SunGard VPM Inc.
Form S-1
June 04, 2012
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As filed with the Securities and Exchange Commission on June 4, 2012

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SunGard Data Systems Inc.

(Exact name of registrant issuer as specified in its charter)

SEE TABLE OF ADDITIONAL REGISTRANTS

Delaware	**7374**	**51-0267091**
(State or other jurisdiction of incorporation)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

680 East Swedesford Road Wayne, Pennsylvania 19087

(484)-582-2000

(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

Victoria E. Silbey, Esq.

General Counsel

680 East Swedesford Road Wayne, Pennsylvania 19087

(484)-582-2000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:

Richard A. Fenyes, Esq.

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, New York 10017-3954

Tel: (212) 455-2000

Approximate date of commencement of proposed offer: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are being offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. þ

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer þ (Do not check if a smaller reporting company).	Smaller reporting company ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Proposed Maximum Aggregate Offering Price**	**Amount of Registration Fee**
7 3/8% Senior Notes due 2018	(1)	(1)	(1)
7 5/8% Senior Notes due 2020	(1)	(1)	(1)
10 1/4% Senior Subordinated Notes due 2015	(1)	(1)	(1)
Guarantees of 7 3/8% Senior Notes due 2018(2)	(1)(3)	(1)(3)	(1)(3)
Guarantees of 7 5/8% Senior Notes due 2020(2)	(1)(3)	(1)(3)	(1)(3)
Guarantees of 10 1/4% Senior Subordinated Notes due 2015(2)	(1)(3)	(1)(3)	(1)(3)

(1) An indeterminate amount of securities are being registered hereby to be offered solely for market-making purposes by an affiliate of the registrant. Pursuant to Rule 457(q) under the Securities Act of 1933, as amended, no filing fee is required.
(2) See inside facing page for additional registrant guarantors.
(3) Pursuant to Rule 457(n) under the Securities Act, no separate filing fee is required for the guarantees.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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Table of Additional Registrant Guarantors

Exact Name of Registrant Guarantor as Specified in Its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant Guarantor s Principal Executive Offices
Advanced Portfolio Technologies, Inc.	Delaware	22-3245876	340 Madison Avenue 8th Floor New York, NY 10173
Automated Securities Clearance LLC	Delaware	22-3701255	545 Washington Blvd. 7th Floor Jersey City, NJ 07310
GL Trade Overseas, Inc.	Delaware	06-1414402	340 Madison Avenue 8th Floor New York, NY 10173
Inflow LLC	Delaware	84-1439489	680 E. Swedesford Rd. Wayne, PA 19087
Online Securities Processing Inc.	Delaware	77-0589377	680 E. Swedesford Rd. Wayne, PA 19087
SIS Europe Holdings LLC	Delaware	41-1511643	680 E. Swedesford Rd. Wayne, PA 19087
SRS Development Inc.	Delaware	23-2746281	680 E. Swedesford Rd. Wayne, PA 19087
SunGard Ambit LLC	Delaware	04-2766162	100 High Street 19th Floor Suffolk, MA 02110
SunGard Asia Pacific Inc.	Delaware	51-0370861	601 Walnut St. Suite 1010

			Philadelphia, PA 19106
SunGard Availability Services LP	Pennsylvania	23-2106195	680 E. Swedesford Rd. Wayne, PA 19087
SunGard Availability Services Ltd.	Delaware	23-3024711	680 E. Swedesford Rd. Wayne, PA 19087
SunGard AvantGard LLC	California	95-3440473	23975 Park Sorrento Suite 100 Calabasas, CA 91302
SunGard Business Systems LLC	Delaware	23-2139612	377 E. Butterfield Road Suite 800 Lombard, IL 60148
SunGard Computer Services LLC	Delaware	68-0499469	600 Laurel Road Voorhees, NJ 08043
SunGard Consulting Services LLC	Delaware	87-0727844	10375 Richmond Suite 700 Houston, TX 77042
SunGard CSA LLC	Delaware	20-4280640	680 E. Swedesford Rd. Wayne, PA 19087

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Exact Name of Registrant Guarantor as Specified in Its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant Guarantor s Principal Executive Offices
SunGard Development Corporation	Delaware	23-2589002	680 E. Swedesford Rd. Wayne, PA 19087
SunGard DIS Inc.	Delaware	23-2829670	680 E. Swedesford Rd. Wayne, PA 19087
SunGard Energy Systems Inc.	Delaware	13-4081739	601 Walnut St. Suite 1010 Philadelphia, PA 19106
SunGard eProcess Intelligence LLC	Delaware	13-3217303	600 Lanidex Plaza Parsippany, NJ 07054
SunGard Financial Systems LLC	Delaware	23-2585361	601 2nd Avenue South Hopkins, MN 55343
SunGard Investment Systems LLC	Delaware	23-2115509	377 E. Butterfield Road Suite 800 Lombard, IL 60148
SunGard Investment Ventures LLC	Delaware	51-0297001	680 E. Swedesford Rd. Wayne, PA 19087
SunGard iWORKS LLC	Delaware	23-2814630	11560 Great Oaks Way Suite 100 Alpharetta, GA 30022
SunGard iWORKS P&C (US) Inc.	Delaware	13-3248040	200 Business Park Dr. Armonk, NY 10504
SunGard Kiodex LLC	Delaware	13-4100480	340 Madison Avenue 8th Floor New York, NY 10173

SunGard NetWork Solutions Inc.	Delaware	23-2981034	680 E. Swedesford Rd. Wayne, PA 19087
SunGard Public Sector Inc.	Florida	59-2133858	1000 Business Center Drive Lake Mary, FL 32746
SunGard Reference Data Solutions LLC	Delaware	72-1571745	340 Madison Avenue 8th Floor New York, NY 10173
SunGard SAS Holdings Inc.	Delaware	26-0052190	680 E. Swedesford Rd. Wayne, PA 19087
SunGard Securities Finance LLC	Delaware	13-3799258	14 Manor Parkway Salem, NH 03079
SunGard Securities Finance International LLC	Delaware	13-3809371	14 Manor Parkway Salem, NH 03079

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Exact Name of Registrant Guarantor as Specified in Its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant Guarantor s Principal Executive Offices
SunGard Shareholder Systems LLC	Delaware	23-2025519	2300 Main Street Suite 400 Kansas City, MO 64108
SunGard Software, Inc.	Delaware	51-0287708	680 E. Swedesford Rd. Wayne, PA 19087
SunGard Systems International Inc.	Pennsylvania	23-2490902	340 Madison Avenue 8th Floor New York, NY 10173
SunGard Technology Services LLC	Delaware	23-2579118	680 E. Swedesford Rd. Wayne, PA 19087
SunGard VeriCenter, Inc	Delaware	76-0624039	680 East Swedesford Rd. Wayne, PA 19087
SunGard VPM Inc.	New York	11-3159462	1660 Walt Whitman Rd. Suite 130 Melville, NY 11747
SunGard Workflow Solutions LLC	Delaware	63-1019430	104 Inverness Place Suite 325 Birmingham, AL 35242

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2012

PRELIMINARY PROSPECTUS

SunGard Data Systems Inc.

7 3/8% Senior Notes due 2018

7 5/8% Senior Notes due 2020

10 1/4% Senior Subordinated Notes due 2015

The 7 3/8% Senior Notes due 2018 (the senior notes due 2018) were issued in exchange for the 7 3/8% Senior Notes due 2018 originally issued on November 16, 2010. The 7 5/8% Senior Notes due 2020 (the senior notes due 2020) were issued in exchange for the 7 5/8% Senior Notes due 2020 originally issued on November 16, 2010. The 10 1/4% Senior Subordinated Notes due 2015 (the senior subordinated notes) were issued in exchange for the 10 1/4% Senior Subordinated Notes due 2015 originally issued on August 11, 2005. The senior notes due 2018, the senior notes due 2020 (collectively, the senior notes) and the senior subordinated notes are collectively referred to herein as the notes, unless the context otherwise requires.

The senior notes due 2018 bear interest at a rate of 7 3/8% per annum and mature on November 15, 2018. The senior notes due 2020 bear interest at a rate of 7 5/8% per annum and mature on November 15, 2020. Interest on the senior notes due 2018 and the senior notes due 2020 is payable on May 15 and November 15 of each year, beginning May 15, 2011. The senior subordinated notes bear interest at a rate of 10 1/4% per annum and mature on August 15, 2015. Interest on the senior subordinated notes due 2015 is payable on February 15 and August 15 of each year, beginning on February 15, 2006.

We may redeem some or all of the notes at any time at the redemption prices set forth in this prospectus.

The senior notes are our senior unsecured obligations and rank equal in right of payment to all of our existing and future senior indebtedness. The senior subordinated notes are our unsecured senior subordinated obligations and are subordinated in right of payment to all of our existing and future senior indebtedness, including the senior secured credit facilities, the existing senior notes and the senior notes offered hereby. Each of our domestic subsidiaries that guarantees our senior secured credit facilities are initially unconditionally guaranteeing the senior notes with guarantees that rank equal in right of payment to all of the senior indebtedness of such subsidiary, and are initially unconditionally guaranteeing the senior subordinated notes with guarantees that are subordinated in right of payment to all existing and future senior indebtedness of such subsidiary. The notes and the guarantees are effectively subordinated to our existing and future secured indebtedness and that of the guarantors to the extent of the assets securing such indebtedness.

This prospectus includes additional information on the terms of the notes, including redemption and repurchase prices, covenants and transfer restrictions.

See Risk Factors beginning on page 10 for a discussion of certain risks that you should consider before investing in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

This prospectus has been prepared for and may be used by Goldman, Sachs & Co. and other affiliates of The Goldman Sachs Group, Inc. in connection with offers and sales of the notes related to market-making transactions in the notes effected from time to time. Such affiliates of The Goldman Sachs Group, Inc. may act as principal or agent in such transactions, including as agent for the counterparty when acting as principal or as agent for both counterparties, and may receive compensation in the form of discounts and commissions, including from both counterparties, when it acts as agents for both. Such sales will be made at prevailing market prices at the time of sale, at prices related thereto or at negotiated prices. We will not receive any proceeds from such sales.

The date of this prospectus is , 2012.

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You should rely only on the information contained in this prospectus or incorporated by reference into this prospectus. We have not authorized anyone to provide you with different information from that contained in, or incorporated by reference into, this prospectus. The prospectus may be used only for the purposes for which it has been published and no person has been authorized to give any information not contained or incorporated by reference herein. If you receive any other information, you should not rely on it. We are not making an offer of these securities in any state where the offer is not permitted. You should assume that the information in this prospectus or incorporated by reference into this prospectus is accurate only as of the date on the front cover, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, prospects, financial condition and results of operations may have changed since that date.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that may be important to you in making your investment decision. You should read the entire prospectus, including the financial data and related notes and section entitled Risk Factors, before making an investment decision. Unless the context otherwise indicates, as used in this prospectus, the terms SunGard, we, our, us, and the company and similar terms refer to SunGard Data Systems Inc. and its subsidiaries on a consolidated basis. Some of the statements in this prospectus constitute forward-looking statements. See Forward Looking Statements.

Our Company

We are one of the world s leading software and technology services companies. We provide software and technology services to financial services, education and public sector organizations. We also provide disaster recovery services, managed services, information availability consulting services and business continuity management software. We serve approximately 25,000 customers in more than 70 countries. Our high quality software solutions, excellent customer support and specialized technology services result in strong customer retention rates across all of our business segments and create long-term customer relationships. We believe that we are one of the most efficient operators of mission-critical IT solutions as a result of the economies of scale we derive from serving multiple customers on shared processing platforms.

We operate our business in three segments: Financial Systems (FS), Availability Services (AS) and Other, which is comprised of K-12 Education (K-12) and Public Sector (PS). On January 19 and 20, 2012, the Company completed the sale of its Higher Education (HE) business, which is included in discontinued operations for purposes of this prospectus.

FS provides mission-critical software and technology services to virtually every type of financial services institution, including buy-side and sell-side institutions, third-party administrators, wealth managers, retail banks, insurance companies, corporate treasuries and energy trading firms. Our broad range of complementary software solutions and associated technology services help financial services institutions automate the business processes associated with trading, managing portfolios and accounting for investment assets.

AS provides disaster recovery services, managed services, information availability consulting services and business continuity management software to over 9,000 customers in North America and Europe. With five million square feet of data center and operations space, AS assists IT organizations across virtually all industry and government sectors to prepare for and recover from emergencies by helping them minimize their computer downtime and optimize their uptime. Through direct sales and channel partners, AS helps organizations ensure their people and customers have uninterrupted access to the information systems they need in order to do business.

Other (K-12 and PS) provides software and technology services designed to meet the specialized needs of local, state and federal governments, public safety and justice agencies, public and private schools, utilities, nonprofits and other public sector institutions.

With a large portfolio of proprietary products and services in each of our three business segments, we have a diversified and stable business. Our base of approximately 25,000 customers includes most of the world s largest financial services firms, a variety of other financial services firms, corporate and government treasury departments, energy companies, school districts, local governments and nonprofit organizations. Our AS business serves customers across virtually all industries. Our revenue is highly diversified by customer and product. During each of the past three fiscal years, no single customer has accounted for more than 10% of total revenue. On average for the past three fiscal years, services revenue has been approximately 91% of total

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revenue. About 80% of services revenue is highly recurring as a result of multiyear contracts and is generated from (1) software-related services including software maintenance and support, processing and rentals and (2) recovery and managed services. The remaining services revenue includes (1) professional services, which are recurring in nature as a result of long-term customer relationships and (2) broker/dealer fees, which are largely correlated with trading volumes.

We were acquired in August 2005 in a leveraged buy-out (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). As a result of the LBO, we are highly leveraged and our equity is not publicly traded.

Our Sponsors continually evaluate various strategic alternatives with respect to the Company, including a potential spin-off of the AS business to our current equity holders. We expect that if we were to spin-off the AS business, AS would incur new debt and we would repay a portion of our existing indebtedness. Additionally, along with any spin-off of AS, we would receive cash proceeds from an issuance of equity of one of our Parent Companies. There can be no assurance that we will ultimately pursue any strategic alternatives with respect to any business segment, including AS, or an equity issuance or, if we do, what the structure or timing for any such transaction would be.

Recent Developments

On April 2, 2012, we completed a redemption of all of our outstanding 10.625% Senior Notes due 2015. In connection with the redemption in the second quarter of 2012, we expect to record a loss on extinguishment of debt, including the write-off of unamortized costs, of approximately $36 million.

Corporate Information

SunGard Data Systems Inc. was incorporated under Delaware law in 1982. Our principal executive offices are located at 680 East Swedesford Road, Wayne, Pennsylvania 19087. Our telephone number is (484) 582-2000. Our corporate website is located at www.sungard.com. The information on, or accessible through, our corporate website is not a part of, or incorporated by reference in, this offering memorandum.

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The Notes

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The sections captioned Description of Senior Notes Due 2018, Description of Senior Notes Due 2020 and Description of Senior Subordinated Notes in this prospectus contain a more detailed description of the terms and conditions of the notes.

Issuer	SunGard Data Systems Inc.
Securities Offered	7 $^{3}/_{8}$% Senior Notes due 2018. 7 $^{5}/_{8}$% Senior Notes due 2020. 10 $^{1}/_{4}$% Senior Subordinated Notes due 2015.
Maturity	The senior notes due 2018 mature on November 15, 2018. The senior notes due 2020 mature on November 15, 2020. The senior subordinated notes mature on August 15, 2015.
Interest Rate	The senior notes due 2018 bear interest at a rate of 7 $^{3}/_{8}$% per annum. The senior notes due 2020 bear interest at a rate of 7 $^{5}/_{8}$% per annum. The senior subordinated notes bear interest at a rate of 10 $^{1}/_{4}$% per annum.
Interest Payment Dates	We pay interest on the senior notes due 2018 and the senior notes due 2020 on May 15 and November 15 and on the senior subordinated notes on February 15 and August 15. Interest accrues from the most recent date to which interest has been paid or, if no interest has been paid, the issue date of the notes.
Guarantees	Each of our domestic subsidiaries that guarantees the obligations under our senior secured credit facilities are initially jointly and severally and unconditionally guaranteeing the senior notes on a senior unsecured basis and the senior subordinated notes on an unsecured senior subordinated basis.
Ranking	The senior notes are our senior unsecured obligations and: rank senior in right of payment to our future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the senior notes, including the senior subordinated notes; rank equally in right of payment to all of our existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the senior notes; and are effectively subordinated in right of payment to all of our existing and future secured debt including obligations under our senior secured credit facilities and the 4.875% senior notes due 2014 (referred to in this prospectus as the senior secured notes), to the extent of the value of the assets securing such debt, and are structurally subordinated to all obligations of each of our subsidiaries that is not a guarantor of the senior notes.

