SunGard Kiodex LLC
Form 424B3
November 13, 2014

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FILED PURSUANT TO RULE 424(B)(3)

File Number 333-197772

SUNGARD DATA SYSTEMS INC.

SUPPLEMENT NO. 1 TO

MARKET-MAKING PROSPECTUS DATED SEPTEMBER 5, 2014

THE DATE OF THIS SUPPLEMENT IS NOVEMBER 13, 2014

ON NOVEMBER 12, 2014, SUNGARD DATA SYSTEMS INC. FILED THE ATTACHED

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2014

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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 September 30, 2014

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 ¨

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 September 30, 2014:

SunGard Capital Corp.	257,524,435 shares of Class A common stock and 28,613,824 shares of Class L common stock
SunGard Capital Corp. II	100 shares of common stock
SunGard Data Systems Inc.	100 shares of common stock

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SunGard Capital Corp.

SunGard Capital Corp. II

SunGard Data Systems Inc.

And Subsidiaries

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PART I. FINANCIAL INFORMATION

Explanatory Note

This Quarterly Report on Form 10-Q (Report) 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.

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ITEM 1. FINANCIAL STATEMENTS

SunGard Capital Corp.

Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2013	**September 30, 2014**
Assets		
Current:		
Cash and cash equivalents	$ 675	**$ 396**
Trade receivables, less allowance for doubtful accounts of $17 and $20	565	**398**
Earned but unbilled receivables	92	**111**
Prepaid expenses and other current assets	127	**134**
Assets of discontinued operations	2,516	
Total current assets	3,975	**1,039**
Property and equipment, less accumulated depreciation of $376 and $405	152	**147**
Software products, less accumulated amortization of $1,644 and $1,735	270	**222**
Customer base, less accumulated amortization of $486 and $520	421	**375**
Other assets, less accumulated amortization of $21 and $22	113	**100**
Trade name	1,019	**672**
Goodwill	3,828	**3,784**
Total Assets	$ 9,778	**$ 6,339**
Liabilities and Equity		
Current:		
Short-term and current portion of long-term debt	$ 290	**$ 2**
Accounts payable	8	**8**
Accrued compensation and benefits	245	**194**
Accrued interest expense	40	**69**
Other accrued expenses	129	**98**
Deferred revenue	589	**509**
Liabilities of discontinued operations	799	
Total current liabilities	2,100	**880**
Long-term debt	6,094	**4,669**
Deferred and other income taxes	746	**639**
Other long-term liabilities	39	**39**

Total liabilities		8,979		**6,227**
Commitments and contingencies				
Noncontrolling interest in preferred stock of SCCII subject to a put option		42		**32**
Class L common stock subject to a put option		58		**53**
Class A common stock subject to a put option		4		**3**
Stockholders equity:				
Class L common stock, convertible, par value $.001 per share; cumulative 13.5% per annum, compounded quarterly; aggregate liquidation preference of $7,040 million and $7,799 million; 50,000,000 shares authorized, 29,062,421 shares issued				
Class A common stock, par value $.001 per share; 550,000,000 shares authorized, 261,565,118 shares issued				
Capital in excess of par value		2,482		**2,674**
Treasury stock, 528,709 and 448,597 shares of Class L common stock; and 4,761,694 and 4,040,683 shares of Class A common stock		(47)		**(39)**
Accumulated deficit		(3,497)		**(3,964)**
Accumulated other comprehensive income (loss)		16		**(94)**
Total SunGard Capital Corp. stockholders equity (deficit)		(1,046)		**(1,423)**
Noncontrolling interest in preferred stock of SCCII		1,741		**1,447**
Total equity		695		**24**
Total Liabilities and Equity	$	9,778	**$**	**6,339**

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

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SunGard Capital Corp.

Consolidated Statements of Comprehensive Income (Loss)

(In millions)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	**2014**	2013	**2014**
Revenue:				
Services	$ 607	**$ 624**	$ 1,801	**$ 1,842**
License and resale fees	64	**59**	164	**150**
Total products and services	671	**683**	1,965	**1,992**
Reimbursed expenses	7	**8**	24	**25**
Total revenue	678	**691**	1,989	**2,017**
Costs and expenses:				
Cost of sales and direct operating (excluding depreciation)	244	**271**	757	**799**
Sales, marketing and administration	157	**171**	471	**503**
Product development and maintenance	103	**96**	309	**300**
Depreciation	24	**28**	73	**79**
Amortization of acquisition-related intangible assets	43	**30**	138	**114**
Trade name impairment charge				**339**
Total costs and expenses	571	**596**	1,748	**2,134**
Operating income (loss)	107	**95**	241	**(117)**
Other income (expense):				
Interest income	1		1	**1**
Interest expense and amortization of deferred financing fees	(78)	**(73)**	(247)	**(220)**
Loss on extinguishment of debt	(1)		(6)	**(61)**
Other income (expense)			(2)	
Other income (expense)	(78)	**(73)**	(254)	**(280)**
Income (loss) from continuing operations before income taxes	29	**22**	(13)	**(397)**

Benefit from (provision for) income taxes	(7)	**(11)**	5	**88**
Income (loss) from continuing operations	22	**11**	(8)	**(309)**
Income (loss) from discontinued operations, net of tax	1		(1)	**(17)**
Net income (loss)	23	**11**	(9)	**(326)**
(Income) attributable to the noncontrolling interest	(49)	**(42)**	(121)	**(132)**
Net income (loss) attributable to SunGard Capital Corp.	(26)	**(31)**	(130)	**(458)**
Other comprehensive income (loss):				
Foreign currency translation, net	54	**(49)**	10	**(110)**
Unrealized gain (loss) on derivative instruments, net of tax	(1)	**2**		
Other, net of tax	(1)		(6)	
Other comprehensive income (loss), net of tax	52	**(47)**	4	**(110)**
Comprehensive income (loss)	75	**(36)**	(5)	**(436)**
Comprehensive (income) loss attributable to the noncontrolling interest	(49)	**(42)**	(121)	**(132)**
Comprehensive income (loss) attributable to SunGard Capital Corp.	$ 26	**$ (78)**	$ (126)	**$ (568)**

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

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SunGard Capital Corp.

Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Nine Months Ended September 30, 2013	**2014**
Cash flow from operations:		
Net income (loss)	$ (9)	**$ (326)**
Income (loss) from discontinued operations	(1)	**(17)**
Income (loss) from continuing operations	(8)	**(309)**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	211	**193**
Trade name impairment charge		**339**
Deferred income tax provision (benefit)	(20)	**(105)**
Stock compensation expense	30	**33**
Amortization of deferred financing costs and debt discount	30	**14**
Loss on extinguishment of debt	6	**61**
Other noncash items	2	
Changes in working capital:		
Accounts receivable and other current assets	169	**135**
Accounts payable and accrued expenses	(45)	**(65)**
Deferred revenue	(51)	**(74)**
Cash flow from (used in) continuing operations	324	**222**
Cash flow from (used in) discontinued operations	242	**34**
Cash flow from (used in) operations	566	**256**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired	(1)	**(4)**
Cash paid for property and equipment, and software	(70)	**(98)**
Cash provided by (used in) continuing operations	(71)	**(102)**
Cash provided by (used in) discontinued operations	(89)	**7**
Cash provided by (used in) investment activities	(160)	**(95)**
Financing activities:		
Cash received from borrowings, net of fees	2,173	**(7)**

Cash used to repay debt		(2,418)		**(1,324)**
Cash used to purchase treasury stock		(7)		**(7)**
Other financing activities		(8)		**(11)**
Cash provided by (used in) continuing operations		(260)		**(1,349)**
Cash provided by (used in) discontinued operations		(1)		**887**
Cash provided by (used in) financing activities		(261)		**(462)**
Effect of exchange rate changes on cash		(2)		**(9)**
Increase (decrease) in cash and cash equivalents		143		**(310)**
Beginning cash and cash equivalents, including cash of discontinued operations: 2013, $11; 2014, $31		546		**706**
Ending cash and cash equivalents, including cash of discontinued operations: 2013, $31; 2014, $-	$	689	**$**	**396**
Supplemental information:				
Interest paid	$	223	**$**	**195**
Income taxes paid, net of refunds of $13 million, $17 million, respectively	$	64	**$**	**32**
Non-cash financing activities:				
Distribution of net assets of SpinCo (see Note 1)	$		**$**	**229**
Receipt of SpinCo Notes in connection with the AS Split-Off (see Note 1)	$		**$**	**425**
Exchange of SpinCo Notes for SunGard Notes (see Note 6)	$		**$**	**389**

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

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SunGard Capital Corp. II

Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2013	**September 30, 2014**
Assets		
Current:		
Cash and cash equivalents	$ 675	**$ 396**
Trade receivables, less allowance for doubtful accounts of $17 and $20	565	**398**
Earned but unbilled receivables	92	**111**
Prepaid expenses and other current assets	127	**134**
Assets of discontinued operations	2,516	
Total current assets	3,975	**1,039**
Property and equipment, less accumulated depreciation of $376 and $405	152	**147**
Software products, less accumulated amortization of $1,644 and $1,735	270	**222**
Customer base, less accumulated amortization of $486 and $520	421	**375**
Other assets, less accumulated amortization of $21 and $22	113	**100**
Trade name	1,019	**672**
Goodwill	3,828	**3,784**
Total Assets	$ 9,778	**$ 6,339**
Liabilities and Stockholders Equity		
Current:		
Short-term and current portion of long-term debt	$ 290	**$ 2**
Accounts payable	8	**8**
Accrued compensation and benefits	245	**194**
Accrued interest expense	40	**69**
Other accrued expenses	128	**97**
Deferred revenue	589	**509**
Liabilities of discontinued operations	799	
Total current liabilities	2,099	**879**
Long-term debt	6,094	**4,669**
Deferred and other income taxes	746	**639**
Other long-term liabilities	22	**28**
Total liabilities	8,961	**6,215**

