this information, current period results for entities reporting in currencies other than U.S. Dollars are converted to U.S. Dollars at the average exchange rate used in the prior year period rather than the actual exchange rates in effect during the current year period. In each of the tables below, we present the percent change based on actual, unrounded results in reported currency and in constant currency. Also, percentages may not add due to rounding.

Table of Contents

Results of Operations:

Three Months Ended June 30, 2012 Compared To Three Months Ended June 30, 2011

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

	Three Months Ended June 30, 2011	percent of revenue	Three Months Ended June 30, 2012	percent of revenue	Percent Increase (Decrease) 2012 vs. 2011	Constant Currency Three Months Ended June 30, 2012	percent of revenue	Percent Increase (Decrease) 2012 vs. 2011
(in millions)								
Revenue								
Financial Systems (FS)	$ 714	63%	$ 683	63%	(4)%	$ 703	63%	(2)%
Availability Services (AS)	366	32%	351	32%	(4)%	357	32%	(2)%
Other [1]	53	5%	50	5%	(3)%	50	5%	(3)%
	$ 1,133	100%	$ 1,084	100%	(4)%	$ 1,110	100%	(2)%
Costs and Expenses								
Cost of sales and direct operating	$ 482	43%	$ 446	41%	(7)%	$ 456	41%	(5)%
Sales, marketing and administration	293	26%	266	25%	(8)%	274	25%	(6)%
Product development and maintenance	103	9%	97	9%	(6)%	104	9%	1%
Depreciation and amortization	68	6%	70	6%	3%	70	6%	3%
Amortization of acquisition-related intangible assets	110	10%	101	9%	(9)%	101	9%	(9)%
	$ 1,056	93%	$ 980	90%	(7)%	$ 1,005	90%	(5)%
Operating Income								
Financial Systems [2]	$ 139	19%	$ 147	22%	6%	$ 146	21%	5%
Availability Services [2]	81	22%	72	20%	(11)%	74	21%	(8)%
Other [1][2]	14	28%	13	26%	(12)%	13	26%	(12)%
Corporate	(30)	(3)%	(13)	(1)%	55%	(13)	(1)%	55%
Amortization of acquisition-related intangible assets	(110)	(10)%	(101)	(9)%	9%	(101)	(9)%	9%
Stock compensation expense	(8)	(1)%	(9)	(1)%	(6)%	(9)	(1)%	(6)%
Other costs [3]	(9)	(1)%	(5)	%	36%	(5)	%	36%
	$ 77	7%	$ 104	10%	34%	$ 105	10%	36%

(1) Other includes our Public Sector and K-12 businesses.
(2) Percent of revenue is calculated as a percent of revenue from FS, AS and Other, respectively.
(3) Other costs include management fees paid to the Sponsors, purchase accounting adjustments and certain other costs, 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, the relative percentage that those amounts represent to total revenue and the percentage change in those amounts from period to period.