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Similarly, the guarantees of the senior notes are senior unsecured obligations of the guarantors and:

rank senior in right of payment to all of the applicable guarantor s future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the senior notes, including such guarantor s guarantee under the senior subordinated notes;

rank equally in right of payment to all of the applicable guarantor s existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the senior notes; and

are effectively subordinated in right of payment to all of the applicable guarantor s existing and future secured debt (including such guarantor s guarantee under our senior secured credit facilities and the senior secured notes), to the extent of the value of the assets securing such debt, and are structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not also a guarantor of the senior notes.

The senior subordinated notes are our unsecured senior subordinated obligations and:

are subordinated in right of payment to our existing and future senior debt, including our senior secured credit facilities, the senior secured notes and the senior notes;

rank equally in right of payment to all of our future senior subordinated debt;

are effectively subordinated in right of payment to all of our existing and future secured debt (including our senior secured credit facilities and the senior secured notes), to the extent of the value of the assets securing such debt, and are structurally subordinated to all obligations of each of our subsidiaries that is not a guarantor of the senior subordinated notes; and

rank senior in right of payment to all of our future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the senior subordinated notes.

Similarly, the guarantees of the senior subordinated notes are unsecured senior subordinated obligations of the guarantors and:

are subordinated in right of payment to all of the applicable guarantor s existing and future senior debt, including such guarantor s guarantee under our senior secured credit facilities, the senior secured notes and the senior notes;

rank equally in right of payment to all of the applicable guarantor s future senior subordinated debt;

are effectively subordinated in right of payment to all of the applicable guarantor s existing and future secured debt (including such guarantor s guarantee under our senior secured credit facilities and the senior secured notes), to the extent of the value of the assets securing such debt, and are structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not also a guarantor of the senior subordinated notes; and

rank senior in right of payment to all of the applicable guarantor s future subordinated debt and other obligations that are, by their terms, expressly subordinated in right of payment to the senior subordinated notes.

As of March 31, 2012, (1) the notes and related guarantees ranked effectively junior to approximately $3,294 million of senior secured indebtedness (which includes $250 million face amount of our senior secured notes that are recorded at $243 million), (2) the senior notes and related guarantees ranked senior to the $1,000 million of senior subordinated notes, (3) the senior subordinated notes and related guarantees ranked junior to the senior indebtedness under the senior secured credit facilities, the senior secured notes, the senior notes and $18 million of payment obligations relating to historical acquisitions and capital lease obligations, all of which totaled approximately $6,609 million, (4) we had an additional $858 million of unutilized capacity under our revolving credit facility, after giving effect to certain outstanding letters of credit and (5) our non-guarantor subsidiaries had approximately $213 million (of the $6,609 million described above) of payment obligations relating to historical acquisitions and capital lease obligations. In addition, $200 million was outstanding under our receivables facility which is secured by accounts receivable of our subsidiaries that participate in the facility.

Optional Redemption

Prior to November 15, 2013, we have the option to redeem the senior notes due 2018, in whole or in part, at a price equal to 100% of their principal amount plus accrued and unpaid interest, if any, to the redemption date and a make-whole premium, as described under Description of Senior Notes due 2018 Optional Redemption. Beginning on November 15, 2013, we may redeem some or all of the senior notes due 2018 at the redemption prices listed under Description of Senior Notes Due 2018 Optional Redemption plus accrued interest on the senior notes to the date of redemption.

Prior to November 15, 2015, we have the option to redeem the senior notes due 2020, in whole or in part, at a price equal to 100% of their principal amount plus accrued and unpaid interest, if any, to the redemption date and a make-whole premium, as described under Description of Senior Notes due 2020 Optional Redemption. Beginning on November 15, 2015, we may redeem some or all of the senior notes due 2020 at the redemption prices listed under Description of Senior Notes Due 2020 Optional Redemption plus accrued interest on the senior notes to the date of redemption.

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	We may redeem some or all of the senior subordinated notes at any time at the redemption prices listed under Description of Senior Subordinated Notes Optional Redemption plus accrued interest on the senior subordinated notes to the date of redemption.
Optional Redemption After Certain Equity Offerings	At any time (which may be more than once) before November 15, 2013, we may redeem up to 35% of the original principal amount of the senior notes due 2018 with the proceeds of certain equity offerings at a redemption price equal to 107.375% of the face thereof, together with accrued and unpaid interest, if any, to the date of redemption. See Description of Senior Notes due 2018 Optional Redemption. At any time (which may be more than once) before November 15, 2013, we may redeem up to 35% of the original principal amount of the senior notes due 2020 with the proceeds of certain equity offerings at a redemption price equal to 107.625% of the face thereof, together with accrued and unpaid interest, if any, to the date of redemption. See Description of Senior Notes due 2020 Optional Redemption.
Change of Control Offer	Upon the occurrence of a change of control, you will have the right, as holders of the notes, to require us to repurchase some or all of your notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date. See Description of Senior Notes Due 2018 Repurchase at the Option of Holders Change of Control, Description of Senior Notes Due 2020 Repurchase at the Option of Holders Change of Control and Description of Senior Subordinated Notes Repurchase at the Option of Holders Change of Control. We may not be able to pay you the required price for notes you present to us at the time of a change of control, because: we may not have enough funds at that time; or terms of our senior debt, including, in the case of the senior subordinated notes, the indenture governing the senior notes, may prevent us from making such payment. Your right to require us to repurchase a series of notes upon the occurrence of a change of control will be suspended during any time that the applicable series of notes have investment grade ratings from both Moody s Investors Service, Inc. and Standard & Poor s.
Certain Indenture Provisions	The indentures governing the notes contain covenants limiting our ability and the ability of our restricted subsidiaries to: incur additional debt or issue certain preferred shares; pay dividends on or make distributions in respect of our capital stock or make other restricted payments; make certain investments; sell certain investments; create liens on certain assets to secure debt;

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	consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; enter into certain transactions with our affiliates; and designate our subsidiaries as unrestricted subsidiaries. These covenants are subject to a number of important limitations and exceptions. See Description of Senior Notes Due 2018, Description of Senior Notes Due 2020 and Description of Senior Subordinated Notes. Certain covenants will cease to apply to a series of notes at all times after the applicable series of notes have investment grade ratings from both Moody s Investors Service, Inc. and Standard & Poor s.
No Public Market	The notes are freely transferable, but there may not be an active trading market for the notes. We cannot assure you as to the future liquidity of any market.

Risk Factors

You should carefully consider all the information in the prospectus prior to investing in the notes. In particular, we urge you to carefully consider the factors set forth under the heading Risk Factors.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth summary historical consolidated financial data of SunGard Data Systems Inc. as of the dates and for the periods indicated. The summary historical consolidated financial data for the years ended December 31, 2009, 2010 and 2011 and as of December 31, 2010 and 2011 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected historical consolidated financial data as of December 31, 2009 has been derived from unaudited financial statements not included in this prospectus. The summary historical consolidated financial data for the three months ended March 31, 2011 and 2012 and as of March 31, 2012 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated financial information should be read in conjunction with Selected Historical Consolidated Financial Information, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

	Year ended December 31,			Three Months Ended March 31,	
(Dollars in millions)	**2009**	**2010**	**2011**	**2011**	**2012**
Statement of Operations Data:					
Revenue	$ 4,806	$ 4,490	$ 4,499	$ 1,086	$ 1,039
Operating costs and expenses:					
Cost of sales and direct operating	2,249	1,937	1,891	494	469
Sales, marketing and administration	992	1,042	1,095	262	258
Product development and maintenance	354	372	422	95	88
Depreciation and amortization	275	278	272	69	71
Amortization of acquisition-related intangible assets	496	451	438	117	102
Goodwill impairment charges[(1)]	1,126	205	48		
Total operating costs and expenses	5,492	4,285	4,166	1,037	988
Operating income (loss)	(686)	205	333	49	51
Interest income	7	2	3	1	
Interest expense and amortization of deferred financing fees	(637)	(638)	(524)	(137)	(122)
Loss on extinguishment of debt		(58)	(3)	(2)	(15)
Other income (expense)[(2)]	15	7			2
Income (loss) from continuing operations before income taxes	(1,301)	(482)	(191)	(89)	(84)
Income tax (expense) benefit	116	68	118	11	7
Loss from continuing operations	(1,185)	(414)	(73)	(78)	(77)
Income (loss) from discontinued operations[(1)]	67	(156)	(76)	55	312
Net income (loss)	$ (1,118)	$ (570)	$ (149)	$ (23)	$ 235
Comprehensive income (loss)	$ (1,020)	$ (478)	$ (166)	$ 42	$ 271
Balance Sheet Data:					
Cash and cash equivalents[(3)]	$ 637	$ 771	$ 868		$ 1,378
Total assets	13,980	12,968	12,550		11,585
Total debt (including current portion of long-term debt)	8,315	8,055	7,829		6,609
Total stockholders equity	2,067	1,607	1,461		1,733
Statement of Cash Flows Data:					
Net cash provided by (used in):					
Operating activities	$ 639	$ 721	$ 678	$ 53	$ 75
Investing activities	(333)	(260)	(326)	(82)	1,677
Financing activities	(628)	(344)	(253)	11	(1,254)

Other Financial Data:					
EBITDA[4]	$ 100	$ 883	$ 1,040	$ 233	$ 211
Capital expenditures, net[5]	315	298	276	61	60

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(1) In 2009 we recorded $1.13 billion of goodwill impairment charges for our AS unit in 2009. In 2010 we recorded $328 million of goodwill impairment for our PS and HE segments, of which $205 million is presented in continuing operations and $123 million in discontinued operations. Included in continuing operations in 2011 are goodwill impairment charges of $48 million that are related to prior year periods but have been corrected in 2011. Included in income (loss) from discontinued operations in 2011 is $135 million of deferred tax expense related to the book-over-tax basis difference of a HE subsidiary that is classified as held for sale at December 31, 2011 and a goodwill impairment charge of $3 million. Included in income (loss) from discontinued operations in the three months ended March 31, 2012 is a pretax gain on the sale of the HE business of $563 million.

(2) In 2009, we recorded $14 million of foreign currency transaction gains related to our euro-denominated term loan. In 2010, we recorded $4 million of foreign currency transaction gains related to our euro-denominated term loans.

(3) Cash excludes cash held by the discontinued operations of $27 million, $7 million and $5 million at December 31, 2009, 2010 and 2011, respectively.

(4) EBITDA, a measure used by management to measure operating performance, is defined as net income plus interest, taxes and depreciation and amortization. EBITDA is not a recognized term under generally accepted accounting principles (GAAP) and does not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Additionally, EBITDA is not intended to be a measure of free cash flow available for management s discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Management believes EBITDA is helpful in highlighting trends because EBITDA can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. In addition, EBITDA provides more comparability between the historical results of SunGard and results that reflect purchase accounting and the new capital structure. Management compensates for the limitations of using non-GAAP financial measures by using them to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Because not all companies use identical calculations, these presentations of EBITDA may not be comparable to other similarly titled measures of other companies.

Historical EBITDA is calculated as follows:

				Three Months Ended March 31,	
	2009	**2010**	**2011**	**2011**	**2012**
Loss from continuing operations	$ (1,185)	$ (414)	**$ (73)**	$ (78)	$ (77)
Interest expense, net	630	636	**521**	136	122
Income tax benefit	(116)	(68)	**(118)**	(11)	(7)
Depreciation and amortization	771	729	**710**	186	173
EBITDA	$ 100	$ 883	**$ 1,040**	$ 233	$ 211

(5) Capital expenditures represent net cash paid for property and equipment as well as software and other assets.

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RISK FACTORS

You should carefully consider the following risk factors and all other information contained in this prospectus, including the section Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes, before deciding whether to invest in the notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us.

If any of the following risks occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of the notes could decline or we may not be able to make payments of interest and principal on the notes, and you may lose some or all of your investment.

Risks Related to Our Indebtedness

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

As a result of being acquired on August 11, 2005 by a consortium of private equity investment funds, we are highly leveraged and our debt service requirements are significant.

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

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

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in our senior secured credit agreement and the indentures relating to our senior notes due 2018 and 2020 and senior subordinated notes due 2015. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify.

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

Our senior secured credit agreement and the indentures governing our senior notes due 2018 and 2020 and senior subordinated notes due 2015 contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things:

- incur additional indebtedness or issue certain preferred shares;

- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;

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- make certain investments;
- sell certain assets;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

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

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

Risks Related to Our Business

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

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

Our business depends to a significant degree on the financial services industry, and a weakening of, or further consolidation in, or new regulations affecting, the financial services industry could adversely affect our business and results of operations.

Because our customer base is concentrated in the financial services industry, our business is largely dependent on the health of that industry. When there is a general downturn in the financial services industry, or if our customers in that industry experience financial or business problems, our business and financial results may suffer. If financial services firms continue to consolidate, there could be a material adverse effect on our business and financial results. When a customer merges with a firm using its own solution or another vendor s solution, it could decide to consolidate on a non-SunGard system, which could have an adverse effect on our financial results.

To the extent newly adopted regulations negatively impact the business, operations or financial condition of our customers, our business and financial results could be adversely affected. We could be required to invest a

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significant amount of time and resources to comply with additional regulations or to modify the manner in which we provide products and services to our customers; and such regulations could limit how much we can charge for our services. We may not be able to update our existing products and services, or develop new ones at all or in a timely manner, to satisfy our customers needs. Any of these events, if realized, could have a material adverse effect on our business and financial results.

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

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

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

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

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

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

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

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

- update our products and services and to develop new products fast enough to meet our customers needs;
- make some features of our products and services work effectively and securely over the Internet;
- integrate more of our FS solutions;
- update our products and services to keep pace with business, regulatory and other developments in the financial services industry, where many of our customers operate; and
- update our services to keep pace with advancements in hardware, software and telecommunications technology.

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

Customers taking their information availability solutions in-house or leveraging inexpensive shared cloud-based solutions may create greater pressure on our organic revenue growth rate.

Our AS solutions allow customers to leverage our technology expertise and process-IP, resource management capabilities and substantial infrastructure investments. Technological advances in recent years have significantly reduced the cost and the complexity of developing in-house solutions. Some customers, especially among the very largest having significant IT resources, prefer to develop and maintain their own in-house availability solutions, which can result in a loss of revenue from those customers. If this trend continues or worsens, there will be continued pressure on our organic revenue growth rate. Also, cloud-based solutions are often perceived as inherently redundant and highly available. This is a misconception, as high availability is only provided when expressly engineered into a cloud environment. However, this belief along with the opportunity to leverage inexpensive cloud infrastructure for shared recovery options can, over time, become a more significant competitive threat especially in the area of availability solutions for less critical applications.

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

In the information availability services industry, especially among our more sophisticated customers, there is preference for solutions that utilize some level of dedicated resources, such as blended advanced recovery services and managed services. The primary reason for this is that adding dedicated resources, although more costly, provides greater control, increases security, reduces data loss and facilitates quicker responses to business interruptions. Advanced recovery services often result in greater use of dedicated resources with a modest decrease in operating margin rate. Managed services require significant dedicated resources and, therefore, have an appropriately lower operating margin rate.

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

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

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

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

Because we act as a third-party service provider to financial institutions and provide mission-critical applications for many financial institutions that are regulated by one or more member agencies of the Federal Financial Institutions Examination Council (FFIEC), we are subject to examination by the member agencies of the FFIEC. More specifically, we are a Multi-Regional Data Processing Servicer of the FFIEC because we provide mission critical applications for financial institutions from several data centers located in different geographic regions. As a result, the FFIEC conducts periodic reviews of certain of our operations in order to identify existing or potential risks associated with our operations that could adversely affect the financial institutions to whom we provide services, evaluate our risk management systems and controls, and determine our compliance with applicable laws that affect the services we provide to financial institutions. In addition to examining areas such as our management of technology, data integrity, information confidentiality and service availability, the reviews also assess our financial stability. Our incurrence of significant debt in connection with the LBO increases the risk of an FFIEC agency review determining that our financial stability has been weakened. A sufficiently unfavorable review from the FFIEC could result in our financial institution customers not being allowed to use our technology services, which could have a material adverse effect on our business and financial condition.

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

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

If we are unable to keep existing customers satisfied, sell additional products and services to existing customers or attract new customers, then our business and financial results may suffer. A variety of factors could affect our ability to successfully retain and attract customers, including the level of demand for our products and

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

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

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

We are subject to the risks of doing business internationally.

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

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

- difficulties associated with repatriating cash in a tax-efficient manner.