Commitments and contingencies				
Preferred stock subject to a put option		37		**28**
Stockholders equity:				
Preferred stock, par value $.001 per share; cumulative 11.5% per annum, compounded quarterly; aggregate liquidation preference of $1,752 million and $1,456 million; 14,999,000 shares authorized, 10,060,069 shares issued				
Common stock, par value $.001 per share; 1,000 shares authorized, 100 shares issued and outstanding				
Capital in excess of par value		3,501		**3,517**
Treasury stock, 183,014 and 2,517,991 shares		(29)		**(284)**
Accumulated deficit		(2,708)		**(3,043)**
Accumulated other comprehensive income (loss)		16		**(94)**
Total stockholders equity		780		**96**
Total Liabilities and Stockholders Equity	$	9,778	**$**	**6,339**

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

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SunGard Capital Corp. II

Consolidated Statements of Comprehensive Income (Loss)

(In millions)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	**2014**	2013	**2014**
Revenue:				
Services	$ 607	**$ 624**	$ 1,801	**$ 1,842**
License and resale fees	64	**59**	164	**150**
Total products and services	671	**683**	1,965	**1,992**
Reimbursed expenses	7	**8**	24	**25**
Total revenue	678	**691**	1,989	**2,017**
Costs and expenses:				
Cost of sales and direct operating (excluding depreciation)	244	**271**	757	**799**
Sales, marketing and administration	157	**171**	471	**503**
Product development and maintenance	103	**96**	309	**300**
Depreciation	24	**28**	73	**79**
Amortization of acquisition-related intangible assets	43	**30**	138	**114**
Trade name impairment charge				**339**
Total costs and expenses	571	**596**	1,748	**2,134**
Operating income (loss)	107	**95**	241	**(117)**
Other income (expense):				
Interest income	1		1	**1**
Interest expense and amortization of deferred financing fees	(78)	**(73)**	(247)	**(220)**
Loss on extinguishment of debt	(1)		(6)	**(61)**
Other income (expense)			(2)	
Other income (expense)	(78)	**(73)**	(254)	**(280)**
Income (loss) from continuing operations before income taxes	29	**22**	(13)	**(397)**

Benefit from (provision for) income taxes		(7)		**(11)**		5		**88**
Income (loss) from continuing operations		22		**11**		(8)		**(309)**
Income (loss) from discontinued operations, net of tax		1				(1)		**(17)**
Net income (loss)		23		**11**		(9)		**(326)**
Other comprehensive income (loss):								
Foreign currency translation, net		54		**(49)**		10		**(110)**
Unrealized gain (loss) on derivative instruments, net of tax		(1)		**2**				
Other, net of tax		(1)				(6)		
Other comprehensive income (loss)		52		**(47)**		4		**(110)**
Comprehensive income (loss)	$	75	**$**	**(36)**	$	(5)	**$**	**(436)**

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

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SunGard Capital Corp. II

Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Nine Months Ended September 30, 2013	2014
Cash flow from operations:		
Net income (loss)	$ (9)	**$ (326)**
Income (loss) from discontinued operations	(1)	**(17)**
Income (loss) from continuing operations	(8)	**(309)**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	211	**193**
Trade name impairment charge		**339**
Deferred income tax provision (benefit)	(20)	**(105)**
Stock compensation expense	30	**33**
Amortization of deferred financing costs and debt discount	30	**14**
Loss on extinguishment of debt	6	**61**
Other noncash items	2	
Changes in working capital:		
Accounts receivable and other current assets	169	**135**
Accounts payable and accrued expenses	(42)	**(65)**
Deferred revenue	(51)	**(74)**
Cash flow from (used in) continuing operations	327	**222**
Cash flow from (used in) discontinued operations	242	**34**
Cash flow from (used in) operations	569	**256**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired	(1)	**(4)**
Cash paid for property and equipment, and software	(70)	**(98)**
Cash provided by (used in) continuing operations	(71)	**(102)**
Cash provided by (used in) discontinued operations	(89)	**7**
Cash provided by (used in) investment activities	(160)	**(95)**
Financing activities:		
Cash received from borrowings, net of fees	2,173	**(7)**

Cash used to repay debt		(2,418)		**(1,324)**
Cash used to purchase treasury stock		(3)		**(3)**
Other financing activities		(15)		**(15)**
Cash provided by (used in) continuing operations		(263)		**(1,349)**
Cash provided by (used in) discontinued operations		(1)		**887**
Cash provided by (used in) financing activities		(264)		**(462)**
Effect of exchange rate changes on cash		(2)		**(9)**
Increase (decrease) in cash and cash equivalents		143		**(310)**
Beginning cash and cash equivalents, including cash of discontinued operations: 2013, $11; 2014, $31		546		**706**
Ending cash and cash equivalents, including cash of discontinued operations: 2013, $31; 2014, $-	$	689	**$**	**396**
Supplemental information:				
Interest paid	$	223	**$**	**195**
Income taxes paid, net of refunds of $13 million, $17 million, respectively	$	64	**$**	**32**
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SunGard Data Systems Inc.

Consolidated Balance Sheets

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(Unaudited)

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Total current assets	3,971	**1,039**
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Customer base, less accumulated amortization of $486 and $520	421	**375**
Other assets, less accumulated amortization of $21 and $22	113	**100**
Trade name	1,019	**672**
Goodwill	3,828	**3,784**
Total Assets	$ 9,774	**$ 6,339**
Liabilities and Stockholder s Equity		
Current:		
Short-term and current portion of long-term debt	$ 290	**$ 2**
Accounts payable	8	**8**
Accrued compensation and benefits	245	**194**
Accrued interest expense	40	**69**
Other accrued expenses	127	**96**
Deferred revenue	589	**509**
Liabilities of discontinued operations	799	
Total current liabilities	2,098	**878**
Long-term debt	6,094	**4,669**
Deferred and other income taxes	739	**631**
Other long-term liabilities	22	**28**
Total liabilities	8,953	**6,206**

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		3,513		**3,373**
Accumulated deficit		(2,708)		**(3,146)**
Accumulated other comprehensive income (loss)		16		**(94)**
Total stockholder s equity		821		**133**
Total Liabilities and Stockholder s Equity	$	9,774	**$**	**6,339**

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

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SunGard Data Systems Inc.

Consolidated Statements of Comprehensive Income (Loss)

(In millions)

(Unaudited)

	Three Months Ended September 30, 2013	Three Months Ended September 30, **2014**	Nine Months Ended September 30, 2013	Nine Months Ended September 30, **2014**
Revenue:				
Services	$ 607	**$ 624**	$ 1,801	**$ 1,842**
License and resale fees	64	**59**	164	**150**
Total products and services	671	**683**	1,965	**1,992**
Reimbursed expenses	7	**8**	24	**25**
Total revenue	678	**691**	1,989	**2,017**
Costs and expenses:				
Cost of sales and direct operating (excluding depreciation)	244	**271**	757	**799**
Sales, marketing and administration	157	**171**	471	**503**
Product development and maintenance	103	**96**	309	**300**
Depreciation	24	**28**	73	**79**
Amortization of acquisition-related intangible assets	43	**30**	138	**114**
Trade name impairment charge				**339**
Total costs and expenses	571	**596**	1,748	**2,134**
Operating income (loss)	107	**95**	241	**(117)**
Other income (expense):				
Interest income	1		1	**1**
Interest expense and amortization of deferred financing fees	(78)	**(73)**	(247)	**(220)**
Loss on extinguishment of debt	(1)		(6)	**(61)**
Other income (expense)			(2)	
Other income (expense)	(78)	**(73)**	(254)	**(280)**
Income (loss) from continuing operations before income taxes	29	**22**	(13)	**(397)**
Benefit from (provision for) income taxes	(7)	**(11)**	5	**88**
Income (loss) from continuing operations	22	**11**	(8)	**(309)**

Income (loss) from discontinued operations, net of tax		1				(1)		**(17)**
Net income (loss)		23		**11**		(9)		**(326)**
Other comprehensive income (loss):								
Foreign currency translation, net		54		**(49)**		10		**(110)**
Unrealized gain (loss) on derivative instruments, net of tax		(1)		**2**				
Other, net of tax		(1)				(6)		
Other comprehensive income (loss)		52		**(47)**		4		**(110)**
Comprehensive income (loss)	$	75	**$**	**(36)**	$	(5)	**$**	**(436)**

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

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SunGard Data Systems Inc.

Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Nine Months Ended September 30, 2013	**2014**
Cash flow from operations:		
Net income (loss)	$ (9)	**$ (326)**
Income (loss) from discontinued operations	(1)	**(17)**
Income (loss) from continuing operations	(8)	**(309)**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	211	**193**
Trade name impairment charge		**339**
Deferred income tax provision (benefit)	(20)	**(105)**
Stock compensation expense	30	**33**
Amortization of deferred financing costs and debt discount	30	**14**
Loss on extinguishment of debt	6	**61**
Other noncash items	2	
Changes in working capital:		
Accounts receivable and other current assets	169	**135**
Accounts payable and accrued expenses	(42)	**(65)**
Deferred revenue	(51)	**(74)**
Cash flow from (used in) continuing operations	327	**222**
Cash flow from (used in) discontinued operations	242	**34**
Cash flow from (used in) operations	569	**256**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired	(1)	**(4)**
Cash paid for property and equipment, and software	(70)	**(98)**
Cash provided by (used in) continuing operations	(71)	**(102)**
Cash provided by (used in) discontinued operations	(89)	**7**
Cash provided by (used in) investment activities	(160)	**(95)**
Financing activities:		
Cash received from borrowings, net of fees	2,173	**(7)**

Cash used to repay debt		(2,418)		**(1,324)**
Other financing activities		(18)		**(18)**
Cash provided by (used in) continuing operations		(263)		**(1,349)**
Cash provided by (used in) discontinued operations		(1)		**887**
Cash provided by (used in) financing activities		(264)		**(462)**
Effect of exchange rate changes on cash		(2)		**(9)**
Increase (decrease) in cash and cash equivalents		143		**(310)**
Beginning cash and cash equivalents, including cash of discontinued operations: 2013, $11; 2014, $31		546		**706**
Ending cash and cash equivalents, including cash of discontinued operations: 2013, $31; 2014, $-	$	689	**$**	**396**
Supplemental information:				
Interest paid	$	223	**$**	**195**
Income taxes paid, net of refunds of $13 million, $17 million, respectively	$	64	**$**	**32**
Non-cash Financing activities:				
Distribution of net assets of SpinCo (see Note 1)	$		**$**	**233**
Receipt of SpinCo Notes in connection with the AS Split-Off (see Note 1)	$		**$**	**425**
Exchange of SpinCo Notes for SunGard Notes (see Note 6)	$		**$**	**389**

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

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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) is one of the world s leading software and technology services companies and has two reportable segments: Financial Systems (FS) and Public Sector & Education (PS&E). The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated.

SunGard was acquired on August 11, 2005 in a leveraged buy-out (the LBO) 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 Holding Companies have no other operations beyond those of their ownership of SunGard.

On March 31, 2014, SunGard completed the split-off of its Availability Services (AS) business to its existing stockholders, including its private equity owners, on a tax-free and pro-rata basis. As part of that transaction, the assets and liabilities of the AS business were contributed to a new subsidiary, and then SunGard transferred all of its ownership interests in that subsidiary to Sungard Availability Services Capital, Inc. (SpinCo) in exchange for common stock of SpinCo, approximately $425 million of SpinCo senior notes (SpinCo Notes), and $1,005 million of net cash proceeds from the issuance of an AS term loan facility (SpinCo Term Loan). Immediately after these transactions, SunGard distributed the common stock of SpinCo through SunGard s ownership chain ultimately to SCCII, and then all stockholders of preferred stock of SCCII exchanged a portion of their shares of preferred stock for all of the shares of common stock of SpinCo on a pro-rata basis (together, with the transactions described above, the AS Split-Off). As a result, on March 31, 2014 the preferred stockholders of SCCII owned 100% of the common stock of SpinCo, a separate, independent company. The distribution of AS nets assets in connection with the AS Split-Off was based on the recorded amount of the net assets and did not result in a gain or loss upon disposal in the consolidated financial statements.

The AS business and two small FS businesses which were sold on January 31, 2014 have been included in our financial results as discontinued operations for all periods presented.

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, 2013. The Company s annual financial statements were revised in the Registration Statement on Form S-1/A filed on September 3, 2014. 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, 2014.

Certain prior year amounts have been reclassified to conform to current presentation. Refer to Note 2 of the Notes to Consolidated Financial Statements for information regarding the reclassification of facilities and information technology-related expenses to more accurately present them within the functional classes of expenses for the three and nine month periods ended September 30, 2013.

The Consolidated Balance Sheet as of December 31, 2013 has been revised to correct an immaterial misclassification of certain income tax receivable balances. Total assets and total liabilities each decreased by $7 million at December 31, 2013.

Recent Accounting Pronouncements

Recently Adopted

In March 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2013-05, Parent s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in Foreign Entity. This new guidance clarified that when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a business, the parent should only release the related cumulative translation adjustment (CTA) into net income if the deconsolidation or derecognition results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets resided. The adoption of ASU 2013-05 on January 1, 2014 did not have an impact on the consolidated financial statements as the Company has historically accounted for the removal of CTA related to sales of non-U.S. entities consistent with this new guidance.

In July 2013, the FASB issued ASU 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists to eliminate diversity in practice in the presentation of unrecognized tax benefits in those instances. This ASU requires that companies net their unrecognized tax benefits against all same-jurisdiction deferred tax assets for net operating losses or tax credit carryforwards that would be used to settle the position with a tax authority to the extent such deferred tax assets are available. If this criteria does not apply or the tax law of the applicable jurisdiction does not require the entity to use and the entity does not intend to use the deferred tax assets for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The adoption of ASU 2013-11 on January 1, 2014 did not have a material impact on the consolidated financial statements.

Recently Issued

In April 2014, the FASB issued ASU 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity that changes the criteria for reporting a discontinued operation. According to the new guidance, only disposals of a component that represents a strategic shift that has (or will have) a major effect on an entity s operations and financial results is a discontinued operation. The new guidance also requires expanded disclosures about discontinued operations and disposals of a significant part of an entity that does not qualify for discontinued operations reporting. ASU 2014-08 is effective beginning January 1, 2015 with early adoption permitted, but only for disposals (or classifications as held for sale) that have not been reported in previously-issued financial statements. Once adopted, ASU 2014-08 will affect how the Company identifies and presents discontinued operations in the consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which outlines a comprehensive revenue recognition model and supersedes most current revenue recognition guidance. This new guidance establishes a five step process, which companies must use in order to recognize revenue properly. Those five steps are: (i) identifying contract(s) with a customer, (ii) identifying the performance obligations in the contract, (iii) determining the transaction price, (iv) allocating the transaction price to the performance obligations in the contract, and (v) recognizing revenue when (or as) the entity satisfies a performance obligation. The new ASU will affect any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. ASU 2014-09 will be effective for the Company starting in the first quarter of fiscal 2017. ASU 2014-09 allows for two methods of adoption: (a) full retrospective adoption, meaning the standard is applied to all periods presented, or (b) modified retrospective adoption, meaning the cumulative effect of applying ASU 2014-09 is recognized as an adjustment to the fiscal 2017 opening retained earnings balance. The Company is in the process of determining the adoption method as well as the effects the adoption of ASU 2014-09 will have on its consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements Going Concern, which establishes that in connection with the preparation of financial statements for each annual and interim reporting period, an entity s management should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity s ability to continue as a going concern within one year after the date that the financial statements are issued. ASU 2014-15 requires management to consider qualitative and quantitative information about conditions and events known and reasonably knowable at the date the financial statements are issued. ASU 2014-15 will be effective for the Company for the annual period ending after December 15, 2016 and interim periods beginning after December 15, 2016. The adoption of ASU 2014-15 is not expected to have a material impact on the Company s consolidated financial statements.

2. Expense Classification:

Effective January 1, 2014, within the Consolidated Statements of Comprehensive Income (Loss), the Company changed its presentation of facilities and information technology-related expenses that are not directly associated with the delivery of its products and services. Formerly, the Company presented these expenses within sales, marketing and administration expense. The Company s new method for presenting facilities and information technology-related expenses includes allocating these items to all of its functional areas, which the Company considers a better presentation as it more accurately reflects the actual cost of these functions. The presentation of prior year amounts in the consolidated financial statements has been reclassified to conform to the current year presentation. There was no impact on total reported costs and expenses for any period as a result of the change.

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The impact of this change within the functional areas, including the impact of discontinued operations, is as follows for the three and nine months ended September 30, 2013 (in millions):

	Three Months Ended September 30, 2013				
	As reported	Impact of discontinued operations	As reported - adjusted for discontinued operations	As reclassified	Change
Cost of sales and direct operating (excluding depreciation)	$ 423	$ (191)	$ 232	$ 244	$ 12
Sales, marketing and administration	232	(53)	179	157	(22)
Product development and maintenance	96	(3)	93	103	10
Total functional expenses	$ 751	$ (247)	$ 504	$ 504	$

	Nine Months Ended September 30, 2013				
	As reported	Impact of discontinued operations	As reported - adjusted for discontinued operations	As reclassified	Change
Cost of sales and direct operating (excluding depreciation)	$ 1,284	$ (566)	$ 718	$ 757	$ 39
Sales, marketing and administration	716	(173)	543	471	(72)
Product development and maintenance	285	(9)	276	309	33
Total functional expenses	$ 2,285	$ (748)	$ 1,537	$ 1,537	$

3. Discontinued Operations:

On January 31, 2014, the Company completed the sale of two small businesses within the FS segment in exchange for 27 million paid at closing, 9 million to be paid no later than March 2016 (deferred purchase price) and 2 million to be paid upon the successful assignment of certain customer contracts. The deferred purchase price is unconditional and is secured by a bank guarantee. On March 31, 2014, the Company completed the AS Split-Off. These businesses have been included in our financial results as discontinued operations for all periods presented.

Please refer to Note 1 for additional information concerning discontinued operations.