(in millions)	Three Months Ended June 30, 2011	percent of revenue	Three Months Ended June 30, 2012	percent of revenue	Percent Increase (Decrease) 2012 vs. 2011	Constant Currency Three Months Ended June 30, 2012	percent of revenue	Percent Increase (Decrease) 2012 vs. 2011
Financial Systems								
Services	$ 616	54%	$ 596	55%	(3)%	$ 611	55%	(1)%
License and resale fees	73	6%	76	7%	5%	81	7%	12%
Total products and services	689	61%	672	62%	(2)%	692	62%	1%
Reimbursed expenses	25	2%	11	1%	(57)%	11	1%	(57)%
	$ 714	63%	$ 683	63%	(4)%	$ 703	63%	(2)%
Availability Services								
Services	$ 361	32%	$ 346	32%	(4)%	$ 352	32%	(2)%
License and resale fees	1	%	1	%	(25)%	1	%	(24)%
Total products and services	362	32%	347	32%	(4)%	353	32%	(2)%
Reimbursed expenses	4	%	4	%	6%	4	%	13%
	$ 366	32%	$ 351	32%	(4)%	$ 357	32%	(2)%
Other								
Services	$ 45	4%	$ 44	4%	(2)%	$ 44	4%	(2)%
License and resale fees	7	1%	6	1%	(11)%	6	1%	(11)%
Total products and services	52	5%	50	5%	(3)%	50	5%	(3)%
Reimbursed expenses	1	%		%	(19)%		%	(19)%
	$ 53	5%	$ 50	5%	(3)%	$ 50	5%	(3)%
Total Revenue								
Services	$ 1,022	90%	$ 986	91%	(3)%	$ 1,007	91%	(1)%
License and resale fees	81	7%	83	8%	3%	88	8%	9%
Total products and services	1,103	97%	1,069	99%	(3)%	1,095	99%	(1)%
Reimbursed expenses	30	3%	15	1%	(48)%	15	1%	(47)%
	$ 1,133	100%	$ 1,084	100%	(4)%	$ 1,110	100%	(2)%

Income from Operations:

Our total operating margin was 10% for the three months ended June 30, 2012, compared to 7% for the three months ended June 30, 2011. The more significant factors impacting the 260 basis point increase in operating margin are the $16 million decrease in employment-related expenses, which had a 140 basis point impact on the operating margin; a 90 basis point impact, or $9 million, from the decrease in amortization of acquisition-related intangible assets; the 70 basis point impact, or $9 million, from the increase in software license fee revenue; the 40 basis point impact, or $4 million, from the decrease in facilities costs; and the 40 basis point impact, or $4 million, from the decrease in external services fees; partially offset by the (30) basis point impact, or $3 million, from the increase in currency transaction losses.

Financial Systems:

The FS operating margin was 21% and 19% for the three months ended June 30, 2012 and 2011, respectively. The more significant factors impacting the 140 basis point increase in operating margin are a $9 million increase in software license fee revenue, which had a 100 basis point impact on the operating margin; the 70 basis point impact, or $5 million, from the decrease in employment-related expenses; the 60 basis point impact, or $4 million, from the decrease in facilities costs; and the 30 basis point impact from the lower activity level of the Broker/Dealer; partially offset by the (40) basis point impact, or $3 million, from the increase in currency transaction losses; and the (40) basis point impact from acquisitions in the past twelve months.

Table of Contents

Availability Services:

The AS operating margin was 21% and 22% for the three months ended June 30, 2012 and 2011, respectively, a decrease of 120 basis points. In North America, recovery services, which typically uses shared resources, had a (160) basis point impact on AS operating margin in 2012 due primarily to a $14 million decrease in higher margin recovery services revenue, partially offset by a $5 million decrease in equipment expense. Professional services had a (40) basis point impact on the margin in 2012 due primarily to an increase in employment-related expenses. Managed services helped the margin in 2012 by 70 basis points due primarily to a $4 million increase in managed services revenue, which typically uses dedicated resources and is therefore lower in margin than recovery services revenue, and a $1 million decrease in facilities costs, partially offset by a $1 million increase in depreciation and amortization and a combined $1 million of increased employment-related and equipment expenses.

Other:

The operating margin from Other was 26% and 28% for the three months ended June 30, 2012 and 2011, respectively, and operating income decreased $1 million. The operating margin decreased due primarily to unchanged costs on lower revenue.

Revenue:

Total reported revenue decreased $49 million, or 4%, for the three months ended June 30, 2012 compared to the second quarter of 2011. On a constant currency basis, revenue decreased $23 million, or 2%. Approximately $21 million of the $23 million decrease was due to a decrease in revenue from one of our Capital Markets businesses, a broker/dealer. This business, whose performance is a function of market volatility and customer mix (the Broker/Dealer), had an inherently lower margin than our other financial systems businesses. The $21 million decrease was due primarily to no longer providing correspondent clearing services for a large, former Broker/Dealer customer that has since begun to self-clear its broker/dealer operations. The remaining decrease in total revenue is due mainly to a $14 million decrease in AS recovery services and a $6 million decrease in FS professional services revenue, partially offset by an increase in FS software license revenue of $9 million and a $4 million increase in AS managed services.