In foreign countries, particularly in those with developing economies, certain business practices may exist that are prohibited by laws and regulations applicable to us, such as the U.S. Foreign Corrupt Practices Act. Although our policies and procedures require compliance with these laws and are designed to facilitate compliance with these laws, our employees, contractors and agents may take actions in violation of applicable laws or our policies. Any such violation, even if prohibited by our policies, could have a material adverse effect on our business and reputation.

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

Generally, we seek to acquire businesses that broaden our existing product lines and service offerings by adding complementary products and service offerings and by expanding our geographic reach. There can be no assurance that our acquisition program will be successful or that we will be able to identify suitable acquisition candidates and successfully complete acquisitions. In addition, we may finance any future acquisition with debt, which would increase our overall levels of indebtedness and related interest costs. If we are unable to successfully integrate and manage acquired businesses, then our business and financial results may suffer. It is possible that the businesses we have acquired and businesses that we acquire in the future may perform worse than expected, be subject to an adverse litigation outcome or prove to be more difficult to integrate and manage than expected. If that happens, there may be a material adverse effect on our business and financial results for a number of reasons, including:

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

We could lose revenue due to fiscal funding or termination for convenience clauses in certain customer contracts, especially in our K-12 and PS businesses.

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

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

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

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

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

Our success depends in part on our ability to protect our proprietary products and services and to defend against infringement claims. If we are unable to do so, our business and financial results may suffer. To protect our proprietary technology, we rely upon a combination of copyright, patent, trademark and trade secret law, confidentiality restrictions in contracts with employees, customers and others, software security measures, and registered copyrights and patents. Despite our efforts to protect the proprietary technology, unauthorized persons may be able to copy, reverse engineer or otherwise use some of our technology. It also is possible that others will develop and market similar or better technology to compete with us. Furthermore, existing patent, copyright and trade secret laws may afford only limited protection, and the laws of certain countries do not protect proprietary technology as well as United States law. For these reasons, we may have difficulty protecting our proprietary technology against unauthorized copying or use. If any of these events happens, there could be a material adverse effect on the value of our proprietary technology and on our business and financial results. In addition, litigation may be necessary to protect our proprietary technology. This type of litigation is often costly and time-consuming, with no assurance of success.

We may be sued for violating the intellectual property rights of others.

The software industry is characterized by the existence of a large number of trade secrets, copyrights and the rapid issuance of patents, as well as frequent litigation based on allegations of infringement or other violations of intellectual property rights. We may unknowingly violate the intellectual property rights of others. Some of our competitors or other third parties may have been more aggressive than us in applying for or obtaining patent protection for innovative proprietary technologies both in the United States and internationally. In addition, we use a limited amount of open source software in our products and may use more open source software in the future. Because open source software is developed by numerous independent parties over whom we exercise no supervision or control, allegations of infringement for using open source software are possible. Although we monitor our use and our suppliers use of open source software to avoid subjecting our products to conditions we do not intend, the terms of many open source licenses have not been interpreted by United States or other courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products.

As a result of all of these factors, there can be no assurance that in the future third parties will not assert infringement claims against us and preclude us from using a technology in our products or require us to enter into royalty and licensing arrangements on terms that are not favorable to us, or force us to engage in costly infringement litigation, which could result in us paying monetary damages or being forced to redesign our products to avoid infringement. Additionally, our licenses and service agreements with our customers generally provide that we will defend and indemnify them for claims against them relating to our alleged infringement of the intellectual property rights of third parties with respect to our products or services. We might have to defend or indemnify our customers to the extent they are subject to these types of claims. Any of these claims may be difficult and costly to defend and may lead to unfavorable judgments or settlements, which could have a material adverse effect on our reputation, business and financial results. For these reasons, we may find it difficult or costly to add or retain important features in our products and services.

At present, we are vigorously defending a number of patent infringement cases. While we do not believe we have a potential liability for damages or royalties from any known current legal proceedings or claims related to the infringement of patent or other intellectual property rights that would individually or in the aggregate materially adversely affect our financial condition and operating results, the results of such legal proceedings cannot be predicted with certainty. Should we fail to prevail in any of the matters related to infringement of patent or other intellectual property rights of others or should several of these matters be resolved against us in the same reporting period, it could have a material adverse effect on our business and financial results.

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

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

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

We have concluded that our internal control over financial reporting was not effective as of December 31, 2011 as a result of our identification of a material weakness related to accounting for deferred income taxes. A material weakness in our internal controls could have a material adverse affect on us.

Effective internal controls are necessary for us to provide reasonable assurance with respect to our financial reports and to effectively prevent fraud. If we cannot provide reasonable assurance with respect to our financial reports and effectively prevent fraud, our reputation and operating results could be harmed. Internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Further, the complexities of our quarter- and year-end closing processes increase the risk that a weakness in internal controls over financial reporting may go undetected. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to the risk that the control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with our assessment of internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 as of December 31, 2011, we identified a material weakness related to our accounting for deferred income taxes. For a discussion of our internal control over financial reporting and a description of the identified material weakness, see Management s Report on Internal Control Over Financial Reporting included elsewhere in this prospectus. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company s annual or interim financial statements will not be prevented or detected on a timely basis.

A material weakness in our internal control over financial reporting could adversely impact our ability to provide timely and accurate financial information. We plan to implement a number of remediation steps to address the material weakness as described in Management s Backround and Remediation Plan Related to Internal Control Weakness. If we are unsuccessful in implementing or following our remediation plan, we may

not be able to timely or accurately report our financial condition, results of operations or cash flows or maintain effective disclosure controls and procedures. If we are unable to report financial information timely and

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accurately or to maintain effective disclosure controls and procedures, we could be subject to, among other things, regulatory or enforcement actions by the SEC, any one of which could adversely affect our business prospects.

Unanticipated changes in our tax provision or the adoption of new tax legislation could affect our profitability or cash flow.

We are subject to income taxes in the United States and many foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. We regularly are under audit by tax authorities. Although we believe our tax provision is reasonable, the final determination of our tax liability could be materially different from our historical income tax provisions, which could have a material effect on our financial position, results of operations or cash flows. In addition, tax-law amendments in the U.S. and other jurisdictions could significantly impact how U.S. multinational corporations are taxed. Although we cannot predict whether or in what form such legislation will pass, if enacted it could have a material adverse effect on our business and financial results.

Risks Relating to the Notes

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, seek additional capital or seek to restructure or refinance our indebtedness, including the notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service and other obligations. The senior secured credit facilities and the indentures under which the notes are issued restrict our ability to use the proceeds from asset sales. We may not be able to consummate those asset sales to raise capital or sell assets at prices that we believe are fair and proceeds that we do receive may not be adequate to meet any debt service obligations then due. See Description of Senior Notes Due 2018, Description of Senior Notes Due 2020 and Description of Senior Subordinated Notes.

Your right to receive payments on each series of notes is effectively junior to those lenders who have a security interest in our assets.

Our obligations under the notes and our guarantors obligations under their guarantees of the notes are unsecured, but our obligations under our senior secured credit facilities and senior secured notes due 2014 and each guarantor s obligations under their respective guarantees of the senior secured credit facilities and senior secured notes due 2014 are secured by a security interest in substantially all of our domestic tangible and, in the case of the senior secured credit facilities, intangible assets, including the stock of most of our wholly owned U.S. subsidiaries, and a portion of the stock of certain of our non-U.S. subsidiaries. If we are declared bankrupt or insolvent, or if we default under our senior secured credit agreement, the lenders could declare all of the funds borrowed thereunder, together with accrued interest, immediately due and payable. If we were unable to repay

such indebtedness, the lenders could foreclose on the pledged assets to the exclusion of holders of the notes, even if an event of default exists under the indentures governing the notes offered hereby at such time. Furthermore, if

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the lenders foreclose and sell the pledged equity interests in any subsidiary guarantor under the notes, then that guarantor will be released from its guarantee of the notes automatically and immediately upon such sale. In any such event, because the notes are not secured by any of our assets or the equity interests in subsidiary guarantors, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims fully.

As of March 31, 2012, we had $3,294 million of senior secured indebtedness (which includes $250 million face amount of our senior secured notes that are recorded at $243 million), all of which was indebtedness under our senior secured credit facilities and senior secured notes and which does not include availability of $858 million under our revolving credit facility after giving effect to certain outstanding letters of credit. The indentures governing the notes offered hereby permit us and our restricted subsidiaries to incur substantial additional indebtedness in the future, including senior secured indebtedness.

Claims of noteholders will be structurally subordinate to claims of creditors of all of our non-U.S. subsidiaries and some of our U.S. subsidiaries because they will not guarantee the notes.

The notes are not guaranteed by any of our non-U.S. subsidiaries, our less than wholly owned U.S. subsidiaries, our receivables subsidiaries or certain other U.S. subsidiaries. Accordingly, claims of holders of the notes will be structurally subordinate to the claims of creditors of these non-guarantor subsidiaries, including trade creditors. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us or a guarantor of the notes.

Our non-guarantor subsidiaries accounted for $1,904 million, or 43%, of our total revenue and $416 million, or 41%, of our total EBITDA, for the twelve months ended March 31, 2012, and approximately $3,269 million, or 28%, of our total assets, and approximately $1,165 million, or 12%, of our total liabilities, as of March 31, 2012.

Your right to receive payments on the senior subordinated notes will be junior to the rights of the lenders under our senior secured credit facilities and all of our other senior debt and any of our future senior indebtedness.

The senior subordinated notes are general unsecured obligations that are junior in right of payment to all of our existing and future senior indebtedness. As of March 31, 2012, the senior subordinated notes and related guarantees ranked junior to the senior indebtedness under the senior secured credit facilities, the senior secured notes, the senior notes and $18 million of payment obligations relating to historical acquisitions and capital lease obligations, all of which totaled approximately $5,409 million. An additional $858 million is available to be drawn under our revolving credit facility after giving effect to certain outstanding letters of credit.

We may not pay principal, premium, if any, interest or other amounts on account of the senior subordinated notes in the event of a payment default or certain other defaults in respect of certain of our senior indebtedness, including debt under the senior secured credit facilities, unless the senior indebtedness has been paid in full or the default has been cured or waived. In addition, in the event of certain other defaults with respect to the senior indebtedness, we may not be permitted to pay any amount on account of the senior subordinated notes for a designated period of time.

Because of the subordination provisions in the senior subordinated notes, in the event of our bankruptcy, liquidation or dissolution, our assets will not be available to pay obligations under the senior subordinated notes until we have made all payments in cash on our senior indebtedness. We cannot assure you that sufficient assets will remain after all these payments have been made to make any payments on the senior subordinated notes, including payments of principal or interest when due.

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If we default on our obligations to pay our indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness, including a default under the senior secured credit agreement, that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including covenants in our senior secured credit facilities and the indentures governing the notes offered hereby), we could be in default under the terms of the agreements governing such indebtedness, including our senior secured credit agreement and the indentures governing the notes offered hereby. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under our senior secured credit facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our senior secured credit facilities to avoid being in default. If we breach our covenants under our senior secured credit facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our senior secured credit agreement, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding notes at 101% of their principal amount plus accrued and unpaid interest. The source of funds for any such purchase of the notes will be our available cash or cash generated from our subsidiaries operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control. Further, we will be contractually restricted under the terms of our senior secured credit agreement from repurchasing all of the notes tendered by holders upon a change of control. Accordingly, we may not be able to satisfy our obligations to purchase the notes unless we are able to refinance or obtain waivers under our senior secured credit agreement. In addition, we may be prohibited under the terms of the indentures governing the senior notes, from repurchasing the senior subordinated notes tendered upon a change of control. Our failure to repurchase the notes upon a change of control would cause a default under the indentures governing the notes offered hereby and a cross-default under the senior secured credit agreement. The senior secured credit agreement also provides that a change of control will be a default that permits lenders to accelerate the maturity of borrowings thereunder. Any of our future debt agreements may contain similar provisions.

The lenders under the senior secured credit facilities will have the discretion to release the guarantors under the senior secured credit agreement in a variety of circumstances, which will cause those guarantors to be released from their guarantees of the notes.

While any obligations under the senior secured credit facilities remain outstanding, any guarantee of the notes may be released without action by, or consent of, any holder of the notes or the trustee under the indentures governing the notes offered hereby, at the discretion of lenders under the senior secured credit facilities, if the related guarantor is no longer a guarantor of obligations under the senior secured credit facilities or any other indebtedness. See Description of Senior Notes Due 2018, Description of Senior Notes Due 2020 and Description of Senior Subordinated Notes. The lenders under the senior secured credit facilities will have the discretion to release the guarantees under the senior secured credit facilities in a variety of circumstances. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of noteholders.

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Federal and state fraudulent transfer laws may permit a court to void the notes and the related guarantees of the notes, and, if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of the related guarantees. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or related guarantees could be voided as a fraudulent transfer or conveyance if (1) we or any of the guarantors, as applicable, issued the notes or incurred the related guarantees with the intent of hindering, delaying or defrauding creditors or (2) we or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the related guarantees and, in the case of (2) only, one of the following is also true at the time thereof:

- we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the related guarantees;

- the issuance of the notes or the incurrence of the related guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital to carry on the business;

- we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or such guarantor s ability to pay as they mature; or

- we or any of the guarantors was a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment is unsatisfied.

If a court were to find that the issuance of the notes or the incurrence of the related guarantees was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or such related guarantees or further subordinate the notes or such related guarantees to presently existing and future indebtedness of ours or of the related guarantor, or require the holders of the notes to repay any amounts received with respect to such related guarantees. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the voidance of the notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of such debt.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied. A debtor will generally not be considered to have received value in connection with a debt offering if the debtor uses the proceeds of that offering to make a dividend payment or otherwise retire or redeem equity securities issued by the debtor.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were solvent at the relevant time or, regardless of the standard that a court uses, that the issuance of the related guarantees would not be further subordinated to our or any of our guarantors other debt. Generally, however, an entity would not be considered solvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets; or

- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

- it could not pay its debts as they become due.

Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.

We do not intend to apply for a listing of the notes on a securities exchange or on any automated dealer quotation system. There is currently no established market for the notes and we cannot assure you as to the

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liquidity of markets that may develop for the notes, your ability to sell the notes or the price at which you would be able to sell the notes. If such markets were to exist, the notes could trade at prices that may be lower than their principal amount or purchase price depending on many factors, including prevailing interest rates, the market for similar notes, our financial and operating performance and other factors. Therefore, we cannot assure you that an active market for the notes will develop or, if developed, that it will continue. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for the notes may experience similar disruptions and any such disruptions may adversely affect the prices at which you may sell your notes.

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FORWARD-LOOKING STATEMENTS

This prospectus and documents incorporated by reference into this prospectus contain forward-looking statements within the meaning of the federal securities laws, which involve risks and uncertainties. You can identify forward-looking statements because they contain words such as believes, expects, may, will, should, seeks, approximately, intends, plans, estimates, or anticipates or similar expressions t strategy, plans or intentions. All statements other than statements of historical facts included in this prospectus, or incorporated herein by reference, we make relating to estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. All of these forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those we expected. We derive most of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations (cautionary statements) are disclosed under Risk Factors and elsewhere in this prospectus, or incorporated herein by reference, including, without limitation, in conjunction with the forward-looking statements included in this prospectus. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

general economic and market conditions;

the condition of the financial services industry, including the effect of any further consolidation among financial services firms;

our high degree of debt-related leverage;

the effect of war, terrorism, natural disasters or other catastrophic events;

the effect of disruptions to our systems and infrastructure;

the timing and magnitude of software sales;

the timing and scope of technological advances;

customers taking their information availability solutions in-house;

the trend in information availability toward solutions utilizing more dedicated resources;

the market and credit risks associated with broker/dealer operations;

the ability to retain and attract customers and key personnel;

- risks relating to the foreign countries where we transact business;
- the integration and performance of acquired businesses;
- the ability to obtain patent protection and avoid patent-related liabilities in the context of a rapidly developing legal framework for software and business-method patents;
- a material weakness in our internal controls;
- unanticipated changes in our tax provisions or the adoption of new tax legislation; and
- the other factors set forth under Risk Factors.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this prospectus, or incorporated herein by reference, may not in fact occur. We undertake no obligation to publicly update any written or oral forward-looking statements made by us or on our behalf as a result of new information, future events or otherwise, except as otherwise required by law.

