



January 30, 2006

Fiserv Reports Record Results for 2005; Strong Fourth Quarter Results Lead to Record Revenues and Earnings

BROOKFIELD, Wis.--Jan. 30, 2006--Fiserv, Inc. (Nasdaq:FISV) today reported record revenues and earnings for 2005.

Processing and services revenues for the full year increased 11% to \$3.71 billion compared to \$3.35 billion in 2004. Full-year earnings per share were \$2.70 and earnings per share from continuing operations were \$2.68. Full-year adjusted earnings per share from continuing operations were \$2.30 (which excludes \$0.29 per share related to realized gains from sale of investments and \$0.09 per share for receipt of a large contract termination fee) versus \$2.00 in 2004.

Revenues for the quarter increased 14% to \$987.7 million (which includes a large contract termination fee received of \$26.3 million) compared to \$866.1 million in the fourth quarter of 2004. Earnings per share for the fourth quarter of 2005 were \$0.81 and earnings per share from continuing operations were \$0.80. Adjusted earnings per share from continuing operations were \$0.56 (excluding \$0.15 per share related to a realized gain from sale of investment and \$0.09 per share for the large contract termination fee), compared to \$0.50 for the fourth quarter of 2004.

"I am pleased with our strong fourth quarter, which led to record results for the full year. Each of our business segments delivered revenue growth led by strong organic growth in our financial institutions area," said Jeff Yabuki, president and chief executive officer of Fiserv. "In addition to delivering strong results in 2005, we continued to make investments that will enhance the long-term strength of the Company."

"We broadened our capabilities and reach in the electronic bill payments space through our acquisition of BillMatrix; increased our global presence by establishing Fiserv Global Services; solidified our technology leadership in the lending business through a unique, end-to-end, electronic mortgage processing solution; and introduced the Fiserv Clearing Network, which allows members the ability to clear checks electronically, and more efficiently, under Check 21. In 2006, we announced the acquisition of CareGain, which provides us with a differentiated healthcare technology solution to support the strong growth occurring in consumer-driven health plans through a focus on health savings and health reimbursement accounts," Yabuki said.

Fiserv repurchased 4.4 million shares of its common stock in the fourth quarter of 2005 and a total of 15.2 million shares in 2005. The Company had 3.1 million shares authorized for repurchase at December 31, 2005 under the current stock buy back plan.

OUTLOOK FOR 2006

For 2006, Fiserv expects full-year earnings to be within a range of \$2.46 to \$2.53 per share (which includes the effect of incremental share-based compensation expense which is estimated to be \$0.09 to \$0.11 per share). The 2005 pro forma effect of incremental share-based compensation expense would have reduced adjusted earnings per share from continuing operations by \$0.11 per share from \$2.30 to \$2.19 per share. The incremental share-based compensation expense is a result of the Company adopting Statement of Financial Accounting Standards ("SFAS") No. 123R on January 1, 2006. We project internal revenue growth rates in 2006 to be in the mid-single digits for the Financial and Investment segments and low double digits in the Health segment.

FINANCIAL SEGMENT SALES HIGHLIGHTS

Fiserv enjoyed a strong fourth quarter for new-client signings. Fiserv's CBS Worldwide unit signed core-processing agreements with several banks, including 1st Source Bank, \$4.5 billion in assets, South Bend, Ind.; First National Bank of Long Island, \$1 billion in assets, Long Island, N.Y.; Riverview Community Bank, \$864 million in assets, Vancouver, Wash.; and Pulaski Bank, \$750 million in assets, St. Louis, Mo. Also in the quarter, Fiserv's Information Technology, Inc. (ITI) unit logged core-processing agreements with four Montana banks with total assets of \$837 million: Heritage Bank, First National Bank of Montana, Valley Bank of Kalispell and Three Rivers Bank of Montana. In addition, Coastal Federal Bank, \$1.5 billion in assets, Myrtle Beach, S.C., expanded its already significant relationship with Fiserv to include ATM/debit processing; and Standard Bank of South Africa, a \$105 billion asset bank based in Johannesburg, chose Fiserv's IPS-Sendero unit for a package of risk management software.