Financial Systems:

FS reported revenue decreased $31 million, or 4%, in the second quarter of 2012 from the prior year period, and decreased 2% on a constant currency basis. Four percentage points of the decrease on a constant currency basis was related to lower revenues from the Broker/Dealer. Reported revenue from license and resale fees included software license revenue of $73 million, an increase of $4 million, or 6%, compared to the same quarter in 2011. On a constant currency basis, software license fees increased $9 million, or 13%, due primarily to an increase in high-value, multi-year license transactions with some scope expansion. Professional services revenue decreased $6 million, or 4%, due primarily to successful completion of projects in the second quarter of 2011 and relatively lower demand in 2012 driven by economic conditions and related budget constraints.

Availability Services:

AS reported revenue decreased $15 million, or 4%, in the second quarter of 2012 from the prior year period. On a constant currency basis, revenue decreased $9 million, or 2%, in the quarter. In North America, which accounts for over 75% of our AS business, revenue decreased 2%, where decreases in recovery services revenue exceeded growth in managed services revenue. Revenue in Europe, primarily from our U.K. operations, increased 1%, where an increase in managed services, consulting services and application software revenue was mostly offset by a decrease in recovery services revenue. Our recovery services revenue has been declining due to customers shift from tape-based backup and recovery to either in-house solutions or disk- and cloud-based solutions. Separately, in managed services, demand has been increasing for outsourced management of IT operations and applications. We expect these trends to continue in the future.

Other:

Reported revenue and constant currency revenue from Other decreased $3 million, or 3%, for the three months ended June 30, 2012 from the corresponding period in 2011. Reported revenue from license and resale fees included software license revenue of $2 million in the three months ended June 30, 2012, a decrease of approximately $0.5 million from the prior year period.

Table of Contents

Costs and Expenses:

Cost of sales and direct operating expenses as a percentage of total revenue was 41% and 43% in the three-month periods ended June 30, 2012 and 2011, respectively, and decreased $26 million. Impacting the period was a $18 million decrease in reimbursed expenses relating to the operations of the Broker/Dealer business due primarily to no longer providing correspondent clearing services for a large, former Broker/Dealer customer that has since begun to self-clear its broker/dealer operations; an $8 million decrease in FS employment-related expenses; a $6 million decrease in AS equipment costs associated with lower equipment leases, equipment and software maintenance and decreased network costs; and a decrease in FS facilities costs, partially offset by a $2 million increase from FS acquired businesses.

Sales, marketing and administration expenses as a percentage of total revenue was 25% and 26% in the three months ended June 30, 2012 and 2011, respectively, and decreased $19 million. Decreases in sales, marketing and administration expenses were due primarily to decreases in corporate employment-related expenses of $15 million mainly as a result of executive transition costs incurred in the second quarter of 2011; FS employment-related expenses of $7 million due primarily to the impact from severance actions taken in 2011; external services fees of $4 million; and AS and corporate advertising expense of $4 million mainly resulting from cost savings initiatives; partially offset by increases in FS facilities costs; FS currency transaction losses of $3 million; AS employment-related expenses of $2 million; and management fee expense of $2 million.

Because AS product development and maintenance costs are insignificant, it is more meaningful to measure product development and maintenance expenses as a percentage of revenue excluding AS. For the three months ended June 30, 2012 and 2011, product development and maintenance costs were 14% and 13%, respectively, of revenue excluding AS, respectively, and increased $1 million. The increase is primarily related to a $10 million increase in FS employment-related expenses, partially offset by a decrease in FS facilities costs and a $3 million increase in FS costs capitalized as software assets in the second quarter of 2012 from the prior year period.