The results for discontinued operations for the three and nine months ended September 30, 2013 and 2014 were as follows (in millions):

	Three Months Ended September 30, 2013	Three Months Ended September 30, **2014**	Nine Months Ended September 30, 2013	Nine Months Ended September 30, **2014**
Revenue	$ 351	$	$ 1,063	**$ 338**
Operating income (loss)	16		48	**(25)**
Interest expense	(19)		(55)	**(18)**
Gain (loss) on sale of business			1	**22**
Income (loss) before income taxes	(3)		(6)	**(21)**
Benefit from (provision for) income taxes	4		5	**4**
Income (loss) from discontinued operations	$ 1	**$**	$ (1)	**$ (17)**

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Assets of discontinued operations and liabilities of discontinued operations consisted of the following at December 31, 2013 (in millions):

	December 31, 2013
Cash and cash equivalents	$ 31
Trade receivables, net	227
Prepaid expenses and other current assets	70
Property and equipment, net	669
Software products, net	40
Customer base, net	734
Other	10
Goodwill	735
Assets of discontinued operations	$ 2,516
Accounts payable	$ 47
Accrued compensation and benefits	45
Other accrued expenses	78
Deferred revenue	260
Current portion of long-term debt	2
Long-term debt	5
Deferred income taxes	282
Other long-term liabilities	80
Liabilities of discontinued operations	$ 799

4. Intangible Assets and Goodwill:

Trade Name

The trade name intangible asset represents the value of the SunGard trade name and is an indefinite-lived asset not subject to amortization. The Company completes its annual trade name impairment test as of July 1 of each year and more frequently when negative conditions or triggering events arise.

Interim Impairment Test

The AS Split-Off triggered an interim impairment test of the carrying value of the SunGard trade name as of March 31, 2014 due to changes in how the trade name is being used following the AS Split-Off. The Company utilized an income approach known as the relief-from-royalty method to determine the fair value of the SunGard trade name. Under this method, a royalty rate was applied to SunGard s projected revenues to determine the annual cash savings attributable to ownership of the trade name. This amount was then tax-effected and discounted to present value to ultimately arrive at the estimated fair value of the trade name.

The Company developed certain assumptions and estimates related to the calculation of fair value of its trade name. The fair value assumptions and estimates primarily included projections of future revenues, a royalty rate, a tax rate, and a discount rate. The loss of projected AS revenues due to the AS Split-Off had a significant negative impact on the results of the trade name valuation. Based on the results of the impairment test, the fair value of the trade name was determined to be lower than its carrying value and resulted in a $339 million impairment of the trade name as of March 31, 2014.

In addition to future revenue projections, the assumed royalty rate and discount rate are critical assumptions considered in the trade name impairment test. Excluding any changes to future revenue projections or other assumptions, a 50 basis point decrease in the assumed royalty rate would have resulted in an additional impairment of the trade name asset of approximately $133 million (a 100 basis point decrease would have resulted in an additional impairment of approximately $265 million). A 50 basis point increase in the discount rate would result in an additional impairment of the trade name asset of approximately $14 million (a 100 basis point increase would have resulted in an additional impairment of approximately $28 million). Furthermore, to the extent that projected revenues decline in the future, the revenue supporting the trade name will decline, which may result in impairment charges.

In connection with the AS Split-Off, SunGard and AS agreed to a two-year royalty-free period for AS limited use of a derivative of the trade name, after which it will pay a pre-determined royalty rate based on its annual revenue for a specified number of years. As of March 31, 2014, SunGard transferred an $8 million right-to-use asset representing the value of AS limited right to use the SUNGARD AVAILABILITY SERVICES trade name during the royalty-free period.

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Annual Impairment Test

As of July 1, 2014, the Company completed its annual impairment test and determined that the fair value of the trade name exceeded its carrying value, resulting in no further impairment of the trade name since the interim test performed as of March 31, 2014. From a sensitivity standpoint, a 50 basis point decrease in the assumed royalty rate would have resulted in an impairment of the trade name asset of approximately $123 million. A 50 basis point increase in the discount rate would result in an impairment of the trade name asset of approximately $24 million (100 basis point increase would result in an impairment of approximately $59 million). Furthermore, to the extent that additional businesses are sold, split-off or otherwise divested in the future, or revenues related to continuing operations decline, the revenue supporting the trade name will decline, which may result in further impairment charges.

The following table summarizes changes in the value of the trade name for the nine months ended September 30, 2014 (in millions):

	Trade name, net
Balance at December 31, 2013	$ 1,019
Transfer limited right to use trade name asset to AS	(8)
Trade name impairment	(339)
Balance at September 30, 2014	$ 672

Goodwill

Annual Impairment Test

The Company performs a goodwill impairment test annually and more frequently when negative conditions or triggering events arise. The Company completes its annual goodwill impairment test as of July 1 for each of its reporting units. The Company has the option of performing an assessment of certain qualitative factors to determine if it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying value (referred to as a step zero test) or proceeding directly to a quantitative analysis (referred to as a step one test).

Since each of the reporting units had a fair value in excess of 20% of its respective carrying value as of the most recent step-one test, which was either as of July 1, 2012 or July 1, 2013, and no events were noted that would significantly decrease the fair value of the reporting unit, the Company elected to apply the qualitative assessment under the step zero testing approach for all reporting units as of July 1, 2014. Based on the results of these tests, no step one tests were determined to be necessary.

When performing a qualitative test, the Company assesses numerous factors to determine whether it is more likely than not that the fair value of the reporting units are less than their respective carrying values. Examples of qualitative factors that management assesses include the Company s financial performance, market and competitive factors in the software and services industry, the amount of excess fair value over the carrying value of each reporting unit evident in prior years and other events specific to the Company s reporting units.

Management considered factors that would impact the reporting unit fair values as estimated by the market and income approaches used in the last step one test. Management reviewed current projections of cash flows and compared these current projections to the projections included in the most recent step one test, and considered the fact that no new significant competitors entered the marketplace in the industry and that consumer demand for the industry s products remains relatively constant, if not growing slightly. Also, economic factors over the past year (or two years in the case of units that were last tested quantitatively as of July 1, 2012) did not significantly affect the discount rates used for the valuation of these reporting units. Management concluded that events occurring since the last step one test did not have a significant impact on the fair value of each of these reporting units. Therefore, management determined that it was not necessary to perform a quantitative (step one) goodwill impairment test for these reporting units as the fair value of each reporting unit appeared to exceed its respective carrying value.

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The following table summarizes the changes in goodwill by segment for the nine months ended September 30, 2014 (in millions) and does not include any amounts related to the AS business, which is reflected as discontinued operations for all periods presented:

	FS	Cost PS&E	Subtotal	Accumulated impairment PS&E	Total
Balance at December 31, 2013	$ 3,501	$ 544	$ 4,045	$ (217)	$ 3,828
Adjustments related to the LBO and prior year acquisitions	(1)	(1)	(2)		(2)
Effect of foreign currency translation	(42)		(42)		(42)
Balance at September 30, 2014	$ 3,458	$ 543	$ 4,001	$ (217)	$ 3,784

A portion of the Company s goodwill is denominated in currencies other than the U.S. Dollar.

Intangible Asset amortization

The total expected amortization of acquisition-related intangible assets for years ended December 31 is as follows (in millions):

2014	$ 134
2015	82
2016	66
2017	58
2018	54

5. Accumulated Other Comprehensive Income:

The following table provides a rollforward of the components of accumulated other comprehensive loss, net of tax, for the nine months ended September 30, 2014 (in millions):

	Gains and Losses on Cash Flow Hedges	Currency Translation	Other	Accumulated Other Comprehensive Income
Balance at December 31, 2013	$ 4	$ 15	$ (3)	$ 16
Other comprehensive income (loss) before reclassifications	(6)	(35)		(41)
AS Split-Off from SunGard		(75)		(75)
Amounts reclassified from accumulated other comprehensive income, net of tax	6			6

Net current-period other comprehensive income (loss)				(110)				(110)
Balance at September 30, 2014	$	4	$	(95)	$	(3)	$	(94)

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The following table summarizes the unrealized gains (losses) on derivative instruments including the impact of components reclassified into net income from accumulated other comprehensive income for the three and nine months ended September 30, 2013 and 2014 (in millions):

Other Comprehensive Income Components	Three months ended September 30, 2013	Three months ended September 30, **2014**	Nine months ended September 30, 2013	Nine months ended September 30, **2014**	Affected Line Item in the Statement of Comprehensive Income (Loss) for Components Reclassified from OCI
Unrealized gain (loss) on derivative instruments and other	**$ (3)**	**$**	$ (3)	**$ (6)**	
Loss (gain) on derivatives reclassified into income:					
Interest rate contracts	1	**3**	5	**6**	Interest expense and amortization of deferred financing fees
Forward currency hedges	2				Cost of sales and direct operating
Total reclassified into income	3	**3**	5	**6**	
Income tax benefit (expense)	(1)	**(1)**	(2)		
Amounts reclassified from accumulated other comprehensive income net of tax	2	**2**	3	**6**	
Unrealized gain (loss) on derivative instruments, net of tax	$ (1)	**$ 2**	$	**$**	

6. Debt and Derivatives:

On January 15, 2014, SunGard paid $250 million to retire the Senior Secured Notes due 2014. On January 31, 2014, SunGard removed AS as a participant in its secured accounts receivable facility and repaid $60 million of the term loan.

On February 7, 2014, SunGard amended and restated its senior secured credit agreement (Credit Agreement) (as amended and restated, the Seventh Amendment). Most notably, the Seventh Amendment:

amended certain covenants and other provisions of the Credit Agreement in order to permit the AS Split-Off, including (i) the ability to effect the AS Split-Off without requiring an initial public offering, (ii) permitting AS to incur up to $1.5 billion of indebtedness in connection with the AS Split-Off, and (iii) allowing

SunGard s total secured leverage ratio (less cash and cash equivalents in excess of $50 million), after giving pro forma effect to the AS Split-Off, to increase no more than 0.60x of Adjusted EBITDA at the time of the AS Split-Off; and

modified certain covenants and other provisions in order to, among other things (i) modify the financial maintenance covenant included therein, and (ii) permit the Company and its affiliates to repurchase term loans.