EARNINGS CONFERENCE CALL

Fiserv will discuss the fourth quarter and full-year results on a conference call and Webcast at 9 a.m. Central on Tuesday, Jan. 31. Call information is available at the investor section of Fiserv's Website at www.fiserv.com.

USE OF NON-GAAP FINANCIAL INFORMATION

The Company reports its financial results in accordance with GAAP. However, the Company uses certain non-GAAP performance measures, including free cash flow, internal revenue growth, adjusted operating margin and adjusted earnings per share, to provide investors a more complete understanding of the Company's underlying operational results. These non-GAAP measures are indicators management uses to provide additional meaningful comparisons between current results and prior reported results, and as a basis for planning and forecasting for future periods. As an example, the Company uses adjusted earnings per share to present the impact of certain transactions or events that management expects to be infrequently occurring, such as the realized gain on sale of investment occurring in the fourth quarter of 2005. The Company believes this adjusted measure is more indicative of the Company's operating performance. The presentation of this additional information is not meant to be considered in isolation or as a substitute for comparable metrics prepared in accordance with GAAP in the United States.

ABOUT FISERV

Fiserv, Inc. (Nasdaq:FISV) provides information management systems and services to the financial and health benefits industries, including transaction processing, outsourcing, business process outsourcing, software and systems solutions. The company serves more than 16,000 clients worldwide, including banks, credit unions, financial planners/investment advisers, insurance companies and agents, self-insured employers, lenders and savings institutions.

Fiserv was ranked the largest provider of information technology services to the U.S. financial services industry in the 2005 and 2004 FinTech 100 surveys by the American Banker newspaper and the Financial Insights research firm. Headquartered in Brookfield, Wis., Fiserv can be found on the Internet at www.fiserv.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the estimated earnings per share and internal revenue growth rates for the full year 2006. Such forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that may affect adversely the Corporation's results include, among others, changes in customers' demand for the Corporation's products, pricing and other actions by competitors and general changes in economic conditions and other factors included in the Corporation's filings with the SEC. The Corporation assumes no obligation to update any forward-looking statements, which speak only as of the date of this press release.

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

| | Three Months Ended | | Years Ended | |
|---|--------------------|-----------|--------------|-------------|
| | December 31, | | December 31, | |
| | 2005 | 2004 | 2005 | 2004 |
| Revenues: | | | | |
| Processing and services | \$987,746 | \$866,102 | \$3,708,447 | \$3,350,595 |
| Customer reimbursements | 90,547 | 100,302 | 351,031 | 379,151 |
| Total revenues | 1,078,293 | 966,404 | 4,059,478 | 3,729,746 |
| Cost of revenues: | | | | |
| Salaries, commissions and payroll related costs | 372,769 | 338,510 | 1,421,160 | 1,320,760 |
| Customer reimbursement expenses | 90,547 | 100,302 | 351,031 | 379,151 |
| Data processing costs and equipment rentals | 61,615 | 56,765 | 219,101 | 212,052 |

