

REGISTRATION NO.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

JACK HENRY & ASSOCIATES, INC.
(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

7373
(Primary Standard Industrial Classification Code Number)

43-1128385
(I.R.S. Employer Identification No.)

663 HIGHWAY 60
P.O. BOX 807
MONETT, MISSOURI 65708
(417) 235-6652
(Address, including zip code and telephone number, including area code, of Registrant's principal executive offices)

MICHAEL E. HENRY
CHIEF EXECUTIVE OFFICER
JACK HENRY & ASSOCIATES, INC.
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ONE WORLD TRADE CENTER
NEW YORK, NEW YORK 10048

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this Registration Statement.

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

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 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 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 number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
Common Stock, par value \$.01 per share.....	5,750,000	\$48.664	\$279,818,000	\$73,872

(1) Includes 750,000 shares which the underwriters have the option to purchase to cover over-allotments, if any.

(2) Determined in accordance with Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the high and low sales price of our common stock reported on the Nasdaq National Market on July 10, 2000.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT 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 COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. JACK HENRY & ASSOCIATES AND THE SELLING STOCKHOLDERS 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 -- JULY 14, 2000

PROSPECTUS

5,000,000 Shares

[JACK HENRY LOGO]
Common Stock

Jack Henry & Associates, Inc. is offering 2,000,000 shares and the selling stockholders are offering 3,000,000 shares of common stock. Jack Henry & Associates will not receive any of the proceeds from the sale of shares by the selling stockholders.

Jack Henry & Associates provides integrated computer software and hardware systems and software maintenance and support to banks and credit unions, both on an in-house and on an outsourced basis.

The shares of Jack Henry & Associates are quoted in the Nasdaq National Market under the symbol "JKHY." On July 12, 2000, the last reported sale price in the Nasdaq National Market was \$48.875 per share.

	Per Share	Total
Public offering price.....	\$	\$
Underwriting discounts and commissions.....	\$	\$
Proceeds, before expenses, to Jack Henry & Associates.....	\$	\$
Proceeds to the selling stockholders.....	\$	\$

SEE "RISK FACTORS" ON PAGES 8 TO 13 FOR FACTORS THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE SHARES OF JACK HENRY & ASSOCIATES.

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

The underwriters may, under certain circumstances, purchase up to 750,000 additional shares from the selling stockholders at the public offering price less underwriting discounts and commissions. Delivery and payment for the shares will be on _____, 2000.

PRUDENTIAL SECURITIES

CIBC WORLD MARKETS

ROBERT W. BAIRD & CO.

GEORGE K. BAUM & COMPANY

A.G. EDWARDS & SONS, INC.

, 2000

[JACK HENRY LOGO]
CUSTOMERS INSTALLED NATIONWIDE
[MAP OF U.S. SHOWING CUSTOMER INSTALLATIONS]

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"Silverlake System(R)" is a registered trademark of Jack Henry & Associates, Inc. "CIF 20/20," "NetTeller," "Core Director," "Vertex," "Streamline Platform Automation," "Alliance Check Image Solutions," "Silhouette Document Imaging," "PinPoint Report Retrieval," "InTouch Voice Response," "Centurion Disaster Recovery," "TimeTrack Payroll System:00," "FormSmart," "NetHarbor," "Symitar Systems," "MemberConnect -- Web" and "CommLink" are all trademarks of Jack Henry & Associates or its subsidiaries.

"IBM," "AS/400," "OS/400" and "RS/6000," are all registered or trademarks of International Business Machines Corporation ("IBM").

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully.

JACK HENRY & ASSOCIATES

We are a leading provider of integrated computer systems to commercial banks with under \$10.0 billion of total assets, which we refer to as community banks, as well as credit unions and other financial institutions in the United States. We offer a complete, integrated suite of information technology solutions to improve the management of our customers' entire back-office and customer interaction processes. We believe that our solutions enable our customers to provide better service to their customers and compete more effectively against larger banks and alternative financial institutions. Our customers either install and use our systems in-house or outsource these operations to us through our data centers located across the United States. We perform data conversion and software installation for the implementation of our systems and provide continuing maintenance and support services that foster strong customer relationships and produce recurring revenue and additional sales opportunities.

Founded in 1976, we have gained a reputation in the markets we serve as a high-quality provider of value-added, productivity-enhancing products and services. Our revenues have grown from \$67.2 million in fiscal 1995 to \$193.5 million in fiscal 1999, a compound annual growth rate of 30.3%. Over this same period, our customer base has grown from 950 to 1,800. As of June 30, 2000, we had over 2,850 customers.