On February 28, 2014, SunGard repaid at maturity the remaining $7 million Tranche A term loan under the Senior Secured Credit Facilities.

On March 31, 2014, SunGard used the $1,005 million net cash proceeds from the issuance of the SpinCo Term Loan to repay approximately $27 million of its tranche C term loan, $713 million of its tranche D term loan and $265 million of its tranche E term loan. SunGard also exchanged the SpinCo senior notes with an aggregate principal amount of approximately $425 million for an aggregate principal amount of approximately $389 million of existing SunGard 7 3/8% senior notes due 2018 (SunGard Notes) which were then retired. The retirement of the SunGard Notes resulted in a $36 million loss on extinguishment of debt during the three months ended March 31, 2014. In addition, SunGard wrote-off approximately $25 million of capitalized deferred financing fees resulting from the repayment or retirement of debt during the three months ended March 31, 2014.

On May 14, 2014 SunGard amended and restated its secured accounts receivables facility in order to, among other things, (i) extend the maturity date of the receivables facility from December 19, 2017 to May 14, 2019; and (ii) reduce the applicable margin on the advances under the facility from 3.50% for LIBOR advances and 2.50% for base rate advances to 3.00% and 2.00%, respectively.

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On September 30, 2014, the Company had $591 million of available borrowing capacity and $9 million of outstanding letters of credit under its $600 million revolving credit facility.

SunGard s ability to make dividend payments to its equity holders is governed by the covenants in its debt documents. Without obtaining an amendment to those documents, SunGard s covenants currently limit such a dividend to a total of $200 million.

Debt consisted of the following for continuing operations (in millions):

	December 31, 2013	**September 30, 2014**
Senior Secured Credit Facilities:		
Secured revolving credit facility due March 8, 2018	$	**$**
Tranche A due February 28, 2014, effective interest rate of 1.92%	7	
Tranche C due February 28, 2017, effective interest rate of 4.41% and 4.44%	427	**400**
Tranche D due January 31, 2020, effective interest rate of 4.50%	713	
Tranche E due March 8, 2020, effective interest rate of 4.10% and 4.31%	2,183	**1,918**
Total Senior Secured Credit Facilities	3,330	**2,318**
Senior Secured Notes due 2014 at 4.875%	250	
Senior Notes due 2018 at 7.375%	900	**511**
Senior Notes due 2020 at 7.625%	700	**700**
Senior Subordinated Notes due 2019 at 6.625%	1,000	**1,000**
Secured Accounts Receivable Facility, at 3.67% and 3.15%	200	**140**
Other, primarily foreign bank debt and capital lease obligations	4	**2**
Total debt	$ 6,384	**$ 4,671**
Short-term borrowings and current portion of long-term debt	$ 290	**$ 2**
Long-term debt	6,094	**4,669**
Total debt	$ 6,384	**$ 4,671**

Future Maturities

At September 30, 2014, the contractual future maturities of debt are as follows (in millions):

	Contractual Maturities
2014	$
2015	2
2016	
2017	400
2018	511
Thereafter	3,758
Total debt	$ 4,671

SunGard uses interest rate swaps 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 swap agreement 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. At September 30, 2014, one-month and three-month LIBOR were 0.16% and 0.24%, respectively. The net receipt or payment from the interest rate swap agreements is included in the Consolidated Statements of Comprehensive Income (Loss) as interest expense. The interest rates in the components of the debt table above reflect the impact of the swaps.

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A summary of the Company s interest rate swaps at September 30, 2014 follows (in millions):

Inception	Maturity	Notional Amount (in millions)		Weighted-average Interest rate paid	Interest rate received (LIBOR)
August-September 2012	February 2017	$	400	0.69%	1-Month
June 2013	June 2019		100	1.86%	3-Month
September 2013	June 2019		100	2.26%	3-Month
February 2014	March 2020		300	2.27%	3-Month
Total		$	900	1.52%	

The fair values of interest rate swaps designated as cash flow hedging instruments included in other assets are $4 million and $3 million at December 31, 2013 and September 30, 2014, respectively.

The Company has no ineffectiveness related to its swap agreements. The Company expects to reclassify in the next twelve months approximately $8 million from other comprehensive income (loss) into earnings related to the Company s interest rate swaps based on the borrowing rates at September 30, 2014.

7. Fair Value Measurements:

The following table summarizes assets and liabilities measured at fair value on a recurring basis at September 30, 2014 (in millions):

	Balance Sheet Caption	Fair Value Measures Using Level 1	Level 2	Level 3	Total
Assets					
Money market funds	Cash and cash equivalents	$ 124	$	$	$ 124
Interest rate swap agreements	Other assets		3		3
Currency forward contracts	Prepaid expenses and other current assets		3		3
Total		$ 124	$ 6	$	$ 130
Liabilities					
Interest rate swap agreements	Accrued Expenses	$	$ 1	$	$ 1

The following table summarizes assets and liabilities measured at fair value on a recurring basis at December 31, 2013 (in millions):

Fair Value Measures Using

	Balance Sheet Caption	Level 1	Level 2	Level 3	Total
Assets					
Money market funds	Cash and cash equivalents	$ 407	$	$	$ 407
Interest rate swap agreements	Other assets		4		4
Currency forward contracts	Prepaid expenses and other current assets		2		2
Total		$ 407	$ 6	$	$ 413

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).

Money market funds are 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.

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The Company uses currency forward contracts to manage its exposure to fluctuations in costs caused by variations in Indian Rupee (INR) exchange rates. These INR forward contracts are designated as cash flow hedges. The fair value of these currency forward contracts is determined using currency exchange market rates, obtained from reliable, independent, third party banks, at the balance sheet date. The fair value of forward contracts is subject to changes in currency exchange rates. The Company has no ineffectiveness related to its use of currency forward contracts in connection with INR cash flow hedges. The Company expects to reclassify in the next twelve months approximately $3 million from other comprehensive income (loss) into earnings related to the Company s INR forward contracts.

Certain assets and liabilities are measured on a non-recurring basis. During the first quarter of 2014, the trade name (a level 3 non-recurring fair value measure) was written down to a fair value of $672 million due to the recognition of a $339 million impairment charge, which was the result of the AS Split-Off (see Note 4).

The fair value of the trade name is categorized as Level 3, a fair value measurement using significant unobservable inputs, and is estimated by discounted cash flows based on projected future revenues. This requires the use of various assumptions including projections of future cash flows, perpetual growth rates and discount rates.

The following table presents the carrying amount and estimated fair value of the Company s debt, including the current portion and excluding the interest rate swaps, as of December 31, 2013 and September 30, 2014 (in millions):

	December 31, 2013		**September 30, 2014**	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Floating rate debt	$ 3,530	$ 3,548	**$ 2,458**	**$ 2,433**
Fixed rate debt	2,862	3,024	**2,213**	**2,242**

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, to the extent the underlying liability will be settled in cash, approximate carrying values because of the short-term nature of these instruments. Derivative financial instruments are recorded at fair value. 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.

8. Equity:

On March 31, 2014, SunGard completed the AS Split-Off. The following rollforwards of stockholders equity for SCC, SCCII, and SunGard and non-controlling interest for SCC are provided to illustrate the impact of the AS Split-Off on stockholders equity and non-controlling interest for the nine months ended September 30, 2014.

On March 31, 2014, SCCII exchanged all of the common stock of SpinCo for 2,358,065 shares of its preferred stock held by its stockholders, which was recorded as treasury stock at the book value of the investment SCCII had in SpinCo.

Stock-based Compensation

As a result of the AS Split-Off, the proportion of preferred stock of SCCII included in each Unit of equity in the Parent Companies changed from 0.05 shares to 0.038 shares, while there was no change in the proportion of the

Class A or Class L common stock of SCC. Accordingly, post-split, a Unit consists of 1.3 shares of Class A common stock and 0.1444 shares of Class L common stock of SCC and 0.038 shares of preferred stock of SCCII.

In conjunction with the AS Split-Off, SCC and SCCII amended all outstanding share-based awards to comply with the existing anti-dilution provisions in the SunGard 2005 Management Incentive Plan as amended (the Plan), and respective share-based award agreements. The anti-dilution provisions require modification of the share-based awards in certain circumstances in order to prevent enlargement or dilution of benefits intended to be made available under the Plan.

To comply with the requirement of the Plan, all outstanding options and other long-term incentive equity awards were modified to (i) maintain the ratio of the exercise or base price to the fair market value of the stock prior to the modification and (ii) increase the quantity granted to maintain the intrinsic value of the awards based on the new Unit price and the new SpinCo share price, as applicable. In addition, all outstanding share-based awards were modified such that employees remaining with SunGard would hold awards in SunGard only and employees of AS would hold awards in SpinCo only. In order to achieve this result, all outstanding awards held by employees of AS were converted post-split into SpinCo Awards. There was no incremental stock-based compensation expense as a result of these modifications.

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In June 2014, in addition to granting restricted stock units (RSUs) subject to time-based vesting, the Company granted to certain employees RSUs with market-based vesting dependent upon the performance of the Company s Unit price in relation to pre-determined Unit price thresholds (Market-based). Each threshold signifies a level of vesting with interpolation between levels. Vesting is subject to continued employment through June 1, 2017, the measurement date. The Company determined the fair value of the Market-based RSUs using a Monte Carlo valuation model and will record the aggregate expense of $26 million over the three-year service period on a straight-line basis regardless of vesting, subject to continued employment, as required by GAAP.