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USE OF PROCEEDS

This prospectus is delivered in connection with the sale of notes by Goldman, Sachs & Co. in market-making transactions. We will not receive any of the proceeds from such transactions.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected historical consolidated financial data of SunGard Data Systems Inc. as of the dates and for the periods indicated. The selected historical consolidated financial data for the years ended December 31, 2009, 2010 and 2011 and as of December 31, 2010 and 2011 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected historical consolidated financial data as of December 31, 2007, 2008 and 2009 and the periods ended December 31, 2007 and 2008 have been derived from unaudited financial statements not included in this prospectus. The selected historical consolidated financial data for the three months ended March 31, 2011 and 2012 and as of March 31, 2012 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The selected historical consolidated financial information should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

(Dollars in millions)	2007	2008	Year ended December 31, 2009	2010	2011	Three Months Ended March 31, 2011	2012
Statement of Operations Data:							
Revenue	$ 4,154	$ 4,861	$ 4,806	$ 4,490	$ 4,499	$ 1,086	$ 1,039
Operating income (loss)(1)	523	534	(686)	205	333	49	51
Net loss from continuing operations(1)(2)	(121)	(146)	(1,185)	(414)	(73)	(78)	(77)
Net income (loss) from discontinued operations(1)	61	(96)	67	(156)	(76)	55	312
Net loss	(60)	(242)	(1,118)	(570)	(149)	(23)	235
Cash Flow Data:							
Cash flow from operations	$ 701	$ 385	$ 639	$ 721	$ 678	$ 53	$ 75
Balance Sheet Data:							
Total assets	$ 14,840	$ 15,778	$ 13,980	$ 12,968	$ 12,550		$ 11,585
Total short-term and long-term debt	7,485	8,875	8,315	8,055	7,829		6,609
Stockholders equity	3,556	3,063	2,067	1,607	1,461		1,733

(1) In 2009 we recorded $1.13 billion of goodwill impairment charges for our AS unit in 2009. In 2010 we recorded $328 million of goodwill impairment for our PS and HE segments, of which $205 million is presented in continuing operations and $123 million in discontinued operations. Included in continuing operations in 2011 are goodwill impairment charges of $48 million that are related to prior year periods but have been corrected in 2011. Included in income (loss) from discontinued operations in 2011 is $135 million of deferred tax expense related to the book-over-tax basis difference of a HE subsidiary that is classified as held for sale at December 31, 2011 and a goodwill impairment charge of $3 million. Included in income (loss) from discontinued operations in the three months ended March 31, 2012 is a pretax gain on the sale of the HE business of $563 million.

(2) Included in 2007 loss from continuing operations is $28 million of expense associated with the early retirement of $400 million of senior floating rate notes due 2013, of which $19 million represented the retirement premium paid to noteholders. Included in 2008 loss from continuing operations are intangible asset write-offs of $67 million and foreign currency losses and unused alternative financing commitment fees associated with the acquisition of GL TRADE S.A. of $17 million.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the historical ratio of our earnings to our fixed charges for the periods indicated.

	Year ended December 31,					Three Months Ended March 31,	
	2007	2008	2009	2010	2011	2011	2012
Ratio of earnings to fixed charges (unaudited)(1)							

(1) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges. Fixed charges include: interest expense, whether expensed or capitalized; amortization of debt issuance cost; and the portion of rental expense representative of the interest factor. Earnings for the years ended December 31, 2007, 2008, 2009, 2010 and 2011 and for the three months ended March 31, 2011 and 2012 were inadequate to cover fixed charges by $61 million, $41 million, $1,301 million, $482 million, $191 million, $89 million and $84 million, respectively.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are one of the world s leading software and technology services companies. We provide software and technology services to financial services, education and public sector organizations. We also provide disaster recovery services, managed services, information availability consulting services and business continuity management software. We serve approximately 25,000 customers in more than 70 countries. Our high quality software solutions, excellent customer support and specialized technology services result in strong customer retention rates across all of our business segments and create long-term customer relationships. We believe that we are one of the most efficient operators of mission-critical IT solutions as a result of the economies of scale we derive from serving multiple customers on shared processing platforms.

We operate our business in three segments: Financial Systems (FS), Availability Services (AS) and Other, which is comprised of K-12 Education (K-12) and Public Sector (PS). Our FS segment primarily serves financial services companies, corporate and government treasury departments and energy companies. Our AS segment serves IT-dependent companies across virtually all industries. Our Other segment primarily serves state and local governments, nonprofit organizations and K-12 school districts and private schools throughout the U.S.

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

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). SCCII and SCC are collectively referred to as the Parent Companies. All four of these companies were formed for the purpose of facilitating the LBO and are collectively referred to as the Holding Companies.

FS provides mission-critical software and technology services to virtually every type of financial services institution, including buy-side and sell-side institutions, third-party administrators, wealth managers, retail banks, insurance companies, corporate treasuries and energy trading firms. Our broad range of complementary software solutions and associated technology services help financial services institutions automate the business processes associated with trading, managing portfolios and accounting for investment assets.

AS provides disaster recovery services, managed IT services, information availability consulting services and business continuity management software to over 9,000 customers in North America and Europe. With five million square feet of data center and operations space, AS assists IT organizations across virtually all industry and government sectors to prepare for and recover from emergencies by helping them minimize their computer downtime and optimize their uptime. Through direct sales and channel partners, AS helps organizations ensure their people and customers have uninterrupted access to the information systems they need in order to do business.

Other provides software and technology services designed to meet the specialized needs of local, state and federal governments, public safety and justice agencies, public and private schools, utilities, nonprofits and other public sector institutions.

SunGard s results of operations typically trail current economic activity, largely due to the multi-year contracts that generate the majority of our revenue. We participate in the financial services and public sector industries and, in our availability services business, across a broad cross-section of the economy. Each of these

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sectors, to varying degrees, has experienced some disruption. The results in 2010 and 2011 reflect the impact of these challenging economic conditions. In response, we are focused on right-sizing our expense base in line with expected revenue opportunities but have continued to invest in capital spending, product development and to opportunistically acquire technology through acquisitions.

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

Use of Estimates and Critical Accounting Policies

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

Intangible Assets and Purchase Accounting

Purchase accounting requires that all assets and liabilities be recorded at fair value on the acquisition date, including identifiable intangible assets separate from goodwill. Identifiable intangible assets include customer base (which includes customer contracts and relationships), software and trade name. Goodwill represents the excess of cost over the fair value of net assets acquired.

The estimated fair values and useful lives of identifiable intangible assets are based on many factors, including estimates and assumptions of future operating performance and cash flows of the acquired business, the nature of the business acquired, the specific characteristics of the identified intangible assets, and our historical experience and that of the acquired business. The estimates and assumptions used to determine the fair values and useful lives of identified intangible assets could change due to numerous factors, including product demand, market conditions, technological developments, economic conditions and competition. In connection with our determination of fair values for the LBO and for other significant acquisitions, we engage independent appraisal firms to assist us with the valuation of intangible (and certain tangible) assets acquired and certain assumed obligations.

We periodically review carrying values and useful lives of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Factors that could indicate an impairment include significant underperformance of the asset as compared to historical or projected future operating results, or significant negative industry or economic trends. When we determine that the carrying value of an asset may not be recoverable, the related estimated future undiscounted cash flows expected to result from the use and eventual disposition of the asset are compared to the carrying value of the asset. If the sum of the estimated future undiscounted cash flows is less than the carrying amount, we record an impairment charge based on the difference between the carrying value of the asset and its fair value, which we estimate based on discounted expected future cash flows. In determining whether an asset is impaired, we make assumptions regarding recoverability of costs, estimated future cash flows from the asset, intended use of the asset and other relevant factors. If these estimates or their related assumptions change, we may be required to record impairment charges for these assets.

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We are required to perform a goodwill impairment test, a two-step test, annually and more frequently when negative conditions or a triggering event arise. We complete our annual goodwill impairment test as of July 1 for each of our 13 reporting units. In step one, the estimated fair value of each reporting unit is compared to its carrying value. We estimate the fair values of each reporting unit by a combination of (i) estimation of the discounted cash flows of each of the reporting units based on projected earnings in the future (the income approach) and (ii) a comparative analysis of revenue and EBITDA multiples of public companies in similar markets (the market approach). If there is a deficiency (the estimated fair value of a reporting unit is less than the carrying value), a step two test is required. In step two, the amount of any goodwill impairment is measured by comparing the implied fair value of the reporting unit s goodwill to the carrying value of goodwill, with any resulting impairment reflected in operations. The implied fair value is determined in the same manner as the amount of goodwill recognized in a business combination.

In September 2011, the FASB issued amended guidance that will simplify how entities test goodwill for impairment. After assessment of certain qualitative factors, if it is determined to be more likely than not that the fair value of a reporting unit is less than its carrying amount, entities must perform the quantitative analysis of the goodwill impairment test. Otherwise, the quantitative test(s) become optional. The guidance is effective January 1, 2012 with early adoption permitted. The Company will adopt this guidance for our 2012 goodwill impairment test.

Estimating the fair value of a reporting unit requires various assumptions including projections of future cash flows, perpetual growth rates and discount rates that reflect the risks associated with achieving those cash flows. The assumptions about future cash flows and growth rates are based on management s assessment of a number of factors including the reporting unit s recent performance against budget, performance in the market that the reporting unit serves, as well as industry and general economic data from third party sources. Discount rate assumptions are based on an assessment of the risk inherent in those future cash flows. Changes to the underlying businesses could affect the future cash flows, which in turn could affect the fair value of the reporting unit. For our most recent annual impairment test as of July 1, 2011, the discount rates used were between 10% and 12% and perpetual growth rates used were between 3% or 4%, based on the specific characteristics of the reporting unit. Based on the results of the step one tests, the Company determined that the fair values of each of its reporting units exceeded carrying value and a step two test was not required for any of the 13 reporting units.

The Company has three reporting units, whose goodwill balances in the aggregate total $1.2 billion as of December 31, 2011, where the excess of the estimated fair value over carrying value of the reporting unit was less than 15% of the carrying value as of the July 1, 2011 impairment test. A one percentage point decrease in the perpetual growth rate or a one percentage point increase in the discount rate would cause each of these reporting units to fail the step one test and require a step two analysis, and some or all of this goodwill could be impaired. Furthermore, if any of these units fail to achieve expected performance levels in the next twelve months or experience a downturn in the business below current expectations, goodwill could be impaired. The Company s remaining 10 reporting units each had estimated fair values which exceeded of the carrying value of the reporting unit by at least 20% as of the July 1, 2011 impairment test. Two of the Company s 13 reporting units, whose combined goodwill balance was $929 million and was included in assets held for sale as of December 31, 2011, were sold in connection with the HE sale in January 2012.

In 2009, we recorded an adjustment to the state income tax rate used to calculate the deferred income tax liabilities associated with the intangible assets at the LBO date which resulted in reductions to our deferred tax liability and goodwill balances of approximately $114 million. During 2011 we determined that the 2009 adjustment was incorrect and have reversed it, thereby increasing the deferred tax liability and goodwill balances each by approximately $100 million for continuing operations and $14 million for assets (liabilities) held for sale. During 2011, as a result of this correction, we recorded a goodwill impairment charge of $48 million, of which $36 million related to the impairment charge in 2009 and $12 million related to the impairment charge in 2010, and recorded a $3 million goodwill impairment charge in discontinued operations that related to the 2010 impairment charge. In addition, we recorded an income tax benefit of $48 million, of which $35 million related

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to prior periods, reflecting the amortization of the deferred income tax liability which benefit would have been reflected in the statement of comprehensive income had the 2009 adjustment not been made. Had we recorded the goodwill impairment charges in the correct periods, the impairment charge for 2009 would have been $1.162 billion, and the impairment charge in 2010 would have been $217 million. We have assessed the impact of correcting these errors in the current period and do not believe that these amounts are material to any prior period financial statements, nor is the correction of these errors material to the 2011 financial statements. As a result, we have not restated any prior period amounts.

Based on the results of the step one test for the July 1 annual impairment test for 2010, we determined that the carrying values of our PS reporting unit, our Public Sector United Kingdom (PS UK) reporting unit, which has since been sold and is included in discontinued operations, and our Higher Education Managed Services (HE MS) reporting unit, which, along with the remainder of HE, was sold in January 2012 and is included in discontinued operations, were in excess of their respective fair values and a step two test was required for each of these reporting units. The primary driver for the decline in the fair value of the reporting units compared to the prior year is the reduction in the perpetual growth rate assumption used for each of these three reporting units, stemming from the recent disruption in the global financial markets, particularly the markets which these three reporting units serve. Furthermore, there was a decline in the cash flow projections for the PS and PS UK reporting units, compared to those used in the 2009 goodwill impairment test, as a result of decline in the overall outlook for these two reporting units. Additionally, the discount rate assumption used for the PS UK reporting unit was higher than the discount rate used in the 2009 impairment test.

A one percentage point increase in the perpetual growth rate or a one percentage point decrease in the discount rate would have resulted in our HE MS reporting unit having a fair value in excess of carrying value and a step two test would not have been required.

Prior to completing the step two tests, we first evaluated the long-lived assets, primarily the software, customer base and property and equipment, for impairment. In performing the impairment tests for long-lived assets, we estimated the undiscounted cash flows for the asset groups over the remaining useful lives of the reporting unit s primary asset and compared that to the carrying value of the asset groups. There was no impairment of the long-lived assets.

In completing the step two tests to determine the implied fair value of goodwill and therefore the amount of impairment, we first determined the fair value of the tangible and intangible assets and liabilities. Based on the testing performed, we determined that the carrying value of goodwill exceeded its implied fair value for each of the three reporting units and recorded a goodwill impairment charge of $328 million, of which $205 million is presented in continuing operations and $123 million in discontinued operations.

During 2009, based on an evaluation of year-end results and a reduction in the revenue growth outlook for the AS business, we concluded that AS had experienced a triggering event in its North American reporting unit (AS NA), one of two reporting units identified in the July 1, 2009 annual impairment test where the excess of the estimated fair value over the carrying value was less than 10%. As a result, we determined that the carrying value of AS NA was in excess of its fair value. In completing the step two test, we determined that the carrying value of AS NA s goodwill exceeded its implied fair value by $1.126 billion and recorded a goodwill impairment charge for this amount.

Revenue Recognition

In the fourth quarter of 2010 we adopted, retrospective to the beginning of the year, the provisions of Accounting Standards Update No. 2009-13, Revenue Recognition Multiple Deliverable Revenue Arrangements (ASU 2009-13) and Accounting Standards Update 2009-14, Software Certain Revenue Arrangements that Include Software Elements (ASU 2009-14). ASU 2009-13 amended existing accounting guidance for revenue recognition for multiple-element arrangements by establishing a selling price hierarchy that

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allows for the best estimated selling price (BESP) to determine the allocation of arrangement consideration to a deliverable in a multiple element arrangement where neither vendor specific objective evidence (VSOE) nor third-party evidence (TPE) is available for that deliverable. ASU 2009-14 modifies the scope of existing software guidance to exclude tangible products containing software components and non-software components that function together to deliver the product s essential functionality. In addition, ASU 2009-14 provides guidance on how a vendor should allocate arrangement consideration to non-software and software deliverables in an arrangement where the vendor sells tangible products containing software components that are essential in delivering the tangible product s functionality.

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

We generate revenue from the following sources: (1) services revenue, which includes revenue from processing services, software maintenance and support, software rentals, recovery and managed services, professional services and broker/dealer fees; and (2) software license fees, which result from contracts that permit the customer to use a SunGard product at the customer s site.

Services revenue is recorded as the services are provided based on the fair value of each element. Most AS services revenue consists of fixed monthly fees based upon the specific computer configuration or business process for which the service is being provided. When recovering from an interruption, customers generally are contractually obligated to pay additional fees, which typically cover the incremental costs of supporting customers during recoveries. FS services revenue includes monthly fees, which may include a fixed minimum fee and/or variable fees based on a measure of volume or activity, such as the number of accounts, trades or transactions, users or the number of hours of service.

For fixed-fee professional services contracts, services revenue is recorded based upon proportional performance, measured by the actual number of hours incurred divided by the total estimated number of hours for the project. Changes in the estimated costs or hours to complete the contract and losses, if any, are reflected in the period during which the change or loss becomes known.

License fees result from contracts that permit the customer to use a SunGard software product at the customer s site. Generally, these contracts are multiple-element arrangements since they usually provide for professional services and ongoing software maintenance. In these instances, license fees are recognized upon the signing of the contract and delivery of the software if the license fee is fixed or determinable, collection is probable, and there is sufficient vendor specific evidence of the fair value of each undelivered element. When there are significant program modifications or customization, installation, systems integration or related services, the professional services and license revenue are combined and recorded based upon proportional performance, measured in the manner described above. Revenue is recorded when billed when customer payments are extended beyond normal billing terms, or at acceptance when there is significant acceptance, technology or service risk. Revenue also is recorded over the longest service period in those instances where the software is bundled together with post-delivery services and there is not sufficient evidence of the fair value of each undelivered service element.