We also have enjoyed strong growth in net income and expanding pre-tax margins since 1995. Income from continuing operations has grown from \$9.1 million in fiscal 1995 to \$32.7 million in fiscal 1999, a compound annual growth rate of 37.7%. During this same period, pre-tax margins grew from 20.6% in fiscal 1995 to 26.7% in fiscal 1999. For the three months ended March 31, 2000, income from continuing operations increased 21.1% over the comparable period in calendar 1999 to \$10.2 million and pre-tax margins were 26.3%.

OUR INDUSTRY

As of December 31, 1999, there were approximately 8,500 community banks and 11,000 credit unions in the United States with aggregate assets of approximately \$1.9 trillion and \$411.4 billion, respectively. According to the Automation in Banking 1999 report, all financial institutions, including both the largest banks in the United States and our target market of community banks and credit unions, collectively increased spending on hardware, software, services and telecommunications from \$19.9 billion in 1994 to \$32.0 billion in 1998, a compound annual growth rate of 12.6%. An industry survey indicates that 93% of community banks and credit unions, which together we refer to as community financial institutions, believe upgrading technology is the most important issue for their continued success. In addition, the Internet is becoming a powerful and efficient medium for the delivery of financial services. Community financial institutions risk losing customers to larger or alternative financial institutions if they do not offer Internet banking services. We believe that the market opportunity for providers of information technology systems, maintenance, support and related outsourcing services targeted toward community financial institutions will continue to grow as a result of competitive pressure on financial institutions.

OUR SOLUTION

We are a single-source provider of a comprehensive and flexible suite of integrated products and services that address the information technology needs of community financial institutions. We offer software applications primarily for use on hardware supporting IBM OS/400 and UNIX operating systems. Our software applications provide our customers with maximum flexibility in meeting their data processing requirements within a single, integrated system. Our core proprietary software applications are the Silverlake System and the CIF 20/20 system, each of which operates on IBM AS/400 hardware; our Core Director system, which operates on UNIX-based hardware; and our Symitar Systems, which operates on the IBM RS/6000 with a UNIX operating system. Each of these core applications include the vital data processing and information management functions required by a community financial institution.

Our Silverlake System offers the greater functionality and capacity required by larger community banks, while the CIF 20/20 system provides excellent functionality to smaller community banks whose needs can be met with less complexity. Our Core Director system is intended for community banks that operate UNIX-based hardware and our Symitar Systems is specifically designed for credit unions.

To complement our core proprietary software applications, we provide a variety of integrated ancillary products and services, including Internet and telephone banking applications, bill payment and image processing. We provide these products and services to community financial institutions for use on an in-house or an outsourced basis.

We believe that our information technology solution provides strategic advantages to our customers by enabling them to:

- implement advanced technologies with full functionality;
- rapidly deploy new products and services;
- focus on customer relationships; and
- access outsourcing solutions to improve operating efficiency.

OUR STRATEGY

Our objective is to grow our revenue and earnings internally, supplemented by strategic acquisitions. The key components of our business strategy are to:

- provide high-quality, value-added products and services to our clients;
- continue to expand our product and service offerings;
- expand our existing customer relationships;
- expand our customer base;
- build recurring revenue;
- maximize economies of scale; and
- attract and retain capable employees.

RECENT DEVELOPMENTS

In fiscal 2000, we closed four strategic acquisitions that expanded our core software offerings targeted to our community financial institution customers, added a complementary service offering and increased our focus on providing information technology solutions to credit unions. On September 8, 1999, we completed the purchase of certain assets of BancTec, Inc.'s community banking business for \$50.0 million in cash and the assumption of certain liabilities. This business, which we renamed Open Systems Group, had revenue for the year ended August 31, 1999 of \$40.2 million and provided us with a UNIX-based software system, one data center, five additional item processing centers and over 600 community bank customers. On April 1, 2000, we acquired the capital stock of BancData Solutions, Inc. for \$5.0 million in cash, providing us with outsourcing centers and customers in the California market. On June 1, 2000, we completed our \$16.0 million pooling of interests acquisition of Sys-Tech, Inc., a provider of uninterruptible power supply systems and consulting services pertaining to the design of computer facilities. Sys-Tech, which had revenue for its fiscal year ended September 30, 1999 of \$9.9 million, had been a Jack Henry & Associates business partner since 1991. On June 7, 2000, we completed the purchase of the capital stock of Symitar Systems, Inc. for \$44.0 million in cash. Symitar Systems had revenue for the year ended December 31, 1999 of \$32.8 million and provided us with one of the leading software products targeting the credit union market, increasing our presence in this market with the addition of 237 credit union customers.