A rollforward of SCC s stockholders equity for the nine months ended September 30, 2014 is as follows (in millions):

			SunGard Capital Corp. stockholders				
					Permanent equity		
	Class L - temporary equity	Class A - temporary equity	Capital in excess of par value	Treasury stock	Accumulated deficit	Accumulated other comprehensive income (loss)	Total Permanent equity
Balances at December 31, 2013	$ 58	$ 4	$ 2,482	$ (47)	$ (3,497)	$ 16	$ (1,046)
Net income (loss)					(458)		(458)
Foreign currency translation						(35)	(35)
Stock compensation expense			35				35
Issuance of common and preferred stock			(12)	13			1
Purchase of treasury stock			(1)	(5)			(6)
Impact of exchange of SpinCo common stock for SCCII preferred stock			171		(9)	(75)	87
Impact of modification of SunGard Awards	3						
Impact of modification of SpinCo Awards	(8)		13				13
Transfer intrinsic value of vested restricted stock units to temporary equity	13		(21)				(21)
Cancellation of put options due to employee terminations	(13)	(1)	16				16
Other			(9)				(9)
Balances at September 30, 2014	$ 53	$ 3	$ 2,674	$ (39)	$ (3,964)	$ (94)	$ (1,423)

A rollforward of SCC s noncontrolling interest for the nine months ended September 30, 2014 is as follows (in millions):

Noncontrolling interest

	Temporary equity	Permanent equity	Total
Balances at December 31, 2013	$ 42	$ 1,741	$ 1,783
Net income (loss)		132	132
Purchase of treasury stock		(3)	(3)
Impact of exchange of SpinCo common stock for SCCII preferred stock	(1)	(428)	(429)
Impact of modification of SunGard Awards	(4)		(4)
Impact of modification of SpinCo Awards	(6)		(6)
Transfer intrinsic value of vested restricted stock units to temporary equity	8		8
Cancellation of put options due to employee terminations	(7)	5	(2)
Balances at September 30, 2014	$ 32	$ 1,447	$ 1,479

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A rollforward of SCCII s stockholders equity for the nine months ended September 30, 2014 is as follows (in millions):

	Temporary equity	Capital in excess of par value	Treasury stock	Accumulated deficit	Accumulated other comprehensive income (loss)	Total permanent equity
		Permanent equity				
Balances at December 31, 2013	$ 37	$ 3,501	$ (29)	$ (2,708)	$ 16	$ 780
Net income (loss)				(326)		(326)
Foreign currency translation					(35)	(35)
Stock compensation expense		35				35
Issuance of preferred stock		(7)	7			
Purchase of treasury stock			(4)			(4)
Impact of exchange of SpinCo common stock for SCCII preferred stock		(4)	(258)	(9)	(75)	(346)
Impact of modification of SunGard Awards	(4)	4				4
Impact of modification of SpinCo Awards	(6)	6				6
Transfer intrinsic value of vested restricted stock units to temporary equity	8	(8)				(8)
Cancellation of put options due to employee terminations	(7)	7				7
Other		(17)				(17)
Balances at September 30, 2014	$ 28	$ 3,517	$ (284)	$ (3,043)	$ (94)	$ 96

A rollforward of SunGard s stockholders equity for the nine months ended September 30, 2014 is as follows (in millions):

	Capital in excess of par value	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
Balances at December 31, 2013	$ 3,513	$ (2,708)	$ 16	$ 821
Net income (loss)		(326)		(326)
Foreign currency translation			(35)	(35)
Stock compensation expense	35			35
Distribute AS to parent	(159)	(112)	(75)	(346)
Other	(16)			(16)

Balances at September 30, 2014	$	3,373	$	(3,146)	$	(94)	$ 133

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A rollforward of SCC s equity for the nine months ended September 30, 2013 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
Balances at December 31, 2012	$ 45	$ 5	$ (961)	$ (911)	$ 26	$ 1,575	$ 1,601
Net income (loss)			(130)	(130)	2	119	121
Foreign currency translation			10	10			
Stock compensation expense			35	35			
Purchase of treasury stock			(4)	(4)		(3)	(3)
Transfer intrinsic value of vested restricted stock units to temporary equity	15		(25)	(10)	10		10
Cancellation of put options due to employee terminations	(8)	(1)	11	2	(4)	2	(2)
Other			(14)	(14)			
Balances at September 30, 2013	$ 52	$ 4	$ (1,078)	$ (1,022)	34	1,693	$ 1,727

9. Income Taxes:

The effective income tax rates for the three month periods ended September 30, 2014 and 2013 were 51% and 25%, respectively. The Company s effective tax rate reflects changes in the mix of income or losses in jurisdictions with a wide range of tax rates, permanent differences between GAAP and local tax laws, and the timing of recording discrete items. The tax rate for the three month period ended September 30, 2014 reflects a decrease in the expected full year effective tax rate due primarily to a change in the mix of income.

The effective income tax rates for the nine month periods ended September 30, 2014 and 2013 were 22% and 40%, respectively. The Company s effective tax rate reflects changes in the mix of income or losses in jurisdictions with a wide range of tax rates, permanent differences between GAAP and local tax laws, and the timing of recording discrete items. For the nine months ended September 30, 2014, the benefit for income taxes includes a benefit of $138 million recorded as a discrete item related to the impairment of the trade name, an expense of $48 million recorded as a discrete item due to changes in certain state deferred tax rates, primarily driven by the change in the legal entity ownership of the trade name caused by the AS Split-Off, and an expense of $9 million recorded as a discrete item to increase the valuation allowance on state net operating losses driven by the change in management s judgment of their realizability due to the AS Split-Off. In evaluating the realizability of deferred tax assets, management considered the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax planning strategies in making this assessment. Changes in the mix of income or the total amount of income for 2014 may significantly impact the estimated effective income tax rate for the year.

In connection with the AS Split-Off, a Tax Sharing and Disaffiliation Agreement (the Agreement) was entered into on March 31, 2014 by the Company and SpinCo. Pursuant to the Agreement, the parties allocated responsibility for U.S. federal, state and local, and foreign income and other taxes relating to taxable periods before and after the AS Split-Off, and provided for computation and apportionment of tax liabilities and tax benefits between the parties.

SpinCo is generally responsible for all taxes attributable to the AS business for periods subsequent to the AS Split-Off and non-income related taxes attributable to the AS business for any taxable period before and after the date of the AS Split-Off. The Company retains responsibility for U.S. federal, state and local, and foreign income taxes for periods ending on or before the date of the AS Split-Off. The Company recorded a liability of $6 million in other accrued expenses as of September 30, 2014, which is an estimate of the amount owed to AS for income tax returns not yet filed for the periods ending on or before the date of the AS Split-Off.

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10. Segment Information:

Following the AS Split-Off, the Company re-evaluated its reportable segments in accordance with ASC 280 and determined that the Company has two reportable segments: FS and PS&E. The disclosures below only reflect the segment results of continuing operations for the periods presented.

The Company evaluates the performance of its segments based on Adjusted EBITDA. Adjusted EBITDA is defined as operating income before the following items:

- depreciation;
- amortization of acquisition-related intangible assets;
- trade name and goodwill impairments;
- severance and facility closure charges;
- stock compensation;
- management fees; and
- certain other costs.

While these charges may be recurring, management excludes them in order to better analyze the segment results and evaluate the segment performance. This analysis is used extensively by management and is also used to communicate the segment results to the Company s board of directors. In addition, management reviews Adjusted EBITDA on a constant currency basis, especially when comparing to the prior year results. While Adjusted EBITDA is useful for analysis purposes, it should not be considered as an alternative to the Company s reported GAAP results. Also, Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA is similar, but not identical, to adjusted EBITDA as defined in the Credit Agreement for purposes of SunGard s debt covenants. The operating results apply to each of SCC, SCCII and SunGard unless otherwise noted. In each of the tables below, we present the percent change based on actual, unrounded results.

The operating results for the three months ended September 30, 2014 and 2013 for each segment follow (in millions):

Three Months Ended September 30, 2014	FS	PS&E	Sum of Segments
Revenue	$ 637	$ 54	$ 691
Adjusted EBITDA	184	17	201

Adjusted EBITDA margin	28.9%	31.2%	29.1%
Year over Year revenue change	2%	2%	2%
Year over Year Adjusted EBITDA change	(3)%	1%	(3)%
Three Months Ended September 30, 2013			
Revenue	$ 625	$ 53	$ 678
Adjusted EBITDA	191	16	207
Adjusted EBITDA margin	30.5%	31.4%	30.6%

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Reconciliation of Adjusted EBITDA to income (loss) from continuing operations before income taxes:

	Three Months Ended September 30, 2013	2014
Adjusted EBITDA (sum of segments)	$ 207	$ 201
Corporate	(12)	(13)
Depreciation (1)	(24)	(28)
Amortization of acquisition-related intangible assets	(43)	(30)
Severance and facility closure costs	(6)	(17) (2)
Stock compensation expense	(10)	(13)
Management fees	(2)	(3)
Other costs (included in operating income)	(3)	(2)
Interest expense, net	(77)	(73)
Loss on extinguishment of debt	(1)	
Income (loss) from continuing operations before income taxes	$ 29	$ 22

Depreciation, amortization, and capital expenditures by segment follow (in millions):

	FS	PS&E	Sum of Segments	Corporate	Total
Three Months Ended September 30, 2014					
Depreciation (1)	$ 24	$ 3	$ 27	$ 1	$ 28
Amortization of acquisition-related intangible assets	29	1	30		30
Capital expenditures	37	2	39	1	40

	FS	PS&E	Sum of Segments	Corporate	Total
Three Months Ended September 30, 2013					
Depreciation (1)	$ 22	$ 2	$ 24	$	$ 24
Amortization of acquisition-related intangible assets	40	3	43		43
Capital expenditures	22	2	24		24