With respect to software related multiple-element arrangements, sufficient evidence of fair value is defined as VSOE. If there is no VSOE of the fair value of the delivered element (which is usually the software) but there is VSOE of the fair value of each of the undelivered elements (which are usually maintenance and professional services), then the residual method is used to determine the revenue for the delivered element. The revenue for each of the undelivered elements is set at the fair value of those elements using VSOE of the price paid when each of the undelivered elements is sold separately. The revenue remaining after allocation to the undelivered elements (i.e., the residual) is allocated to the delivered element.

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

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

From time to time we enter into arrangements with customers who purchase non-software related services from us at the same time, or within close proximity, of purchasing software (non-software multiple-element arrangements). Each element within a non-software multiple-element arrangement is accounted for as a separate unit of accounting provided the following criteria are met: the delivered services have value to the customer on a standalone basis; and, for an arrangement that includes a general right of return relative to the delivered services, delivery or performance of the undelivered service is considered probable and is substantially controlled by us. Where the criteria for a separate unit of accounting are not met, the deliverable is combined with the undelivered element(s) and treated as a single unit of accounting for the purposes of allocation of the arrangement consideration and revenue recognition.

For our non-software multiple-element arrangements, we allocate revenue to each element based on a selling price hierarchy at the arrangement inception. During 2009 the fair value of each undelivered element was determined using VSOE, and the residual method was used to assign a fair value to the delivered element if its VSOE was not available. Under the new rules for 2010 and 2011 described above, the selling price for each element is based upon the following selling price hierarchy: VSOE then TPE then BESP. The total arrangement consideration is allocated to each separate unit of accounting for each of the non-software deliverables using the relative selling prices of each unit based on this hierarchy. We limit the amount of revenue recognized for delivered elements to an amount that is not contingent upon future delivery of additional products or services or meeting of any specified performance conditions. Since under the new hierarchy a fair value for each element will be determinable, the residual method is no longer used.

To determine the selling price in non-software multiple-element arrangements, we establish VSOE of the selling price using the price charged for a deliverable when sold separately. Where VSOE does not exist, TPE is established by evaluating similar competitor products or services in standalone arrangements with similarly situated customers. If we are unable to determine the selling price because VSOE or TPE doesn t exist, we determine BESP for the purposes of allocating the arrangement by considering pricing practices, margin, competition, and geographies in which we offer our products and services.

Unbilled receivables are created when services are performed or software is delivered and revenue is recognized in advance of billings. Deferred revenue is created when billing occurs in advance of performing services or when all revenue recognition criteria have not been met.

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

Accounting for Income Taxes

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

Accounting for Stock-Based Compensation

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

Results of Operations

We evaluate performance of our segments based on operating results before interest, income taxes, goodwill impairment charges, amortization of acquisition-related intangible assets, stock compensation and certain other costs (see Note 12 of Notes to Consolidated Financial Statements). During 2010, we sold our PS UK operation which is presented as discontinued operations. In January 2012, we sold our Higher Education business which is also presented as discontinued operations.

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

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Three Months Ended March 31, 2012 Compared To Three Months Ended March 31, 2011

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

(in millions)	Three Months Ended March 31, 2011	percent of revenue	Three Months Ended March 31, 2012	percent of revenue	Percent Increase (Decrease) 2012 vs. 2011	Constant Currency Three Months Ended March 31, 2012	percent of revenue	Percent Increase (Decrease) 2012 vs. 2011
Revenue								
Financial systems (FS)	$ 672	62%	$ 632	61%	(6)%	$ 636	61%	(5)%
Availability services (AS)	364	34%	356	34%	(2)%	358	34%	(2)%
Other[(1)]	50	5%	51	5%	1%	51	5%	1%
	$ 1,086	100%	$ 1,039	100%	(4)%	$ 1,045	100%	(4)%
Costs and Expenses								
Cost of sales and direct operating	$ 494	45%	$ 469	45%	(5)%	$ 472	45%	(4)%
Sales, marketing and administration	262	24%	258	25%	(3)%	260	25%	(2)%
Product development and maintenance	95	9%	88	8%	(7)%	90	9%	(6)%
Depreciation and amortization	69	6%	71	7%	3%	71	7%	3%
Amortization of acquisition-related intangible assets	117	11%	102	10%	(12)%	102	10%	(12)%
	$ 1,037	96%	$ 988	95%	(5)%	$ 995	95%	(4)%
Operating Income								
Financial systems[(2)]	$ 115	17%	$ 105	17%	(9)%	$ 103	16%	(11)%
Availability services[(2)]	73	20%	63	18%	(13)%	64	18%	(12)%
Other[(1)(2)]	14	27%	14	29%	7%	14	29%	7%
Corporate	(19)	(2)%	(15)	(1)%	21%	(15)	(1)%	21%
Amortization of acquisition-related intangible assets	(117)	(11)%	(102)	(10)%	12%	(102)	(10)%	12%
Stock Compensation expense	(5)	%	(11)	(1)%	(100)%	(11)	(1)%	(100)%
Other costs[(3)]	(12)	(1)%	(3)	%	72%	(3)	%	72%
	$ 49	4%	$ 51	5%	6%	$ 50	5%	4%

(1) Other includes our Public Sector and our K-12 businesses.
(2) Percent of revenue is calculated as a percent of revenue from FS, AS and Other, respectively.
(3) Other costs include management fees paid to the Sponsors, purchase accounting adjustments and certain other costs, partially offset in each year by capitalized software development costs.

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

									Constant Currency	
	Three Months Ended March 31, 2011			Three Months Ended March 31, 2012		Percent Increase (Decrease) 2012 vs. 2011		Three Months Ended March 31, 2012		Percent Increase (Decrease) 2012 vs. 2011
(in millions)		percent of revenue			percent of revenue				percent of revenue	
Financial Systems										
Services	$ 592	54%		$ 598	58%	1%		$ 602	58%	1%
License and resale fees	54	5%		24	2%	(55)%		24	2%	(55)%
Total products and services	646	59%		622	60%	(4)%		626	60%	(3)%
Reimbursed expenses	26	2%		10	1%	(59)%		10	1%	(59)%
	$ 672	62%		$ 632	61%	(6)%		$ 636	61%	(5)%
Availability Services										
Services	$ 361	33%		$ 348	34%	(4)%		$ 350	34%	(3)%
License and resale fees		%			%	%			%	%
Total products and services	361	33%		348	34%	(3)%		350	34%	(3)%
Reimbursed expenses	3	%		8	1%	112%		8	1%	115%
	$ 364	34%		$ 356	34%	(2)%		$ 358	34%	(2)%
Other										
Services	$ 42	4%		$ 43	4%	2%		$ 43	4%	2%
License and resale fees	7	1%		7	1%	2%		7	1%	2%
Total products and services	49	5%		50	5%	2%		50	5%	2%
Reimbursed expenses	1	%		1	%	(20)%		1	%	(20)%
	$ 50	5%		$ 51	5%	1%		$ 51	5%	1%
Total Revenue										
Services	$ 995	92%		$ 989	95%	(1)%		$ 995	95%	%
License and resale fees	61	6%		31	3%	(48)%		31	3%	(48)%
Total products and services	1,056	97%		1,020	98%	(3)%		1,026	98%	(3)%
Reimbursed expenses	30	3%		19	2%	(38)%		19	2%	(38)%
	$ 1,086	100%		$ 1,039	100%	(4)%		$ 1,045	100%	(4)%

Income from Operations:

Our total operating margin was 5% for the three months ended March 31, 2012, compared to 4% for the three months ended March 31, 2011. The more significant factors impacting the 40 basis point operating margin increase are a 130 basis point impact, or $14 million, from the decrease in amortization of acquisition-related intangible assets; a 60 basis point impact, or $6 million, from the decrease in AS equipment expense; a combined 60 basis point impact, or $6 million, from the decrease in professional services expense and advertising expense; a 20 basis point impact, or $2 million, from the decrease in shutdown costs for the professional trading business of the Broker/Dealer, defined below; a

(260) basis point impact, or $28 million, from the decrease in software license fee revenue in 2012 and a (50) basis point impact, or $5 million, from the increase in stock compensation expense.

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Financial Systems:

The FS operating margin was 16% and 17% for the three months ended March 31, 2012 and 2011, respectively. The more significant factors impacting the operating margin decrease of (90) basis points are a $29 million decrease in software license fee revenue, which had a (380) basis point impact on the operating margin; the combined 120 basis point impact, or $8 million, from the decrease in employment-related and consultant expenses; the impact of the lower activity in the low margin Broker/Dealer, defined below, which had a 60 basis point impact on the operating margin; and the 30 basis point impact, or $2 million, from the decrease in professional services expense.

Availability Services:

The AS operating margin was 18% and 20% for the three months ended March 31, 2012 and 2011, respectively. In North America, recovery services, which typically uses shared resources, had a (350) basis point impact on AS operating margin in 2012 due primarily to a $15 million decrease in higher margin recovery services revenue, partially offset by a $4 million decrease in equipment expense due to lower equipment leases, lower hardware/software maintenance, and lower network costs. Also in North America, professional services decreased the operating margin in 2012 by (70) basis points due primarily to a combined $2 million increase in severance and consultant expense on unchanged revenue. Managed services helped the margin in 2012 by 170 basis points due primarily to a $6 million increase in typically lower margin managed services revenue, which uses dedicated resources, and decreases of $2 million of facilities, primarily lower utilities and building-related maintenance expenses.

Other:

The operating margin from Other was 29% and 27% for the three months ended March 31, 2012 and 2011, respectively. The operating margin increased due primarily to the $1 million improvement in revenue and $1 million decrease in professional services expense, partially offset by a $1 million increase in employment-related expense.

Revenue:

Total reported revenue decreased $47 million or 4% for the three months ended March 31, 2012 compared to the first quarter of 2011. On a constant currency basis, revenue decreased $41 million, or 4%. Software license revenue decreased $28 million, primarily in FS. In addition, approximately $23 million of the $41 million decrease was due to a decrease in revenue from one of our capital markets businesses, a broker/dealer with an inherently lower margin than our other financial systems businesses, whose performance is a function of market volatility and customer mix (the Broker/Dealer.) This $23 million decrease was due primarily to no longer providing correspondent clearing services for a large, former Broker/Dealer customer that has since begun to self-clear its broker/dealer operations.

Financial Systems:

FS reported revenue decreased $40 million or 6% in the first quarter of 2012 from the prior year period, and decreased 5% on a constant currency basis. Three percentage points of the decrease in constant currency was related to lower revenues from the Broker/Dealer. Processing revenue increased $10 million, or 5%, due mainly to the impact of new business signed in 2011, higher volumes in 2012 and annual rate increases, and increased $3 million due to acquisitions. Reported revenue and constant currency revenue from license and resale fees included software license revenue of $21 million, a decrease of $29 million, or 58%, compared to the same quarter in 2011, due mainly to high-value, multi-year license renewal transactions with scope expansion recognized in 2011, including one deal worth $14 million, for which there were no similar sized transactions in 2012.

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Availability Services:

AS reported revenue decreased $8 million in the first quarter of 2012 from the prior year period. On a constant currency basis, revenue decreased 2% in the quarter. In North America, which accounts for over 75% of our AS business, revenue decreased 3%, where decreases in recovery services revenue exceeded growth in managed services revenue. Revenue in Europe, primarily from our U.K. operations, increased 2%, where an increase in managed services revenue was partially offset by a decrease in recovery services revenue. Most of our recovery services revenue, which is derived from tape-based solutions, has been declining due primarily to attrition to other service providers and customer internal solutions, and demand for recovery services has been shifting from tape-based solutions to disk- and cloud-based advanced recovery solutions. Separately, in managed services, demand has been increasing for outsourced management of IT operations and applications. We expect these trends to continue in the future.

Other:

Reported revenue and constant currency revenue from Other increased $1 million, or 1%, for the three months ended March 31, 2012, from the corresponding period in 2011. Reported revenue from license and resale fees included software license revenue of $2 million in the three months ended March 31, 2012, unchanged from the prior year period.

Costs and Expenses:

Cost of sales and direct operating expenses as a percentage of total revenue was 45% in each of the three-month periods ended March 31, 2012 and 2011, and decreased $22 million. Impacting the period was a $16 million decrease in reimbursed expenses relating to the operations of the Broker/Dealer business due primarily to no longer providing correspondent clearing services for a large, former Broker/Dealer customer that has since begun to self-clear its broker/dealer operations; a $6 million decrease in AS equipment costs associated with lower equipment leases, equipment and software maintenance and decreased network costs; and a $3 million decrease in FS employment-related expenses due primarily to severance actions taken in 2011; partially offset by the increase from FS acquired businesses of $3 million.

Sales, marketing and administration expenses as a percentage of total revenue was 25% and 24% in the three months ended March 31, 2012 and 2011, respectively, and decreased $2 million. The increase in the percentage of revenue is due primarily to the decrease in revenue.

Because AS product development and maintenance costs are less significant, it is more meaningful to measure product development and maintenance expenses as a percentage of revenue excluding AS. For each of the three months ended March 31, 2012 and 2011, product development and maintenance costs were 13% of revenue excluding AS, respectively, and decreased $5 million. The decrease is primarily related to a combined $5 million decrease in FS employment-related and consultant expenses partially as a result of severance actions taken in 2011.

Amortization of acquisition-related intangible assets was 10% and 11% of total revenue in the three months ended March 31, 2012 and 2011, respectively, and decreased $15 million. The decrease is due primarily to the $10 million impact of software assets that were fully amortized in the prior year and $7 million of impairment charges in the prior year period.

Interest expense was $122 million and $137 million for the three months ended March 31, 2012 and 2011, respectively. The decrease in interest expense was due primarily to the repayment in January 2012 of $1.22 billion of our outstanding term loans as a result of the sale of HE and interest rate decreases resulting from the expiration of interest rate swaps in each of February 2011 and 2012.

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Loss on extinguishment of debt was $15 million and $2 million for the three months ended March 31, 2012 and 2011, respectively. This increase was due primarily to the write-off of unamortized costs due to the partial repayment of term loans in January 2012 discussed above.

The effective income tax rates for the three months ended March 31, 2012 and 2011 were 8% and 12%, respectively. The rate in each period reflects the expected mix of taxable income in various jurisdictions. Given the small base of overall projected pretax income, changes in the mix of income or the total amount of income for 2012 may significantly impact the estimated effective income tax rate for the year.

Accreted dividends on SCCII s cumulative preferred stock were $62 million and $54 million for the three months ended March 31, 2012 and 2011, respectively. The increase in dividends is due to compounding. No dividends have been declared by SCCII.

Year Ended December 31, 2011 Compared to Year Ended December 31, 2010

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

						Constant Currency		
(in millions)	Year Ended December 31, 2010	percent of revenue	Year Ended December 31, 2011	percent of revenue	Percent Increase (Decrease) 2011 vs. 2010	Year Ended December 31, 2011	percent of revenue	Percent Increase (Decrease) 2011 vs. 2010
Revenue								
Financial systems (FS)	$ 2,807	63%	$ 2,835	63%	1%	**$ 2,775**	**63%**	(1)%
Availability services (AS)	1,469	33%	1,461	32%	(1)%	**1,441**	**33%**	(2)%
Other[1]	214	5%	203	5%	(5)%	**203**	**5%**	(5)%
	$ 4,490	100%	$ 4,499	100%	%	**$ 4,419**	**100%**	(2)%
Costs and Expenses								
Cost of sales and direct operating	$ 1,937	43%	$ 1,891	42%	(2)%	**$ 1,855**	**42%**	(4)%
Sales, marketing and administration	1,042	23%	1,095	24%	5%	**1,071**	**24%**	3%
Product development and maintenance	372	8%	422	9%	14%	**408**	**9%**	10%
Depreciation and amortization	278	6%	272	6%	(2)%	**268**	**6%**	(4)%
Amortization of acquisition-related intangible assets	451	10%	438	10%	(3)%	**435**	**10%**	(3)%
Goodwill impairment	205	5%	48	1%	(77)%	**48**	**1%**	(77)%
	$ 4,285	95%	$ 4,166	93%	(3)%	**$ 4,085**	**92%**	(5)%
Operating Income								
Financial systems[2]	$ 622	22%	$ 600	21%	(4)%	**$ 603**	**22%**	(3)%
Availability services[2]	326	22%	321	22%	(2)%	**316**	**22%**	(3)%
Other[1][2]	57	27%	57	28%	(2)%	**57**	**28%**	(2)%
Corporate administration	(71)	(2)%	(96)	(2)%	(34)%	**(96)**	**(2)%**	(34)%
Amortization of acquisition-related intangible assets	(451)	(10)%	(438)	(10)%	3%	**(435)**	**(10)%**	3%
Goodwill impairment	(205)	(5)%	(48)	(1)%	77%	**(48)**	**(1)%**	77%
Stock Compensation expense	(29)	(1)%	(33)	(1)%	(12)%	**(33)**	**(1)%**	(12)%
Other costs[3]	(44)	(1)%	(30)	(1)%	32%	**(30)**	**(1)%**	32%
	$ 205	5%	$ 333	7%	62%	**$ 334**	**8%**	62%

(1) Other includes our PS and K-12 businesses. The K-12 business had been included in our Higher Education segment prior to our agreement in the third quarter of 2011 to sell our Higher Education business excluding K-12 (HE). As a result of that agreement, HE is now included in discontinued operations.