ABOUT US

We were incorporated in Missouri in 1977 and reincorporated in Delaware in 1985 in connection with our initial public offering. Our principal offices are located at 663 Highway 60, Monett, Missouri 65708, and our telephone number is (417) 235-6652. Our web site is located at www.jackhenry.com. Information contained on our web site should not be considered part of this prospectus.

THE OFFERING

Shares offered by Jack Henry & Associates.....	2,000,000 shares
Shares offered by the selling stockholders.....	3,000,000 shares
Total shares outstanding after this offering....	43,357,852 shares
Use of proceeds by Jack Henry & Associates.....	For repayment of debt, working capital, capital expenditures, other general corporate purposes and potential future acquisitions.
Nasdaq National Market symbol.....	JKHY

The number of shares offered by the selling stockholders does not include up to 750,000 shares that the underwriters may purchase from the selling stockholders if the underwriters exercise their over-allotment options in full.

The amount of common stock that will be outstanding after this offering does not include:

- 6,615,534 shares issuable upon exercise of options outstanding as of the date of this prospectus, of which 3,810,384 shares are exercisable under our stock option plans at a weighted average exercise price of \$20.17 per share; and
- 1,691,000 shares available as of the date of this prospectus for issuance under our stock plans pursuant to options that have not yet been granted.

Unless otherwise stated, all share amounts and prices included in this prospectus have been adjusted to give effect to the 2 for 1 split of our common stock in the form of a stock dividend that took place on March 2, 2000.

RISK FACTORS

You should consider the risk factors and the impact of various events that could adversely affect our business before investing in our common stock.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following sets forth our summary consolidated financial and operating data for the periods indicated. The income statement data for the three month and nine month periods ended March 31, 2000 include the results of operations of Open Systems Group acquired from BancTec, Inc. on September 8, 1999, from the acquisition date forward. The acquisitions of Peerless Group, Inc., closed December 16, 1998 and Sys-Tech, Inc., closed June 1, 2000, were accounted for as poolings-of-interests. Therefore, the selected consolidated financial data for all periods are presented as if they had occurred at the beginning of the earliest period reported. This table is derived from, should be read in conjunction with, and is qualified entirely by reference to our consolidated financial statements and the accompanying notes included elsewhere in this prospectus. The amounts in the table below, other than per share data, are in thousands.

	YEAR ENDED JUNE 30,			NINE MONTHS ENDED MARCH 31,		THREE MONTHS ENDED MARCH 31,	
	1997	1998	1999	1999	2000	1999	2000
INCOME STATEMENT DATA:							
Revenues							
Software licensing and installation.....	\$ 31,930	\$ 39,484	\$ 47,181	\$ 36,108	\$ 35,888	\$11,198	\$15,275
Maintenance/support and service.....	37,510	46,835	71,278	52,995	69,812	19,128	25,148
Hardware sales.....	56,816	61,916	75,068	59,452	50,231	16,187	17,998
Total revenues.....	126,256	148,235	193,527	148,555	155,931	46,513	58,421
Cost of Sales							
Cost of hardware.....	41,016	43,335	54,661	43,350	35,920	11,964	12,615
Cost of services.....	32,001	37,674	52,582	39,792	54,865	13,963	18,650
Total cost of sales.....	73,017	81,009	107,243	83,142	90,785	25,927	31,265
Gross profit.....	53,239	67,226	86,284	65,413	65,146	20,586	27,156
Operating Expenses							
Selling and marketing expense.....	12,750	15,124	14,030	11,384	12,514	3,283	4,326
Research and development expense.....	3,012	4,163	5,183	3,758	5,780	1,248	2,242
General and administrative expense.....	9,607	11,675	17,347	12,729	13,692	3,699	5,033
Total operating expenses.....	25,369	30,962	36,560	27,871	31,986	8,230	11,601
Operating income from continuing operations.....	27,870	36,264	49,724	37,542	33,160	12,356	15,555
Other Income (Expense)							
Interest income.....	738	1,319	1,619	1,430	738	435	223
Interest expense.....	(40)	(34)	(93)	(72)	(1,143)	(12)	(567)
Other, net.....	109	348	363	346	1,629	161	179
Total other income (expense).....	807	1,633	1,889	1,704	1,224	584	(165)
Income from continuing operations before taxes.....	28,677	37,897	51,613	39,246	34,384	12,940	15,390
Provision for income taxes.....	10,185	13,692	18,887	14,622	11,468	4,538	5,214
Income from continuing operations.....	18,492	24,205	32,726	24,624	22,916	8,402	10,176
Loss from discontinued operations.....	(450)	(668)	(758)	(758)	(332)	(531)	--
Net income.....	\$ 18,042	\$ 23,537	\$ 31,968	\$ 23,866	\$ 22,584	\$ 7,871	\$10,176
Diluted Earnings Per Share:							
Income from continuing operations.....	\$ 0.46	\$ 0.58	\$ 0.77	\$ 0.58	\$ 0.54	\$ 0.20	\$ 0.24
Loss from discontinued operations.....	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	--
Net income.....	\$ 0.45	\$ 0.57	\$ 0.75	\$ 0.56	\$ 0.53	\$ 0.18	\$ 0.24
Diluted weighted average shares outstanding.....							
	40,214	41,593	42,641	42,663	42,343	42,795	42,850
Basic Earnings Per Share:							
Income from continuing operations.....	\$ 0.49	\$ 0.61	\$ 0.81	\$ 0.61	\$ 0.56	\$ 0.21	\$ 0.25
Loss from discontinued operations.....	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	--
Net income.....	\$ 0.47	\$ 0.59	\$ 0.79	\$ 0.59	\$ 0.55	\$ 0.19	\$ 0.25
Basic weighted average shares outstanding...							
	38,025	39,770	40,337	40,250	40,771	40,428	40,950