The operating results for the nine months ended September 30, 2014 and 2013 for each segment follow (in millions):

Nine Months Ended September 30, 2014	FS	PS&E	Sum of Segments
Revenue	$ 1,855	$ 162	$ 2,017
Adjusted EBITDA	477	50	527
Adjusted EBITDA margin	25.7%	30.9%	26.1%

Year over Year revenue change	1%	5%	1%
Year over Year Adjusted EBITDA change	(3)%	4%	(3)%
Nine Months Ended September 30, 2013			
Revenue	$ 1,834	$ 155	$ 1,989
Adjusted EBITDA	493	48	541
Adjusted EBITDA margin	26.9%	31.2%	27.2%

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Reconciliation of Adjusted EBITDA to income (loss) from continuing operations before income taxes:

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2014
Adjusted EBITDA (sum of segments)	$ 541	$ 527
Corporate	(36)	(35)
Depreciation [1]	(73)	(79)
Amortization of acquisition-related intangible assets	(138)	(114)
Trade name impairment charge		(339)
Severance and facility closure costs	(9)	(24) [3]
Stock compensation expense	(30)	(33)
Management fees	(5)	(6)
Other costs (included in operating income)	(9)	(14)
Interest expense, net	(246)	(219)
Loss on extinguishment of debt	(6)	(61)
Other income (expense)	(2)	
Income (loss) from continuing operations before income taxes	$ (13)	$ (397)

Depreciation, amortization, and capital expenditures by segment follow (in millions):

	FS	PS&E	Sum of Segments	Corporate	Total
Nine Months Ended September 30, 2014					
Depreciation [1]	$ 70	$ 6	$ 76	$ 3	$ 79
Amortization of acquisition-related intangible assets	108	6	114		114
Capital expenditures	90	7	97	1	98

	FS	PS&E	Sum of Segments	Corporate	Total
Nine Months Ended September 30, 2013					
Depreciation [1]	$ 67	$ 5	$ 72	$ 1	$ 73
Amortization of acquisition-related intangible assets	127	11	138		138
Capital expenditures	63	6	69	1	70

(1) Includes amortization of capitalized software.
(2) Includes $17 million of severance, primarily in FS.
(3) Includes $23 million of severance and $1 million of lease exit costs, primarily in FS.

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11. Employee Termination Benefits and Facility Closures:

The following table provides a rollforward of the liability balances for workforce reductions and facility closures, which occurred during the nine months ended September 30, 2014 (in millions):

	Balance December 31, 2013	Expense related to 2014 actions	Payments	Other adjustments [1]	Balance September 30, 2014
Workforce-related	$ 14	$ 25 [2]	$ (17)	$ (3)	$ 19
Facilities	15	1	(4)		12
Total	$ 29	$ 26	$ (21)	$ (3)	$ 31

(1) The other adjustments column in the table principally relates to changes in estimates from when the initial charge was recorded and also foreign currency translation and other adjustments.
(2) During the three months ended September 30, 2014, the Company recorded a $17 million severance charge related to a workforce reduction plan to reduce headcount by approximately 3% of the total workforce.

The majority of the workforce-related actions are expected to be paid out over the next 12 months. The facilities accruals are for ongoing obligations to pay rent for vacant space and are net of sublease reserves. The lengths of these obligations vary by lease with the majority ending in 2019.

12. Related Party Transactions:

Sponsor Transactions

In accordance with the Management Agreement between the Company and affiliates of the Sponsors, the Company recorded $2 and $3 million of management fees in sales, marketing and administration expenses for the three months ended September 30, 2013 and 2014, respectively. In the three months ended September 30, 2013 the Company recorded approximately $1 million of management fees in income (loss) from discontinued operations. The Company recorded $5 million and $6 million of management fees in sales, marketing and administration expenses for the nine months ended September 30, 2013 and 2014, respectively. In the nine months ended September 30, 2013 the Company recorded approximately $3 million of management fees in income (loss) from discontinued operations. At December 31, 2013 and September 30, 2014, the Company had accrued management fees due to Sponsors included in other accrued expenses of $4 million and $2 million, respectively.

In March 2014, in connection with the AS Split-Off, the Company and the Sponsors amended the management agreement to increase the management fee effective as of April 1, 2014 from 1% of adjusted EBITDA to 1.1% of adjusted EBITDA per quarter for five of seven of the Company s Sponsors and fixed payments of $50,000 per quarter for each of the two remaining Sponsors.

In addition to the amounts above, on March 31, 2014 the Company recorded $15 million of management fees, which is included in income (loss) from discontinued operations, as provided in the Management Agreement for services rendered in connection with the issuance of the $1.025 billion SpinCo Term Loan and $425 million of SpinCo Notes.

Also during the first quarter of 2014, the Company recorded $1 million of management fees which is included in income (loss) from discontinued operations resulting from the sale of two FS businesses.

In addition to management fees, one of our Sponsors, Goldman Sachs & Co. and/or its respective affiliates, received fees of approximately $1 million and less than $1 million for the nine months ended September 30, 2013 and 2014, respectively, in connection with amendments of SunGard s Credit Agreement.

The Company s Sponsors and/or their respective affiliates, who may not be related parties, have from time to time entered into, and may continue to enter into, arrangements with SunGard to use its products and services, or for SunGard to use the Sponsors affiliates products and services, in the ordinary course of business, which often result in revenues or costs to SunGard in excess of $120,000 annually. These transactions are entered into at arms-length terms. In the aggregate, the arrangements are not material to SunGard s results of operations.

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AS Transactions

In connection with the AS Split-Off, the following agreements, among others, were entered into on March 31, 2014:

(i) a Trademark License Agreement (the Trademark License Agreement) between a wholly-owned subsidiary of SunGard that owns the trademark SunGard and AS. The Trademark License Agreement sets forth the terms under which AS and its affiliates are permitted to use the mark SUNGARD AVAILABILITY SERVICES. During the first two years following the AS Split-Off, the use of the licensed mark is royalty free. In years 3 through 5, AS will pay a royalty payment of 0.30% of their worldwide revenue, subject to certain exceptions. In years 6 and 7, the royalty will be reduced to 0.15% and 0.075%, respectively. Following year 7, AS will have a perpetual, royalty-free license to use the mark going forward assuming they maintain compliance with the Trademark License Agreement;

(ii) a Transition Services Agreement (TSA) whereby SunGard agreed to provide certain transitional and administrative support services, including employee benefits services, to AS and AS agreed to provide transitional and administrative support services to SunGard generally for up to twelve months;

(iii) a term sheet to negotiate amendments to the Global Master Services Agreement (GMSA) to replace existing agreements under which AS provides certain availability services, managed services, and recovery services to SunGard. Broadly, SunGard and AS have agreed to amend the GMSA to reflect terms agreed to by the parties including a provision that from the AS Split-Off to a period ending March 31, 2016, SunGard would spend an agreed to minimum under the GMSA. For the three months ended September 30, 2014, the Company incurred expenses of $8 million for services provided under the GMSA, of which approximately $4 million, $2 million and $2 million were included in cost of sales and direct operating expenses; sales, marketing and administration expenses; and development and maintenance expenses, respectively, in the consolidated statement of comprehensive income (loss). For the six months ended September 30, 2014, the Company incurred expenses of $17 million for services provided under the GMSA, of which approximately $8 million, $5 million and $4 million were included in cost of sales and direct operating expenses; sales, marketing and administration expenses; and development and maintenance expenses, respectively, in the consolidated statement of comprehensive income (loss). At September 30, 2014, the Company had recorded approximately $3 million of accounts receivable, $2 million of accounts payable, and a $2 million prepaid maintenance contract from AS under the GMSA; and

(iv) a Tax Sharing and Disaffiliation Agreement (the Agreement) between the Company and SpinCo. Pursuant to the Agreement, the parties allocated responsibility for U.S. federal, state and local, and foreign income and other taxes relating to taxable periods before and after the AS Split-Off, and provided for computation and apportionment of tax liabilities and tax benefits between the parties. AS is generally responsible for all taxes attributable to the AS business for periods subsequent to the AS Split-Off and non-income related taxes attributable to the AS business for any taxable period before and after the date of the AS Split-Off. The Company retains responsibility for U.S. federal, state and local, and foreign income taxes for periods ending on or before the date of the AS Split-Off.

13. Commitments and Contingencies:

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

The Company has had patent infringement lawsuits filed against it or certain of its customers claiming that certain of its products infringe the intellectual property rights of others. Adverse results in these lawsuits may include awards of substantial monetary damages, costly royalty or licensing agreements, or limitations on the Company s ability to offer certain features, functionalities, products, or services, and may also cause the Company to change its business practices, and require development of non-infringing products or technologies, which could result in a loss of revenues and otherwise harm the Company s business. Also, certain agreements with previously owned businesses of the Company require indemnification to the new owners for certain matters as part of the sale of those businesses.

The Company evaluates, on a regular basis, developments in its legal matters. The Company records a provision for a liability when it believes that it is both probable that a liability has been incurred, and the amount can be reasonably estimated. At September 30, 2014, the Company has not accrued for any outstanding patent infringement, indemnification or other legal matters.