Amortization of acquisition-related intangible assets was 9% and 10% of total revenue in the three months ended June 30, 2012 and 2011, respectively, and decreased $9 million. The decrease is due primarily to the $10 million impact of software assets that were fully amortized in the prior year.

Interest expense was $101 million and $129 million for the three months ended June 30, 2012 and 2011, respectively. The decrease in interest expense was due primarily to the repayment in January 2012 of $1.22 billion of our outstanding term loans as a result of the sale of HE, the early extinguishment in April 2012 of $500 million, 10.625% senior notes due 2015 (2015 Notes) and interest rate decreases resulting from the expiration of interest rate swaps in each of February 2011 and 2012.

Loss on extinguishment of debt of $36 million for the three months ended June 30, 2012 was due to the repayment of the 2015 Notes.

The effective income tax rates for the three months ended June 30, 2012 and 2011 were 76% and 39%, respectively. The Company s effective tax rate fluctuates from period to period due to the timing of recording discrete items, changes in the mix of income or losses in jurisdictions with a wide range of tax rates and permanent differences between GAAP and local tax laws. The effective tax rate for the three months ended June 30, 2012 was also impacted by the application of the loss limitation guidance, which requires that when the interim period loss before taxes exceeds the forecasted loss before taxes for the annual period, the tax benefit recognized associated with the interim period loss should be limited to the tax benefit associated with the loss expected to be recognized for the annual period.

Accreted dividends on SCCII s cumulative preferred stock were $60 million and $55 million for the three months ended June 30, 2012 and 2011, respectively. The increase in dividends is due to compounding. No dividends have been declared by SCCII.

Six Months Ended June 30, 2012 Compared To Six Months Ended June 30, 2011

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

Table of Contents

						Constant Currency		
	Six Months Ended June 30, 2011		Six Months Ended June 30, 2012		Percent Increase (Decrease) 2012 vs. 2011	Six Months Ended June 30, 2012		Percent Increase (Decrease) 2012 vs. 2011
(in millions)		percent of revenue		percent of revenue			percent of revenue	
Revenue								
Financial Systems (FS)	$ 1,386	62%	$ 1,315	62%	(5)%	$ 1,339	62%	(3)%
Availability Services (AS)	730	33%	707	33%	(3)%	716	33%	(2)%
Other [1]	103	5%	101	5%	(1)%	101	5%	(1)%
	$ 2,219	100%	$ 2,123	100%	(4)%	$ 2,156	100%	(3)%
Costs and Expenses								
Cost of sales and direct operating	$ 975	44%	$ 915	43%	(6)%	$ 928	43%	(5)%
Sales, marketing and administration	555	25%	524	25%	(6)%	534	25%	(4)%
Product development and maintenance	199	9%	185	9%	(7)%	194	9%	(3)%
Depreciation and amortization	137	6%	141	7%	3%	141	7%	3%
Amortization of acquisition-related intangible assets	227	10%	203	10%	(11)%	203	9%	(11)%
	$ 2,093	94%	$ 1,968	93%	(6)%	$ 2,000	93%	(4)%
Operating Income								
Financial Systems [2]	$ 254	18%	$ 252	19%	(1)%	$ 250	19%	(2)%
Availability Services [2]	154	21%	135	19%	(12)%	138	19%	(10)%
Other [1][2]	28	28%	27	27%	(3)%	27	27%	(3)%
Corporate	(49)	(2)%	(28)	(1)%	42%	(28)	(1)%	41%
Amortization of acquisition-related intangible assets	(227)	(10)%	(203)	(10)%	11%	(203)	(9)%	11%
Stock compensation expense	(14)	(1)%	(20)	(1)%	(43)%	(20)	(1)%	(43)%
Other costs [3]	(20)	(1)%	(8)	%	58%	(8)	%	58%
	$ 126	6%	$ 155	7				