



## **Jack Henry & Associates Reports Profits Triple, Setting Record Fiscal 2001 Second Quarter**

Monett, MO -- January 17, 2001. Jack Henry & Associates, Inc. (Nasdaq: JKHY) today reported record revenue and profits for its second fiscal quarter of 2001 as demand for technology solutions from financial institutions generated strong growth in all aspects of the business. Revenue, earnings and earnings per share each set new quarterly records in the second quarter of fiscal 2001 ended December 31, 2000.

Second quarter income from continuing operations was \$12.9 million, or \$.28 per share compared to \$4.2 million, or \$.10 in the like quarter a year ago. First half income from continuing operations nearly doubled to \$24.8 million, or \$.55 per share compared to \$12.7 million, or \$.30 per share in the first half of fiscal 2000. Prior period numbers have been restated to reflect last year's stock split and pooling transaction.

"Demand for our technology solutions from the community bank market continues to grow robustly. Last year at this time, sales were artificially slow due to the Y2K spending freeze that substantially reduced new product adoption in the technology sector and the banking industry," stated Michael E. Henry, Chairman and CEO. "Recent interest rate changes are beneficial for the overall economy and helpful to our customers, and thus gives us continued confidence for the balance of the year."

Revenues increased 49% to \$80.7 million in the second quarter and grew 62% to \$157.7 million in the first half of fiscal 2001 in contrast to the same periods last year. Driving strong revenue growth, software licensing and installation increased 170% to \$24.5 million in the second quarter and jumped 133% to \$48.0 million in the first half. Maintenance, support and service revenues increased 33% to \$32.3 million in the second quarter and 40% to \$62.7 million in the six month period. Increases of 15% in the quarter and 46% for the first half were realized in hardware sales.

Gross margin was 43% of total second quarter revenues compared to 33% in the like quarter a year ago. First half margins improved to 44% from 39% in the like period a year ago. Second quarter gross profit improved 93% to \$34.8 million and first half gross profit was up 83% to \$69.4 million. Second quarter operating expenses were \$14.9 million, a 29% increase above last year. First half operating expenses increased 51% above the like period to \$30.9 million. The operating expenses reflect continued growth and additional overhead from acquisitions.

Operating income from continuing operations tripled to \$19.8 million in the second quarter and more than doubled to \$38.5 million in the first half of fiscal 2001. "We've sharply reduced debt this year both through operations and the \$60.5 million raised through the secondary offering completed in August," said Terry W. Thompson, CFO.

"Deferred revenue increased 27% and backlog continued to improve, bolstering our belief in continued growth for the remainder of the year," noted Thompson. Backlog increased to \$110.7 million at the end of the quarter compared to \$104.6 million at September 30, 2000 and \$90.2 million at December 31, 1999. The backlog for in-house products and services totaled \$44.7 million and outsourcing backlog was \$66.0 million at the end of the quarter compared to \$30.4 million and \$59.8 million, respectively at December 31, 1999.

Jack Henry & Associates, Inc. provides integrated computer systems and processes ATM and debit card transactions for banks and credit unions. Jack Henry markets and supports its systems throughout the United States and has over 2,800 customers nationwide. For additional information on Jack Henry, visit the company's web site at [www.jackhenry.com](http://www.jackhenry.com).

Statements made in this news release that are not historical facts are forward-looking information. Actual results may differ materially from those projected in any forward-looking information. Specifically, there are a number of factors that could cause actual results to differ materially from those anticipated by any forward-looking information. Additional information on these and other factors which could affect the Company's financial results are included in its Securities and Exchange Commission (SEC) filings on Form 10-K and its registration statement filing of August 11, 2000. These statements should be reviewed by potential investors. Finally, there may be other factors not mentioned above or included in the Company's SEC filings that may cause actual results to differ materially from any forward-looking information.

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