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(2) Percent of revenue is calculated as a percent of revenue from FS, AS and Other, respectively.
(3) Other costs include management fees paid to the Sponsors, purchase accounting adjustments and certain other costs, partially offset in each year by capitalized software development costs.

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

(in millions)	Year Ended December 31, 2010	percent of revenue	Year Ended December 31, 2011	percent of revenue	Percent Increase (Decrease) 2011 vs. 2010	Constant Currency Year Ended December 31, 2011	percent of revenue	Constant Currency Percent Increase (Decrease) 2011 vs. 2010
Financial Systems								
Services	$ 2,448	55%	$ 2,503	56%	2%	**$ 2,453**	**56%**	%
License and resale fees	257	6%	259	6%	1%	**250**	**6%**	(3)%
Total products and services	2,705	60%	2,762	61%	2%	**2,703**	**61%**	%
Reimbursed expenses	102	2%	73	2%	(29)%	**72**	**2%**	(29)%
	$ 2,807	63%	$ 2,835	63%	1%	**$ 2,775**	**63%**	(1)%
Availability Services								
Services	$ 1,452	32%	$ 1,438	32%	(1)%	**$ 1,419**	**32%**	(2)%
License and resale fees	3	%	3	%	1%	**3**	**%**	%
Total products and services	1,455	32%	1,441	32%	(1)%	**1,422**	**32%**	(2)%
Reimbursed expenses	14	%	20	%	40%	**19**	**%**	35%
	$ 1,469	33%	$ 1,461	32%	(1)%	**$ 1,441**	**33%**	(2)%
Other								
Services	$ 175	4%	$ 173	4%	(1)%	**$ 173**	**4%**	(1)%
License and resale fees	35	1%	27	1%	(21)%	**27**	**1%**	(21)%
Total products and services	210	5%	200	4%	(5)%	**200**	**5%**	(5)%
Reimbursed expenses	4	%	3	%	(17)%	**3**	**%**	(17)%
	$ 214	5%	$ 203	5%	(5)%	**$ 203**	**5%**	(5)%
Total Revenue								
Services	$ 4,075	91%	$ 4,114	91%	1%	**$ 4,045**	**92%**	(1)%
License and resale fees	295	7%	289	6%	(2)%	**280**	**6%**	(5)%
Total products and services	4,370	97%	4,403	98%	1%	**4,325**	**98%**	(1)%
Reimbursed expenses	120	3%	96	2%	(20)%	**94**	**2%**	(21)%
	$ 4,490	100%	$ 4,499	100%	%	**$ 4,419**	**100%**	(2)%

Results of operations, excluding broker/dealer business

We assess our performance both with and without one of our global trading businesses, a broker/dealer with an inherently lower margin than our other FS businesses, whose performance is a function of market volatility and customer mix (the Broker/Dealer). By excluding the

Broker/Dealer s results, we are able to perform additional analysis of our business which we believe is important in understanding the results of both the Broker/Dealer and the other FS businesses. We use the information excluding the Broker/Dealer for a variety of purposes and we regularly communicate our results excluding this business to our board of directors.

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The following is a reconciliation of revenue excluding the Broker/Dealer and operating income (loss) excluding the Broker/Dealer, which are each non-GAAP measures, to the corresponding reported GAAP measures that we believe to be most directly comparable. While these adjusted results are useful for analysis purposes, they should not be considered as an alternative to our reported GAAP results.

	Year Ended December 31,			Constant Currency	
	2010	**2011**	**% change**	**2011**	**% change**
Revenue					
Total	$ 4,490	**$ 4,499**	%	**$ 4,419**	(2)%
Less Broker/Dealer business	184	**79**		**79**	
Total excluding Broker/Dealer business	$ 4,306	**$ 4,420**	3%	**$ 4,340**	1%
Financial Systems	$ 2,807	**$ 2,835**	1%	**$ 2,775**	(1)%
Less Broker/Dealer business	184	**79**		**79**	
Financial Systems excluding Broker/Dealer business	$ 2,623	**$ 2,756**	5%	**$ 2,696**	3%
Operating Income (loss)					
Total	$ 205	**$ 333**	62%	**$ 334**	62%
Less Broker/Dealer business	(33)[(1)]	**(10)**[(1)]		**(10)**[(1)]	
Total excluding Broker/Dealer business	$ 238	**$ 343**	44%	**$ 344**	44%
Operating margin	6%	**8%**		**8%**	
Financial Systems	$ 622	**$ 600**	(4)%	**$ 603**	(3)%
Less Broker/Dealer business	(21)[(1)]	**(6)**[(1)]		**(6)**[(1)]	
Financial Systems excluding Broker/Dealer business	$ 643	**$ 606**	(6)%	**$ 609**	(5)%
Operating margin	25%	**22%**		**23%**	

(1) The operating income (loss) related to the Broker/Dealer excluded from Total and FS differ because we evaluate performance of our segments based on operating results before goodwill impairment charges, amortization of acquisition-related intangible assets, stock compensation and certain other costs.

Operating Income:

Our total reported operating margin was 7% in 2011 compared to 5% in 2010. Excluding the impact of the Broker/Dealer and on a constant currency basis, total operating margin was 8% and 6% in 2011 and 2010, respectively. Included in 2011 and 2010 were restructuring charges of $77 million and $40 million, respectively, primarily related to severance actions of $66 million and $29 million, respectively. Also included in the 2011 and 2010 restructuring costs were $4 million and $9 million, respectively, of costs to shutdown the Broker/Dealer professional trading business, and $4 million of lease exit costs in 2011. The increase in the operating margin is primarily due to a $205 million goodwill impairment charge in 2010, partially offset by a $48 million goodwill impairment charge and an $86 million increase in employment-related expenses in 2011. The higher employment expenses included the severance charges noted above. We are continuing to identify and evaluate additional cost savings and productivity improvements. Any further actions taken could result in additional charges that may have a material impact to our results of operations in future periods.

Financial Systems:

The FS operating margin was 22% in each of 2011 and 2010. Excluding the impact of the Broker/Dealer and on a constant currency basis, the FS operating margin was 23% and 25% in 2011 and 2010, respectively. This decrease in the margin percentage is due to the increase in expense exceeding the revenue increase of

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$73 million. The expense increase is due mainly to a $69 million increase in employment-related costs resulting from business expansion, merit increases and increased software development and maintenance expenses, and includes a $27 million increase in severance charges. Also impacting the period was a $7 million decrease in license fees and $3 million of lease exit costs, partially offset by a $6 million decrease in consultant expense and a $5 million decrease in facilities expenses.

The most important factors affecting the FS operating margin are:

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

Availability Services:

The AS operating margin was 22% in each of 2011 and 2010, respectively. On a constant currency basis, we maintained the operating margin in 2011 on $28 million of lower revenue mainly due to cost containment. The operating margin was impacted by the following:

North America:

- decreases of $22 million in equipment expense, $6 million of employment-related expense, and $5 million of depreciation and amortization on a $59 million decrease in revenue in our higher-margin recovery services business (RS);
- a revenue increase of $27 million and an $8 million decrease in depreciation and amortization, partially offset by a $15 million increase employment-related expenses, including a $3 million increase in severance, a $6 million increase in facilities expenses and a $2 million increase in equipment expenses in our lower-margin managed services business (MS); and
- a $7 million increase in segment administration employment-related expense primarily related to developing new products and a $6 million increase in segment advertising costs.

Europe:

- a $9 million increase in revenue and a $2 million decrease in equipment expense, partially offset by a $4 million increase in facilities and a $2 million increase in employment-related expenses.

The most important factors affecting the AS operating margin are:

the rate and value of contract renewals, new contract signings and contract terminations,

the timing and magnitude of equipment and facilities expenditures,

the level and success of new product development, and

the trend toward availability solutions utilizing more dedicated resources.

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Other:

The operating margin for Other was 28% and 27% for 2011 and 2010, respectively. The operating margin increased due primarily to the decrease in employment-related expense being proportionately more than the decrease in revenue.

The most important factors affecting the operating margin of Other are:

- the rate and value of contract renewals, new contract signings and contract terminations,
- the level of government and school district funding, and
- the level of customer IT spending and its impact on the overall demand for professional services and software license sales.

Revenue:

Total reported revenue was $4.50 billion in 2011 compared to $4.49 billion in 2010. On a constant currency basis, revenue decreased 2% as reported and increased 1% excluding the Broker/Dealer.

Our revenue is highly diversified by customer and product. During each of the past three fiscal years, no single customer has accounted for more than 10% of total revenue. On average for the past three fiscal years, services revenue has been approximately 91% of total revenue. About 80% of services revenue is highly recurring as a result of multi-year contracts and is generated from (1) software-related services including software maintenance and support, processing and rentals; and (2) recovery and managed services. The remaining services revenue includes (1) professional services, which are recurring in nature as a result of long-term customer relationships; and (2) broker/dealer fees, which are largely correlated with trading volumes. On a constant currency basis, services revenue decreased to $4.05 billion from $4.08 billion, representing approximately 92% of total revenue in 2011 compared to 91% in 2010. The revenue decrease was mainly due to a $77 million decrease in broker/dealer fees by the Broker/Dealer and a $62 million decrease in RS, partially offset by increases of $42 million from FS acquisitions, $38 million in FS processing revenue and $27 million in MS.

Professional services revenue was $689 million and $681 million in 2011 and 2010, respectively. The change was due to FS acquisitions and an increase in FS, partially offset by decreases in AS and Other. Revenue from total broker/dealer fees was $164 million and $217 million in 2011 and 2010, respectively.

Revenue from license and resale fees was $280 million and $295 million for 2011 and 2010, respectively, and includes software license revenue of $243 million and $255 million, respectively.

Financial Systems:

FS reported revenue was $2.84 billion in 2011 compared to $2.81 billion in 2010, an increase of 1%. On a constant currency basis and excluding the Broker/Dealer, revenue increased 3%. Processing revenue increased $38 million, or 5%, due mainly to increases in transaction volumes and additional hosted services and increased $8 million from acquired businesses. Professional services revenue increased $13 million from acquired businesses and increased $6 million, or 1%, due primarily to implementation, consulting and project work associated with new and expanded customer relationships sold in the past twelve months. Software rental revenue decreased $6 million, or 2%, due primarily to customer attrition. Reported revenue from license and resale fees included software license revenue of $240 million, an increase of $3 million compared to 2010. On a constant currency basis, software license revenue decreased $7 million, or 3%.

Availability Services:

AS reported revenue decreased $8 million, or 1%, in 2011 from the prior year. On a constant currency basis, revenue decreased 2%. In North America, which accounts for over 75% of our AS business, revenue decreased

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4% with decreases of $62 million in RS and $8 million in professional services revenue exceeding a $27 million increase in MS revenue. Revenue in Europe, primarily from our U.K. operations, increased $9 million, or 3%, where an increase in managed services revenue was partially offset by a decrease in recovery services revenue, and included a $1.5 million increase from a business acquired in 2010.

Most of our RS revenue which is derived from tape-based solutions, has been declining due primarily to attrition to other service providers and customer internal solutions, and demand for recovery services has been shifting from tape-based solutions to disk- and cloud-based advanced recovery solutions. Separately, in MS, demand has been increasing for outsourced management of IT operations and applications. We expect these trends to continue in the future.

Other:

Reported revenue and constant currency revenue from Other both decreased $11 million, or 5%, from the prior year. Professional services revenue decreased $4 million. Revenue from license and resale fees included software license revenue of $9 million in 2011, a $6 million decrease from the prior year.

Costs and Expenses:

Total costs decreased to 92% of revenue in 2011 from 95% of revenue in 2010. Excluding the goodwill impairment charges of $48 million and $205 million in 2011 and 2010, respectively, and the Broker/Dealer s total costs of $89 million in 2011 and $217 million in 2010, total costs as a percentage of total revenue (also excluding the Broker/Dealer) was 91% in 2011 compared to 90% in 2010, and increased $86 million.

Cost of sales and direct operating expenses as a percentage of total revenue were 42% in 2011 and 43% in 2010. Excluding the Broker/Dealer s expenses of $79 million in 2011 and $189 million in 2010, cost of sales and direct operating expenses as a percentage of total revenue (also excluding the Broker/Dealer) were unchanged at 41%, and increased $28 million. Impacting the period were a $23 million increase from acquired businesses, a $17 million increase in FS employment-related expenses, including a $4 million increase in severance, and a $10 million increase in AS facilities costs, mainly utilities, expansions of certain facilities that occurred in the second half of 2010 and a new facility added during the second quarter of 2010. These expense increases were partially offset by a $21 million decrease in AS equipment expense, primarily resulting from renegotiation of maintenance contracts, and a $4 million decrease in AS employment-related expenses, which includes a $6 million decrease in severance.

Excluding the Broker/Dealer expenses, sales, marketing and administration expenses as a percentage of total revenue (also excluding the Broker/Dealer) were 24% in each of 2011 and 2010, and increased $44 million. Increases in sales, marketing and administration expenses were primarily due to a $35 million increase in severance and executive transition costs, an $11 million increase resulting from acquired businesses and a $6 million increase in AS advertising expenses. These increases were partially offset by decreases of a combined $7 million of FS and AS facilities costs and the $5 million decrease in Broker/Dealer shutdown costs noted above.

Because AS product development and maintenance costs are insignificant, it is more meaningful to measure product development and maintenance expenses as a percentage of revenue excluding AS. Product development and maintenance expense was 14% and 12% of revenue excluding AS, respectively, and increased $36 million. The increase is primarily related to a $42 million increase in FS employment-related expenses to maintain our existing software products and enhance functionality of our software products to attract and retain customers. Included in the $42 million increase in employment-related expenses is a $4 million increase in severance.

Depreciation and amortization was 6% of total revenue in each of 2011 and 2010, but decreased $10 million due primarily to certain AS leased facility improvements becoming fully depreciated during 2010.

Excluding the Broker/Dealer, amortization of acquisition-related intangible assets was 10% of total revenue (also excluding the Broker/Dealer) in each of 2011 and 2010, but decreased $14 million due primarily to the

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impact of software that was fully amortized in 2010, partially offset by the impact of acquired businesses. During 2011, we recorded impairment charges of our customer base and software assets of $3 million and $4 million, respectively. During 2010, we recorded impairment charges of our customer base and software assets of $1 million and $2 million, respectively. These impairments are the result of reduced cash flow projections related to the software and customer base assets that were impaired.

We recorded goodwill impairment charges of $48 million and $205 million in 2011 and 2010, respectively. These impairments are described in the Use of Estimates and Critical Accounting Policies section above.

Interest expense was $524 million and $638 million in 2011 and 2010, respectively. The decrease in interest expense was due primarily to interest rate decreases mainly due to the expiration of certain of our interest rate swaps and the refinancing of the senior notes due 2013, as well as decreased term loan borrowings resulting from prepayments that occurred in December 2010.

The loss on extinguishment of debt in 2010 was due to the early extinguishments of our $1.6 billion of senior notes due in 2013 and our euro-denominated term loans. The loss included $39 million of tender and call premiums.

Other income was $7 million in 2010, and included $4 million in foreign currency transaction gains related to our euro-denominated term loans.

We believe that our overall effective income tax rate should typically be between 38% and 40%. However, the effective income tax rates for 2011 and 2010 were a tax benefit of 62% and 14%, respectively, due to certain unusual items. The rate in 2011 includes the impact of tax rate changes, including amortization of the deferred income tax liability which benefit would have been reflected in the statement of comprehensive income had a 2009 adjustment not been made (see intangible assets and purchase accounting discussion above), the benefits of foreign taxes, net of U.S. foreign tax credit, and a deferred income tax adjustment associated with the future repatriation of unremitted earnings of certain non-U.S. subsidiaries, partially offset by the nondeductible goodwill impairment charge. The reported benefit in 2010 includes nondeductible goodwill impairment charges and a $45 million charge for recording deferred income taxes on unremitted earnings of certain non-U.S. subsidiaries which are no longer considered to be permanently reinvested, partially offset by a $13 million benefit due primarily to the impact of state tax rate changes on deferred tax assets and liabilities.