| | | | | |
|---|------------------|-----------------|------------------|------------------|
| Prescription costs | 145,701 | 120,271 | 540,007 | 439,576 |
| Other operating expenses | 162,318 | 139,871 | 603,604 | 533,284 |
| Depreciation and amortization | 46,727 | 48,073 | 179,179 | 185,363 |
| Total cost of revenues | 879,677 | 803,792 | 3,314,082 | 3,070,186 |
| Operating income | 198,616 | 162,612 | 745,396 | 659,560 |
| Interest expense - net | (5,896) | (4,581) | (14,267) | (18,194) |
| Realized gain from sale of investments(1) | 43,370 | - | 86,822 | - |
| Income from continuing operations, before income taxes | 236,090 | 158,031 | 817,951 | 641,366 |
| Income tax provision | 87,714 | 59,232 | 306,594 | 246,468 |
| Income from continuing operations | 148,376 | 98,799 | 511,357 | 394,898 |
| Income (loss) from discontinued operations, net of tax | 2,100 | (1,346) | 5,081 | (17,256) |
| Net income | \$150,476 | \$97,453 | \$516,438 | \$377,642 |
| Earnings per share: | | | | |
| Continuing operations | \$0.80 | \$0.50 | \$2.68 | \$2.00 |
| Discontinued operations | 0.01 | (0.01) | 0.03 | (0.09) |
| Total | \$0.81 | \$0.49 | \$2.70 | \$1.91 |
| Adjusted earnings per share - continuing operations: | | | | |
| Continuing operations | \$0.80 | \$0.50 | \$2.68 | \$2.00 |
| Less: Realized gain from sale of investments(1) | 0.15 | - | 0.29 | - |
| Less: Contract termination fee(2) | 0.09 | - | 0.09 | - |
| Adjusted earnings per share - continuing operations | \$0.56 | \$0.50 | \$2.30 | \$2.00 |
| Less: Pro forma share-based compensation - SFAS 123R(3) | | | 0.11 | 0.09 |
| Total | | | \$2.19 | \$1.91 |

Diluted shares used in

| | | | | |
|------------------------------|---------|---------|---------|---------|
| computing earnings per share | 185,470 | 197,234 | 190,967 | 197,287 |
|------------------------------|---------|---------|---------|---------|

- (1) Represents the sale of the Company's investment in INTRIA Items, Inc. in the fourth quarter of 2005 and the sale of the Company's remaining 3.2 million shares of Bisys Group, Inc. common stock in the first quarter of 2005.
- (2) Represents a large contract termination fee of \$26.3 million recognized in the fourth quarter of 2005.
- (3) Represents pro forma impact in 2005 and 2004 of the incremental share-based compensation expense as a result of adopting SFAS No. 123R on January 1, 2006.

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)
(Unaudited)

| | December 31, 2005 | December 31, 2004 |
|--|----------------------|----------------------|
| | ----- | ----- |
| ASSETS | | |
| Cash and cash equivalents | \$184,471 | \$516,127 |
| Accounts receivable - net | 553,402 | 437,764 |
| Prepaid expenses and other assets | 105,782 | 100,810 |
| Investments | 2,126,538 | 1,984,536 |
| Property and equipment - net | 226,013 | 200,709 |
| Intangible assets - net | 593,808 | 532,539 |
| Goodwill - net | 2,249,502 | 1,859,347 |
| Assets of discontinued operations held for sale | - | 2,751,517 |
| | ----- | ----- |
| TOTAL | \$6,039,516 | \$8,383,349 |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Accounts payable | \$241,751 | \$202,616 |
| Short-term borrowings | - | 100,000 |
| Accrued expenses | 365,651 | 363,513 |
| Accrued income taxes | 4,266 | 44,955 |
| Deferred revenues | 240,105 | 226,080 |
| Customer funds held and retirement account deposits | 1,960,626 | 1,829,639 |
| Deferred income taxes | 165,992 | 134,330 |
| Long-term debt | 595,385 | 505,327 |
| Liabilities of discontinued operations held for sale | - | 2,412,467 |
| | ----- | ----- |
| TOTAL LIABILITIES | 3,573,776 | 5,818,927 |
| SHAREHOLDERS' EQUITY | | |
| Preferred stock, no par value: 25,000,000 shares authorized; none issued | - | - |
| Common stock, \$0.01 par value: 450,000,000 shares authorized; 197,507,892 and 195,940,360 shares issued | 1,975 | 1,959 |
| Additional paid-in capital | 693,715 | 679,573 |
| Accumulated other comprehensive income | 1,321 | 26,695 |

| | | |
|---|-------------|-------------|
| Accumulated earnings | 2,436,977 | 1,920,539 |
| Treasury stock, at cost, 15,753,675 and 1,691,500 shares | (668,248) | (64,344) |
| TOTAL SHAREHOLDERS' EQUITY | 2,465,740 | 2,564,422 |
| TOTAL | \$6,039,516 | \$8,383,349 |