In its outstanding legal matters for which it has not made an accrual, but for which it is reasonably possible that a loss may occur, the Company is unable to estimate a range of loss due to various reasons, including, among others: (1) that the proceedings are in early stages, (2) that there is uncertainty as to the outcome of pending appeals, motions, or settlements, (3) that there are significant factual issues to be resolved, and (4) that there are novel legal issues presented. Such legal matters are inherently unpredictable and subject to significant uncertainties, some of which are beyond the Company s control. Based on current knowledge, the Company believes that the final outcome of the matters discussed above will not, individually or in the aggregate, have a material adverse effect on its business, consolidated financial position, results of operations, or cash flows. While the Company intends to vigorously defend these matters, in light of the uncertainties involved in such matters, there exists the possibility of adverse outcomes, and the final outcome of a particular matter could have a material adverse effect on results of operations or cash flows in a particular period.

The State of Delaware, Department of Finance, Division of Revenue (Unclaimed Property) on behalf of itself and nine other states is currently examining the books and records of certain wholly owned subsidiaries of the Company to determine compliance with the unclaimed property laws. The scope of its examination is for periods dating back to 1981. The potential exposure related to the examination is not currently determinable.

14. 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.

As a result of the AS Split-Off, all U.S. subsidiaries of AS were removed as guarantors as of March 31, 2014.

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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, 2013 and September 30, 2014, and for the three and nine month periods ended September 30, 2013 and 2014, 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 Note 5 of Notes to Consolidated Financial Statements included in the Company s Annual Report on Form 10-K for 2013.

Supplemental Condensed Consolidating Balance Sheet
December 31, 2013

(in millions)	Parent Company	Guarantor Subsidiaries [c]	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current:					
Cash and cash equivalents	$ 403	$ 4	$ 268	$	$ 675
Intercompany balances		3,078	715	(3,793)	
Trade receivables, net	7	399 [a]	251		657
Prepaid expenses, taxes and other current assets	1,455 [b]	39	46	(1,417) [b]	123
Assets of discontinued operations	18	1,719	790	(11)	2,516
Total current assets	1,883	5,239	2,070	(5,221)	3,971
Property and equipment, net		88	64		152
Intangible assets, net	105	1,427	291		1,823
Deferred income taxes	30			(30)	
Intercompany balances	220	5	98	(323)	
Goodwill		3,097	731		3,828
Investment in subsidiaries	8,826	2,081		(10,907)	
Total Assets	$ 11,064	$ 11,937	$ 3,254	$ (16,481)	$ 9,774
Liabilities and Stockholders Equity					
Current:					
Short-term and current portion of long-term debt	$ 286	$	$ 4	$	$ 290
Intercompany balances	3,793			(3,793)	
Accounts payable and other current liabilities	71	1,917 [b]	438	(1,417) [b]	1,009
Liabilities related of discontinued operations		565	245	(11)	799
Total current liabilities	4,150	2,482	687	(5,221)	2,098
Long-term debt	5,894		200		6,094
Intercompany debt	103		220	(323)	
Deferred and other income taxes	96	622	51	(30)	739

Other liabilities		7	15		22
Total liabilities	10,243	3,111	1,173	(5,574)	8,953
Total stockholders equity	821	8,826	2,081	(10,907)	821
Total Liabilities and Stockholders Equity	$ 11,064	$ 11,937	$ 3,254	$ (16,481)	$ 9,774

(a) This balance is primarily comprised of a receivable from the borrower under the secured accounts receivable facility, which is a non-Guarantor subsidiary, resulting from the normal, recurring sale of accounts receivable under the receivables facility. In a liquidation, the first $200 million (plus interest) of collections of accounts receivable sold to this subsidiary are due to the receivables facility lender. The remaining balance would be available for collection for the benefit of the Guarantors.

(b) The Company pushes down tax liabilities associated with the consolidated and combined filings in U.S. federal, state and local jursidictions from the Parent Company to its Gurantor Subsidiaries. As these intercompany balances have not been historically settled, this entry eliminates the accumulated Parent Company income tax receivable balance with Gurantor Subisidiaries income tax liability balance.

(c) The Supplemental Condensed Consolidating Balance Sheet for the Guarantor Subsidiaries for December 31, 2013 has been revised to present investment in subsidiaries related to discontinued operations within the investment in subsidiary caption. The portion of the Guarantor s investment in subsidiary which related to discontinued operations had previously been presented separately in the assets of discontinued operations caption. While these revisions have no impact on the previously reported total assets of the Guarantor Subsidiaries, they resulted in the following changes to previously reported amounts. For the Guarantor Subsidiaries, assets of discontinued operations changed from $1,810 million to $1,719 million; total current assets changed from $5,330 million to $5,239 million; and investment in subsidiaries changed from $1,990 million to $2,081 million. These revisions had no impact on the consolidated results of the Company and were not material to the Supplemental Condensed Consolidating Balance Sheet for any period.

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Supplemental Condensed Consolidating Balance Sheet
September 30, 2014

(in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current:					
Cash and cash equivalents	$ 115	$ (1)	$ 282	$	$ 396
Intercompany balances		2,938	656	(3,594)	
Trade receivables, net	3	360 (a)	146		509
Prepaid expenses, taxes and other current assets	56 (b)	43	40	(5) (b)	134
Total current assets	174	3,340	1,124	(3,599)	1,039
Property and equipment, net		87	60		147
Intangible assets, net	73	1,031	265		1,369
Deferred income taxes	10			(10)	
Intercompany balances	202	7	118	(327)	
Goodwill		3,095	689		3,784
Investment in subsidiaries	8,109	1,529		(9,638)	
Total Assets	$ 8,568	$ 9,089	$ 2,256	$ (13,574)	$ 6,339
Liabilities and Stockholders Equity					
Current:					
Short-term and current portion of long-term debt	$	$	$ 2	$	$ 2
Intercompany balances	3,594			(3,594)	
Accounts payable and other current liabilities	90	453 (b)	338	(5) (b)	876
Total current liabilities	3,684	453	340	(3,599)	878
Long-term debt	4,529		140		4,669
Intercompany debt	125		202	(327)	
Deferred and other income taxes	97	510	34	(10)	631
Other liabilities		17	11		28
Total liabilities	8,435	980	727	(3,936)	6,206
Total stockholders equity	133	8,109	1,529	(9,638)	133
Total Liabilities and Stockholders Equity	$ 8,568	$ 9,089	$ 2,256	$ (13,574)	$ 6,339

(a) This balance is primarily comprised of a receivable from the borrower under the secured accounts receivable facility, which is a non-Guarantor subsidiary, resulting from the normal, recurring sale of accounts receivable under the receivables facility. In a liquidation, the first $140 million (plus interest) of collections of accounts receivable sold to this subsidiary are due to the receivables facility lender. The remaining balance would be available for collection for the benefit of the Guarantors.

(b) The Company pushed down tax liabilities associated with the consolidated and combined filings in U.S. federal, state, and local jurisdictions. During the first quarter of 2014, the Parent Company and the Guarantor Subsidiaries decided to effect a non-cash settlement of the accumulated income tax receivable and payable balances in the amount of approximately $1.5 billion.

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(in millions)	Supplemental Condensed Consolidating Schedule of Comprehensive Income (Loss) Three Months Ended September 30, 2013				
	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Total revenue	$	$ 477	$ 289	$ (88)	$ 678
Costs and expenses:					
Cost of sales and administrative expenses	24	335	233	(88)	504
Depreciation and amortization		16	8		24
Amortization of acquisition-related intangible assets		32	11		43
Total costs and expenses	24	383	252	(88)	571
Operating income (loss)	(24)	94	37		107
Net interest income (expense)	(72)		(5)		(77)
Equity in earnings of unconsolidated subsidiary	99	32		(131)	
Other income (expense)	(1)				(1)
Income (loss) from continuing operations before income taxes	2	126	32	(131)	29
Benefit from (provision for) income taxes	33	(42)	2		(7)
Income (loss) from continuing operations	35	84	34	(131)	22
Income (loss) from discontinued operations, net of tax	(12)	15	(2)		1
Net income (loss)	$ 23	$ 99	$ 32	$ (131)	$ 23
Comprehensive income (loss)	$ 75	$ 144	$ 77	$ (221)	$ 75

(in millions)	Supplemental Condensed Consolidating Schedule of Comprehensive Income (Loss) Three Months Ended September 30, 2014				
	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Total revenue	$	$ 487	$ 298	$ (94)	$ 691
Costs and expenses:					
Cost of sales and administrative expenses	27	350	255	(94)	538

Depreciation and amortization		17	11		28
Amortization of acquisition-related intangible assets		20	10		30
Total costs and expenses	27	387	276	(94)	596
Operating income (loss)	(27)	100	22		95
Net interest income (expense)	(69)	(1)	(3)		(73)
Equity in earnings of unconsolidated subsidiary	83	10		(93)	
Other income (expense)		(1)	1		
Income (loss) from continuing operations before income taxes	(13)	108	20	(93)	22
Benefit from (provision for) income taxes	24	(25)	(10)		(11)
Income (loss) from continuing operations	11	83	10	(93)	11
Income (loss) from discontinued operations, net of tax					
Net income (loss)	$ 11	$ 83	$ 10	$ (93)	$ 11
Comprehensive income (loss)	$ (36)	$ 40	$ (35)	$ (5)	$ (36)

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(in millions)	Supplemental Condensed Consolidating Schedule of Comprehensive Income (Loss) Nine Months Ended September 30, 2013				
	Parent Company	**Guarantor Subsidiaries**	**Non-Guarantor Subsidiaries**	**Eliminations**	**Consolidated**
Total revenue	$	$ 1,395	$ 866	$ (272)	$ 1,989
Costs and expenses:					
Cost of sales and administrative expenses	67	1,020	722	(272)	1,537
Depreciation and amortization		47	26		73
Amortization of acquisition-related intangible assets	1	102	35		138
Total costs and expenses	68	1,169	783	(272)	1,7