Loss from discontinued operations, net of tax, was $76 million in 2011 and $156 million in 2010. During 2011, discontinued operations includes our HE business, which was sold in January 2012, and in which we recorded $135 million of deferred income tax expense related to the book-over-tax basis difference in a subsidiary of this business. During 2010, discontinued operations includes our HE business and our PS UK business which was sold in 2010. The results of our PS UK operation included an impairment charge, net of tax, of $91 million and a loss on disposal of approximately $94 million which included the write-off of the currency translation adjustment (CTA) which is included as a separate component of equity. Also in 2010, we recorded a goodwill impairment charge of $32 million related to HE MS.

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Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

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

						Constant Currency		
(in millions)	Year Ended December 31, 2009	percent of revenue	Year Ended December 31, 2010	percent of revenue	Percent Increase (Decrease) 2010 vs. 2009	Year Ended December 31, 2010	percent of revenue	Percent Increase (Decrease) 2010 vs. 2009
Revenue								
Financial systems (FS)	$ 3,068	64%	$ 2,807	63%	(9)%	$ 2,821	63%	(8)%
Availability services (AS)	1,517	32%	1,469	33%	(3)%	1,469	33%	(3)%
Other[1]	221	5%	214	5%	(3)%	214	5%	(3)%
	$ 4,806	100%	$ 4,490	100%	(7)%	$ 4,504	100%	(6)%
Costs and Expenses								
Cost of sales and direct operating	$ 2,249	47%	$ 1,937	43%	(14)%	$ 1,938	43%	(14)%
Sales, marketing and administration	992	21%	1,042	23%	5%	1,043	23%	5%
Product development and maintenance	354	7%	372	8%	5%	379	8%	7%
Depreciation and amortization	275	6%	278	6%	1%	278	6%	1%
Amortization of acquisition-related intangible assets	496	10%	451	10%	(9)%	450	10%	(9)%
Goodwill impairment	1,126	23%	205	5%	(82)%	205	5%	(82)%
	$ 5,492	114%	$ 4,285	95%	(22)%	$ 4,293	95%	(22)%
Operating Income								
Financial systems[2]	$ 618	20%	$ 622	22%	1%	$ 628	22%	2%
Availability services[2]	380	25%	326	22%	(14)%	325	22%	(15)%
Other[1][2]	60	27%	57	27%	(3)%	57	27%	(3)%
Corporate administration	(57)	(1)%	(71)	(2)%	(24)%	(71)	(2)%	(24)%
Amortization of acquisition-related intangible assets	(496)	(10)%	(451)	(10)%	9%	(450)	(10)%	9%
Goodwill impairment	(1,126)	(23)%	(205)	(5)%	82%	(205)	(5)%	82%
Stock compensation expense	(31)	(1)%	(29)	(1)%	6%	(29)	(1)%	6%
Other costs[3]	(34)	(1)%	(44)	(1)%	(30)%	(44)	(1)%	(30)%
	$ (686)	(14)%	$ 205	5%	130%	$ 211	5%	131%

(1) Other includes our PS and K-12 businesses. The K-12 business had been included in our Higher Education segment prior to our agreement in the third quarter of 2011 to sell HE. As a result of that agreement, HE is now included in discontinued operations.
(2) Percent of revenue is calculated as a percent of revenue from FS, AS and Other, respectively.
(3) Other costs include management fees paid to the Sponsors, purchase accounting adjustments and certain other costs, partially offset in each year by capitalized software development costs.

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

						Constant Currency		
	Year Ended December 31, 2009		Year Ended December 31, 2010		Percent Increase (Decrease) 2010 vs. 2009	Year Ended December 31, 2010		Percent Increase (Decrease) 2010 vs. 2009
(in millions)		percent of revenue		percent of revenue			percent of revenue	
Financial Systems								
Services	$ 2,737	57%	$ 2,448	55%	(11)%	$ 2,458	55%	(10)%
License and resale fees	196	4%	257	6%	31%	261	6%	33%
Total products and services	2,933	61%	2,705	60%	(8)%	2,719	60%	(7)%
Reimbursed expenses	135	3%	102	2%	(25)%	102	2%	(25)%
	$ 3,068	64%	$ 2,807	63%	(9)%	$ 2,821	63%	(8)%
Availability Services								
Services	$ 1,496	31%	$ 1,452	32%	(3)%	$ 1,452	32%	(3)%
License and resale fees	4	%	3	%	(35)%	3	%	(35)%
Total products and services	1,500	31%	1,455	32%	(3)%	1,455	32%	(3)%
Reimbursed expenses	17	%	14	%	(13)%	14	%	(11)%
	$ 1,517	32%	$ 1,469	33%	(3)%	$ 1,469	33%	(3)%
Other								
Services	$ 172	4%	$ 175	4%	2%	$ 175	4%	2%
License and resale fees	45	1%	35	1%	(23)%	35	1%	(23)%
Total products and services	217	5%	210	5%	(3)%	210	5%	(3)%
Reimbursed expenses	4	%	4	%	(4)%	4	%	(4)%
	$ 221	5%	$ 214	5%	(3)%	$ 214	5%	(3)%
Total Revenue								
Services	$ 4,405	92%	$ 4,075	91%	(7)%	$ 4,085	91%	(7)%
License and resale fees	245	5%	295	7%	20%	299	7%	21%
Total products and services	4,650	97%	4,370	97%	(6)%	4,384	97%	(6)%
Reimbursed expenses	156	3%	120	3%	(23)%	120	3%	(23)%
	$ 4,806	100%	$ 4,490	100%	(7)%	$ 4,504	100%	(6)%

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Results of operations, excluding broker/dealer business

The following is a reconciliation of revenue excluding the Broker/Dealer and operating income (loss) excluding the Broker/Dealer, which are each non-GAAP measures, to the corresponding reported GAAP measures that we believe to be most directly comparable. While these adjusted results are useful for analysis purposes, they should not be considered as an alternative to our reported GAAP results.

	Year Ended December 31,			Constant Currency	
	2009	2010	% change	2010	% change
Revenue					
Total	$ 4,806	**$ 4,490**	(7)%	**$ 4,504**	(6)%
Less Broker/Dealer business	587	**184**		**184**	
Total excluding Broker/Dealer business	$ 4,219	**$ 4,306**	2%	**$ 4,320**	2%
Financial Systems	$ 3,068	**$ 2,807**	(9)%	**$ 2,821**	(8)%
Less Broker/Dealer business	587	**184**		**184**	
Financial Systems excluding Broker/Dealer business	$ 2,481	**$ 2,623**	6%	**$ 2,637**	6%
Operating Income (loss)					
Total	$ (686)	**$ 205**	130%	**$ 211**	131%
Less Broker/Dealer business	31[1]	**(33)[1]**		**(33)[1]**	
Total excluding Broker/Dealer business	$ (717)	**$ 238**	133%	**$ 244**	134%
Operating margin	(17)%	**6%**		**6%**	
Financial Systems	$ 618	**$ 622**	1%	**$ 628**	2%
Less Broker/Dealer business	34[1]	**(21)[1]**		**(21)[1]**	
Financial Systems excluding Broker/Dealer business	$ 584	**$ 643**	10%	**$ 649**	11%
Operating margin	24%	**25%**		**25%**	

(1) The operating income (loss) related to the Broker/Dealer excluded from Total and FS differ because we evaluate performance of our segments based on operating results before goodwill impairment charges, amortization of acquisition-related intangible assets, stock compensation and certain other costs.

Operating Income:

Our total operating margin increased to 5% in 2010 from (14)% in 2009 due to $205 million of goodwill impairment charges in 2010 and $1.13 billion of goodwill impairment charges in 2009. In addition, the operating margin was also impacted by a $58 million increase in license fees, the impact from the Broker/Dealer and the decline in AS margin performance.

Financial Systems:

The FS operating margin increased to 22% in 2010 from 20% in 2009. The operating margin improvement is mainly due to a $67 million increase in software license fees, including the recognition of $32 million of license fee backlog that existed at December 31, 2009. Margin improvement from the reduced contribution from the Broker/Dealer and reduced facilities expense was mostly offset by increased employment-related and other operating expenses. The impact of the decrease in the Broker/Dealer s revenue and operating income on FS operating margin is an increase in 2010 of one margin point.

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Availability Services:

The AS operating margin was 22% in 2010 compared to 25% in 2009. The lower margin was driven by the lower mix of revenue from higher margin RS, which typically use shared resources, and an absolute decline in RS margin due mainly to the lower revenue on a relatively stable fixed cost base and costs related to eliminating redundant network capacity resulting from the redesign and re-architecture of our data communications network. RS cost savings initiatives also produced expense savings in 2010 including lower facilities and employment-related costs. In addition, AS operating margin was impacted by an increase in revenue from lower margin MS, which use dedicated resources, and an absolute decline in MS margin due mainly to higher facilities costs, primarily utility costs related to cooling due to warmer summer temperatures and the addition of a new facility, increased employment-related and temporary staffing costs due to an increased focus on service delivery, and increased costs associated with the redesign and re-architecture of our data communications network and natural demand resulting from revenue growth. Also impacting the change in the margin was a decrease in other administrative expenses in North America, including reduced bad debt expense resulting from improved collections and lower professional services expenses, and the decrease in the margin in our European business mostly due to an increase in employment-related costs and depreciation and amortization, partially offset by reduced bad debt expense.

Other:

The operating margin from Other was 27% in each of 2010 and 2009. Although revenue decreased $7 million, we maintained the operating margin primarily by decreasing employment-related expense.

Revenue:

Total reported revenue was $4.49 billion in 2010 compared to $4.81 billion in 2009, a decrease of 7%. On a constant currency basis, revenue decreased 6% primarily due to a decline in the Broker/Dealer s revenue of $403 million, comprised of $367 million of broker/dealer fees and $36 million of reimbursed expenses, partially offset by a $58 million increase in software license fees. Excluding the Broker/Dealer, revenue increased 2%.

Services reported revenue decreased to $4.09 billion from $4.41 billion, representing approximately 91% of total revenue in 2010 compared to 92% in 2009. The revenue decrease was mainly due to the $367 million decrease in broker/dealer fees noted above.

Professional services reported revenue was $681 million and $644 million in 2010 and 2009, respectively. On a constant currency basis, professional services revenue increased $42 million. The change was due to an increase of $56 million in FS, partially offset by a $14 million decrease in AS. Revenue from total broker/dealer fees was $217 million and $570 million in 2010 and 2009, respectively.

Reported revenue from license and resale fees was $295 million and $245 million for 2010 and 2009, respectively, and includes software license revenue of $255 million and $201 million, respectively. On a constant currency basis, software license revenue increased $58 million, or 29%.

SunGard ended 2009 with a software license backlog of $35 million in FS, which consisted of signed contracts for licensed software that (i) at our election, was not shipped to the customer until 2010, (ii) we voluntarily extended payment terms or (iii) included products or services not yet deliverable and from which the license element cannot be separated. Of this backlog, $32 million was recognized in 2010.

Financial Systems:

FS reported revenue was $2.81 billion in 2010 compared to $3.07 billion in 2009, a decrease of 9%. On a constant currency basis, revenue decreased by 8% in 2010. Excluding the Broker/Dealer business, revenue increased 6%. The 6% increase is primarily driven by increases in software license, professional services and

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processing revenue. Professional services revenue increased $56 million, or 10%, due to a general increase in demand from existing clients as well as new projects. Processing revenue increased $23 million, or 3%, mainly driven by increases in transaction volumes and additional hosted services. Reported revenue from license and resale fees included software license revenue of $237 million, an increase of $63 million compared to 2009, reflecting the recognition in 2010 of $32 million that was in backlog at December 31, 2009 and improved economic conditions in 2010. On a constant currency basis, software license revenue increased $67 million, or 39%.

Availability Services:

AS revenue was $1.47 billion in 2010 compared to $1.52 billion in 2009, a 3% decrease. In North America, which accounts for approximately 80% of our AS business, revenue decreased 4.5% where decreases in RS and professional services revenue exceeded growth in MS revenue. Revenue in Europe, primarily from our U.K. operations, increased 1.5%, where increases in managed services revenue were partially offset by decreases in recovery services revenue, and increased $4 million from the impact of an acquisition.

Other:

Revenue from Other was $214 million in 2010 compared to $221 million in 2009. The $7 million, or 3%, decrease was due primarily to an $8 million decrease in software license fees. Revenue from license and resale fees included software license fees of $15 million and $23 million in 2010 and 2009, respectively.

Costs and Expenses:

Total costs decreased to 95% of revenue in 2010 from 114% of 2009 revenue. Excluding the goodwill impairment charges of $205 million in 2010 and $1.13 billion in 2009 and the Broker/Dealer s total costs of $217 million in 2010 and $556 million in 2009, total costs as a percentage of total revenue (also excluding the Broker/Dealer) was unchanged at 90% and increased $59 million.

Cost of sales and direct operating expenses as a percentage of total revenue was 43% in 2010 and 47% in 2009, largely the result of the lower volumes of the Broker/Dealer. Excluding the Broker/Dealer s expenses of $189 million in 2010 and $534 million in 2009, cost of sales and direct operating expenses as a percentage of total revenue (also excluding the Broker/Dealer) was 40% in 2010 compared to 41% in 2009, and increased $35 million. Also impacting the period were increases of $11 million in employee-related expenses of Other, $11 million of AS data communications network costs associated with the redesign and re-architecture of our data communications network and $10 million of AS facilities, partially offset by a decrease of $12 million in FS employment-related expense.

Sales, marketing and administration expenses as a percentage of total revenue was 23% and 21% in 2010 and 2009, respectively. Excluding the Broker/Dealer s expenses of $22 million in 2010 and $13 million in 2009, sales, marketing and administration expenses as a percentage of total revenue (also excluding the Broker/Dealer) was 24% and 23% in 2010 and 2009, respectively. The resulting $40 million increase in sales, marketing and administration expenses was due primarily to a $31 million increase in FS employment-related expense resulting from increased employment to support both growth in the business and international expansion, principally in Asia and Brazil, as well as annual increases following cost restraint in 2009 due to economic conditions and includes a $7 million increase in severance. Also impacting the change were increases of $8 million of advertising and trade show expenses, $8 million of currency transaction losses and $5 million of professional services expense, partially offset by decreases of $13 million of FS facilities expense, resulting from facilities consolidation in 2009, and $9 million of bad debt expense in AS.

Because AS software development costs are insignificant, it is more meaningful to measure product development and maintenance expense as a percentage of revenue excluding AS. In 2010 and 2009, software development expenses were 12% and 11%, respectively, of revenue excluding AS, an increase of $24 million. The increase is primarily related to a $16 million increase in FS employment-related expenses to maintain our existing software products and to enhance functionality of our software products to attract and retain customers.

Amortization of acquisition-related intangible assets was 10% of total revenue in each of 2010 and 2009. During 2009, we shortened the remaining useful lives of certain intangible assets and also recorded impairment charges of our customer base and software assets of $18 million and $17 million, respectively. These impairments are the result of reduced cash flow projections related to the software and customer base assets that were impaired.

We recorded goodwill impairment charges of $205 million in Other in 2010 and $1.13 billion in AS in 2009. These impairments are described in the Use of Estimates and Critical Accounting Policies section above.

Interest expense was $638 million in 2010 compared to $637 million in 2009. Interest expense in 2010 compared to 2009 was impacted by the following: (a) lower average borrowings under our term loans at a slightly higher interest rate, (b) higher average debt outstanding resulting from the timing of our borrowings and delayed repayment due to calling bonds that were not tendered related to the refinance of our $1.6 billion of senior notes due 2013 at a lower interest rate, (c) higher average borrowings on our accounts receivable facility at a lower interest rate and (d) lower average borrowings under our revolving credit facility.

The loss on extinguishment of debt in 2010 was due to the early extinguishments of our $1.6 billion of senior notes due in 2013 and our euro-denominated term loans. The loss included $39 million of tender and call premiums.

Other income was $7 million in 2010 compared to $15 million in 2009. The decrease is due primarily to a $9 million decrease in foreign currency transaction gains related to our euro-denominated term loans.

The effective income tax rates for each of 2010 and 2009 were a tax benefit of 14% and 9%, respectively, reflecting nondeductible goodwill impairment charges in both years. The reported benefit in 2010 also includes a $45 million charge for recording deferred income taxes on unremitted earnings of certain non-U.S. subsidiaries which are no longer considered to be permanently reinvested, partially offset by a $13 million benefit due primarily to the impact of state tax rate changes on deferred tax assets and liabilities. The reported benefit from income taxes in 2009 also includes a $12 million favorable adjustment primarily related to utilization in our 2008 U.S. federal income tax return of foreign tax credit carryforwards that were not expected to be utilized at the time of the 2008 tax provision.