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

| | Years ended December 31, | |
|---|--------------------------|-----------|
| | 2005 | 2004 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$516,438 | \$377,642 |
| Adjustment for discontinued operations | (5,081) | 17,256 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Realized gain from sale of investments | (86,822) | - |
| Deferred income taxes | 19,183 | 23,022 |
| Depreciation and amortization | 179,179 | 185,363 |
| Changes in assets and liabilities, net of effects from acquisitions and dispositions of businesses: | | |
| Accounts receivable | (83,367) | (19,177) |
| Prepaid expenses and other assets | (7,085) | (4,518) |
| Accounts payable and accrued expenses | 52,676 | 54,445 |
| Deferred revenues | 14,389 | 17,826 |
| Accrued income taxes | (2,388) | 46,524 |
| Net cash provided by operating activities | 597,122 | 698,383 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures, including capitalization of software costs for external customers | (164,951) | (161,093) |
| Payment for acquisitions of businesses, net of cash acquired | (509,630) | (64,896) |
| Proceeds from sale of businesses, net of expenses paid | 282,236 | - |
| Cash distribution received from discontinued operations prior to sale | 68,000 | - |
| Investments | (104,810) | (139,258) |
| Net cash used in investing activities | (429,155) | (365,247) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment of short-term debt | (100,000) | - |
| Proceeds from (repayments of) long-term debt - net | 89,836 | (192,940) |
| Issuance of common stock and treasury stock | 32,129 | 30,666 |
| Purchases of treasury stock | (652,575) | (64,344) |
| Customer funds held and retirement account | | |

| | | |
|---|-----------|-----------|
| deposits | 130,987 | 246,941 |
| Net cash (used in) provided by financing activities | (499,623) | 20,323 |
| Change in cash and cash equivalents | (331,656) | 353,459 |
| Beginning balance | 516,127 | 162,668 |
| Ending balance | \$184,471 | \$516,127 |

FISERV, INC. AND SUBSIDIARIES
SELECTED FINANCIAL AND SEGMENT INFORMATION(1)
(In thousands, unaudited)

| Free Cash Flow | Years Ended December 31, | |
|---|--------------------------|-----------|
| | 2005 | 2004 |
| Net cash provided by operating activities | \$597,122 | \$698,383 |
| Capital expenditures, including capitalization of software costs for external customers | (164,951) | (161,093) |
| Free cash flow | \$432,171 | \$537,290 |

Free cash flow is measured as net cash provided by operating activities less capital expenditures including capitalization of software costs for external customers, as reported in the Company's condensed consolidated statements of cash flows. Free cash flow is a non-GAAP financial measure that the Company believes is useful to investors because it provides another measure of available cash flow after the Company has satisfied the capital requirements of its operations.

| Segment | Three Months Ended | | Years Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2005 | December 31, 2004 | December 31, 2005 | December 31, 2004 |
| Processing and services revenues: | | | | |
| Financial institution outsourcing, systems and services ("Financial") (2) | \$688,152 | \$596,743 | \$2,562,805 | \$2,339,143 |
| Health plan management services ("Health") | 265,359 | 236,999 | 1,011,234 | 885,916 |
| Investment support services ("Investment") | 34,235 | 32,360 | 134,408 | 125,536 |
| Total | \$987,746 | \$866,102 | \$3,708,447 | \$3,350,595 |
| Operating income: | | | | |
| Financial(2) | \$173,778 | \$137,415 | \$639,927 | |