Loss from discontinued operations, net of tax, was $156 million in 2010 compared to income from discontinued operations, net of tax, of $67 million in 2009. Discontinued operations includes our HE and PS UK businesses in both years. During 2010, we sold our PS UK operation which included an impairment charge, net of tax, of $91 million and a loss on disposal of approximately $94 million which included the write-off of the currency translation adjustment (CTA) which is included as a separate component of equity. Also in 2010, we recorded a goodwill impairment charge of $32 million related to HE MS.

Liquidity and Capital Resources

At March 31, 2012, cash and equivalents were $1.378 billion, an increase of $510 million from December 31, 2011. The cash balance is higher compared to recent trends due to expected income tax payments related to the sale of HE and the early retirement of the 2015 Notes (defined below), each as discussed below. Cash flow from continuing operations was unchanged at $67 million in the three months ended March 31, 2012. Impacting cash flow from continuing operations is an $11 million increase in income tax payments, net of refunds, a $7 million decrease in cash earned from operations, defined as operating income adjusted for certain noncash expenses and the cash portion of other income (expense), and $3 million net cash used for working capital, offset by $21 million less of interest payments made in the three months ended March 31, 2012 from the prior year period, due primarily to the repayment in January 2012 of $1.222 billion of term loans resulting from the sale of HE and the expiration of certain of our interest rate swaps.

Net cash used by continuing operations in investing activities was $63 million in the three months ended March 31, 2012, comprised of cash paid for property and equipment and other assets and one business acquired in our FS segment. Net cash used by continuing operations in investing activities was $79 million in the three months ended March 31, 2011, comprised mainly of cash paid for property and equipment and other assets and two businesses acquired in our FS segment. In January 2012, we sold our HE business for gross proceeds of approximately $1.775 billion less applicable taxes and fees. We expect to pay approximately $450 million in income taxes in 2012 as a result of the HE sale, of which approximately 50% will be in the second quarter and 25% will be in each of the third and fourth quarters.

Net cash used by continuing operations in financing activities was $1.25 billion for the three months ended March 31, 2012, primarily related to repayments of $1.222 billion of term loans resulting from the sale of HE. Net cash provided by continuing operations in financing activities was $11 million for the three months ended March 31, 2011, primarily related to borrowing under our accounts receivables facility. At March 31, 2012, no amount was outstanding under the revolving credit facility, and $200 million was outstanding under the receivables facility.

On February 21, 2012, SunGard announced its intention to redeem all of its outstanding $500 million 10.625% senior notes due 2015 (2015 Notes) under the Indenture dated as of September 29, 2008 among SunGard, the guarantors named therein, and The Bank of New York Mellon, as trustee (as amended or supplemented from time to time, the 2015 Indenture). On April 2, 2012, SunGard paid $527 million to redeem the 2015 Notes plus accrued and unpaid interest to the redemption date, pursuant to Section 3.07(d) of the 2015 Indenture.

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

At March 31, 2012, we had outstanding $6.61 billion in aggregate indebtedness, with additional borrowing capacity of $858 million under the revolving credit facility (after giving effect to outstanding letters of credit). Under the receivables facility, there was an additional borrowing capacity of $32 million at March 31, 2012. Also at March 31, 2012, we had outstanding letters of credit and bid bonds that total approximately $39 million.

At December 31, 2011, cash and cash equivalents in continuing operations were $868 million, an increase of $97 million from December 31, 2010, while availability under our revolving credit facility was $858 million. Approximately $249 million of cash and cash equivalents at December 31, 2011 was held by our wholly owned non-US subsidiaries. While available to fund operations and strategic investment opportunities abroad, most of these funds cannot be repatriated for use in the United States without incurring additional tax costs and, in some cases, are in countries with currency restrictions. Also, approximately $70 million of cash and cash equivalents at December 31, 2011 relates to our broker/dealer operations which is not readily available for general corporate use without adversely affecting the operation of the broker/dealer businesses.

Cash flow from continuing operations was $602 million in 2011 compared to cash flow from continuing operations of $603 million in 2010. Savings of cash payments of interest, principally resulting from the expiration of interest rate swaps and interest rate reductions from refinancing the senior notes due 2013, was

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mostly offset by lower operating earnings before interest and taxes and less cash provided by working capital. Cash flow from continuing operations was $603 million in 2010 compared to cash flow from continuing operations of $550 million in 2009. The increase in cash flow from continuing operations is due primarily to the termination in December 2008 of our off-balance sheet accounts receivable securitization program, which reduced 2009 operating cash flow, and $94 million less of income tax payments, net of refunds, in 2010, partially offset by the reduction in operating income after adjusting for the noncash goodwill impairments in 2010 and 2009.

Net cash used by continuing operations in investing activities was $315 million in 2011 and $376 million in 2010. During 2011, we spent $35 million for five acquisitions, whereas we spent $82 million for four acquisitions during 2010. Capital expenditures for continuing operations were $276 million in 2011 and $298 million in 2010. In 2009, net cash used by continuing operations in investing activities was $323 million, primarily related to $13 million spent on three acquisitions and $315 million of capital expenditures.

In 2011, net cash used by continuing operations in financing activities was $253 million, which included $239 million of debt payments. In 2010, net cash used by continuing operations in financing activities was $344 million, which included the repurchase and optional redemption of our senior notes due 2013 along with the associated premiums and $265 million of term loan prepayments, and the issuance of $900 million of senior notes due 2018 and $700 million of senior notes due 2020 (net of associated fees). We also increased our borrowings under our accounts receivable securitization program by $63 million in 2010. In 2009, net cash used by continuing operations in financing activities was $627 million, primarily related to repayment at maturity of the $250 million senior secured notes and repayment of $500 million of borrowings under our revolving credit facility, partially offset by cash received from the new receivables facility (net of associated fees).

As a result of the LBO (August 11, 2005), we are highly leveraged. See Note 5 of Notes to Consolidated Financial Statements which contains a full description of our debt. Total debt outstanding as of December 31, 2011 was $7.83 billion, which consists of the following (in millions):

		December 31, 2011
Senior Secured Credit Facilities:		
Secured revolving credit facility	$	
Tranche A, effective interest rate of 3.33%		1,386
Tranche B, effective interest rate of 4.32%		2,407
Incremental term loan at 3.78%		479
Total Senior Secured Credit Facilities		4,272
Senior Notes due 2014 at 4.875%, net of discount of $8		242
Senior Notes due 2015 at 10.625%, net of discount of $3		497
Senior Notes due 2018 at 7.375%		900
Senior Notes due 2020 at 7.625%		700
Senior Subordinated Notes due 2015 at 10.25%		1,000
Secured accounts receivable facility at 3.79%		200
Other, primarily acquisition purchase price and capital lease obligations		18
Total debt		7,829
Short-term borrowings and current portion of long-term debt		(10)
Long-term debt	$	7,819

Senior Secured Credit Facilities

As of December 31, 2011, our senior secured credit facilities (Credit Agreement) consist of (1) $1.39 billion of U.S. dollar-denominated tranche A term loans maturing on February 28, 2014, (2) $2.41 billion of U.S.

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dollar-denominated tranche B term loans maturing on February 28, 2016, (3) $479 million of U.S. dollar-denominated incremental term loans maturing on February 28, 2014, and (4) an $880 million revolving credit facility that expires on May 11, 2013. At December 31, 2011, we have $858 million of borrowing capacity available to us on the revolving credit facility after giving effect to $22 million in outstanding letters of credit.

As more fully discussed in Note 2 of Notes to Consolidated Financial Statements, in January 2012, we completed the sale of HE. The net cash proceeds, as defined in the Credit Agreement, from the sale were $1.22 billion, which we applied on a pro-rata basis to the repayment of a portion of outstanding indebtedness as follows (in millions):

	December 31, 2011	Less: Repayment on January 20, 2012	Remaining Balance
Senior Secured Credit Facilities:			
Secured revolving credit facility	$	$	$
Tranche A	1,386	(396)	990
Tranche B	2,407	(689)	1,718
Incremental term loan	479	(137)	342
Total Senior Secured Credit Facilities	$ 4,272	$ (1,222)	$ 3,050

During the third and fourth quarters of 2011, we repaid in full our tranche A and tranche B pound sterling-denominated term loans totaling £78 million.

On March 2, 2012, we amended the Credit Agreement to, among other things, extend the maturity date of approximately $908 million of tranche A and incremental term loans from February 28, 2014 to February 28, 2017, extend the maturity of our $880 million revolving credit facility from May 11, 2013 to November 29, 2016, and amend certain covenants and other provisions in order to, among other things, permit the potential spin-off of AS.

On November 10, 2011, we amended the Credit Agreement to modify the definition of consolidated EBITDA to allow for the inclusion of EBITDA generated by discontinued operations until such operations are actually sold for purposes of calculating compliance with certain financial covenants.

On March 11, 2011, we amended the Credit Agreement to, among other things, obtain new revolving credit commitments of $300 million that increased the Company s aggregate revolving credit commitments by $50 million to approximately $880 million.

On January 31, 2011, we amended the Credit Agreement to, among other things, (a) eliminate the LIBOR and Base Rate floors and (b) reduce the Eurocurrency interest rate spread to 3.50% from 3.75% and the base rate spread to 2.50% from 2.75% with no impact on maturity.

Senior Notes

On November 1, 2010, we issued $900 million of 7.375% senior notes due November 2018 and $700 million of 7.625% senior notes due November 2020. The proceeds, together with other cash, were used to retire the former $1.6 billion 9.125% senior notes that would have been due 2013.

On April 2, 2012, we redeemed all of our outstanding 10.625% Senior Notes due 2015 at a redemption price equal to 105.313% of the aggregate principal amount plus accrued and unpaid interest to the redemption date.

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Secured Accounts Receivable Facility

In March 2009, SunGard entered into a syndicated three-year secured accounts receivable facility. The facility limit was $317 million, which consisted of a term loan commitment of $181 million and a revolving commitment of $136 million. Advances may be borrowed and repaid under the revolving commitment with no impact on the facility limit. The term loan commitment may be repaid at any time at SunGard s option, but will result in a permanent reduction in the facility limit. On September 30, 2010, SunGard entered into an Amended and Restated Credit and Security Agreement related to its receivables facility. Among other things, the amendment (a) increased the borrowing capacity under the facility from $317 million to $350 million, (b) increased the term loan component to $200 million from $181 million, (c) extended the maturity date to September 30, 2014, (d) removed the 3% LIBOR floor and set the interest rate to one-month LIBOR plus 3.5%, which at December 31, 2011 was 3.79%, and (e) amended certain terms.

In connection with the sale of our HE business, the participating HE subsidiaries were removed from the receivables facility, effective as of October 3, 2011. As a result, the combined total amount available for borrowing under the receivables facility was reduced from $350 million to $290 million.

At December 31, 2011, $200 million was drawn against the term loan commitment and none was drawn against the revolving commitment. At December 31, 2011, $572 million of accounts receivables secured the borrowings under the receivables facility.

SunGard is subject to a fee on the unused portion of 0.75% per annum. The receivables facility contains certain covenants and we are required to satisfy and maintain specified facility performance ratios, financial ratios and other financial condition tests.

Interest Rate Swaps

We use interest rate swap agreements to manage the amount of our floating rate debt in order to reduce our exposure to variable rate interest payments associated with the senior secured credit facilities. We pay a stream of fixed interest payments for the term of the swap, and in turn, receive variable interest payments based on one-month LIBOR or three-month LIBOR (0.295% and 0.581%, respectively, at December 31, 2011). The net receipt or payment from the interest rate swap agreements is included in interest expense. A summary of our interest rate swaps at December 31, 2011 follows (in millions):

Inception	Maturity	Notional Amount (in millions)	Interest rate paid	Interest rate received (LIBOR)
January / February 2009	February 2012	$ 1,200	1.78%	1-Month
February 2010	May 2013	500	1.99%	3-Month
Total/Weighted average interest rate		$ 1,700	1.84%	

Contractual Obligations

At December 31, 2011, our contractual obligations follow (in millions):

	Total	2012	2013 - 2014	2015 - 2016	2017 and After
Short-term and long-term debt(1)	$ 7,829	$ 10	$ 2,365	$ 3,853	$ 1,601
Interest payments(2)	2,147	462	847	492	346
Operating leases	1,140	194	315	238	393
Purchase obligations(3)	252	150	93	5	4
	$ 11,368	$ 816	$ 3,620	$ 4,588	$ 2,344

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Taking into effect the sale of HE, the January 2012 prepayment of $1.222 billion of term loans, the March 2012 extension of the maturity date of $908 million of term loans to 2017, and the April 2012 early redemption of our 10.625% Senior Notes, our contractual obligations are as follows (in millions):

	Total	2012	2013	2014	2015 - 2016	2017 and After
Short-term and long-term debt[5]	$ 6,637	$ 537[4]	$ 7	$ 865	$ 2,719	$ 2,509
Interest payments[6]	2,013	412	374	352	520	355
Operating leases	1,125	190	165	145	234	391
Purchase obligations[3]	231	138	62	27	4	
	$ 10,005	$ 1,277	$ 608	$ 1,392	$ 3,476	$ 3,252

(1) The senior notes due 2014 and the senior notes due 2015 are recorded at $242 million and $497 million, respectively, as of December 31, 2011, reflecting the remaining unamortized discount. The $11 million discount at December 31, 2011 will be amortized and included in interest expense over the remaining periods to maturity.

(2) Interest payments consist of interest on both fixed-rate and variable-rate debt. Variable-rate debt consists primarily of the tranche A secured term loan facility ($1.39 billion at 3.33%), the tranche B term loan facility ($2.41 billion at 4.32%), the incremental term loan ($479 million at 3.78%) and the secured accounts receivable facility ($200 million at 3.79%), each as of December 31, 2011. See Note 5 of Notes to Consolidated Financial Statements.

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

(4) Includes $500 million of senior notes recorded at a $3 million discount and a call premium of $27 million. The $3 million discount will be expensed through the date of redemption of the notes.

(5) The senior notes due 2014 are recorded at $242 million as of December 31, 2011, reflecting the remaining unamortized discount. The $8 million discount at December 31, 2011 will be amortized and included in interest expense over the remaining periods to maturity.

(6) Interest payments consist of interest on both fixed-rate and variable-rate debt. Variable-rate debt consists primarily of the tranche A secured term loan facility ($254 million at 3.33%), the tranche B term loan facility ($1.72 billion at 4.32%), the new tranche C term loan facility ($908 million at 4.05%), the incremental term loan ($170 million at 3.78%) and the secured accounts receivable facility ($200 million at 3.79%), each as of December 31, 2011. See Note 5 of Notes to Consolidated Financial Statements.

At December 31, 2011, contingent purchase price obligations that depend upon the operating performance of certain acquired businesses were $7 million, of which $4 million is included in other accrued expenses. We also have outstanding letters of credit and bid bonds that total approximately $37 million.

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

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

Covenant Compliance

Our senior secured credit agreement and the indentures governing our senior notes due 2018 and 2020 and our senior subordinated notes due 2015 contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things:

incur additional indebtedness or issue certain preferred shares,

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

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

Under the senior secured credit agreement, we are required to satisfy and maintain specified financial ratios and other financial condition tests. As of December 31, 2011, we are in compliance with all financial and nonfinancial covenants. While we believe that we will remain in compliance, our continued ability to meet those financial ratios and tests can be affected by events beyond our control, and there is no assurance that we will continue to meet those ratios and tests.

Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP measure used to determine our compliance with certain covenants contained in the indentures governing the senior notes due 2018 and 2020 and senior subordinated notes due 2015 and in our senior secured credit agreement. Adjusted EBITDA is defined as EBITDA further adjusted to exclude unusual items and other adjustments permitted in calculating covenant compliance under the indentures and our senior secured credit agreement. We believe that including supplementary information concerning Adjusted EBITDA is appropriate to provide additional information to investors to demonstrate compliance with our financing covenants.

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

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

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The following is a reconciliation for SunGard of income (loss) from continuing operations, which is a GAAP measure of our operating results, to Adjusted EBITDA as defined in our debt agreements (in millions). The terms and related calculations are defined in the indentures.

				Three Months Ended March 31,		Last Twelve Months March 31,
	2009	2010	2011	2011	2012	2012
Loss from continuing operations	$ (1,185)	$ (414)	**$ (73)**	$ (78)	$ (77)	$ (72)
Interest expense, net	630	636	**521**	136	122	507
Income tax benefit	(116)	(68)	**(118)**	(11)	(7)	(114)
Depreciation and amortization	771	729	**710**	186	173	697
EBITDA	100	883	**1,040**			