AT MARCH 31, 2000

	ACTUAL	PRO FORMA	PRO FORMA, AS ADJUSTED
BALANCE SHEET DATA:			
Cash and cash equivalents.....	\$ 13,025	\$ 22,331	\$ 54,569
Total assets.....	225,864	282,709	314,947
Total debt.....	30,054	74,054	14,054
Stockholders' equity.....	137,422	137,422	229,660

The preceding table summarizes certain unaudited balance sheet data at March 31, 2000:

- on a historical basis;
- on a pro forma basis to reflect our acquisition of Symitar Systems, Inc.; and
- on a pro forma basis, as adjusted to give effect to our acquisition of Symitar Systems, Inc. and the application of the net proceeds received by us in this offering assuming a public offering price of \$48.875 per share.

See "Use of Proceeds," "Capitalization," "Selected Financial Data" and the unaudited pro forma combined financial statements included elsewhere in this prospectus.

RISK FACTORS

You should carefully consider the following risk factors in addition to the other information set forth in this prospectus before purchasing shares of common stock of Jack Henry & Associates. Each of these risk factors could adversely affect our business, operating results and financial condition, as well as adversely affect the value of an investment in our common stock.

WE MAY NOT BE ABLE TO CONTINUE OR EFFECTIVELY MANAGE OUR RAPID GROWTH.

We have grown at a rapid pace, both internally and through acquisitions. Our expansion has and will continue to place significant demands on our administrative, operational, financial and management personnel and systems. We cannot assure you that we will be able to enhance and expand our product lines, manage costs, adapt our infrastructure and modify our systems to accommodate future growth.

IF WE FAIL TO ADAPT OUR PRODUCTS AND SERVICES TO CHANGES IN TECHNOLOGY, WE COULD LOSE EXISTING CUSTOMERS AND BE UNABLE TO ATTRACT NEW BUSINESS.

The markets for our software and hardware products and services are characterized by changing customer requirements and rapid technological changes. These factors and new product introductions by our existing competitors or by new market entrants could reduce the demand for our existing products and services and we may be required to develop or acquire new products and services. Our future success is dependent on our ability to enhance our existing products and services in a timely manner and to develop or acquire new products and services. If we are unable to develop or acquire new products and services as planned, or fail to achieve timely market acceptance of our new or enhanced products and services, we may incur unanticipated expenses, lose sales or fail to achieve anticipated revenues.

ACQUISITIONS MAY BE COSTLY AND DIFFICULT TO INTEGRATE.

We recently have acquired several businesses and will continue to explore possible business combinations in the future. We may not be able to successfully integrate acquired companies. We may encounter problems in connection with the integration of new businesses including:

- financial control and computer system compatibility;
- unanticipated costs;
- unanticipated quality or customer problems with acquired products or services;
- diversion of management's attention;
- adverse effects on existing business relationships with suppliers and customers;
- loss of key employees; and
- significant amortization expenses related to goodwill and other intangible assets.

Without additional acquisitions, we may not be able to grow and to develop new products and services as quickly as we have in the past to meet competitive challenges. If our integration strategies fail, our business, financial condition and results of operations could be materially and adversely affected.

IF OUR STRATEGIC RELATIONSHIP WITH IBM WERE TERMINATED, IT COULD HAVE A NEGATIVE IMPACT ON THE CONTINUING SUCCESS OF OUR BUSINESS.

We have developed a strategic relationship with IBM. As part of this collaborative relationship, we market and sell IBM hardware and equipment to our customers under an industry remarketer agreement and resell maintenance on IBM hardware products to our customers. Much of our software is designed to be compatible with the IBM hardware that is run by a majority of our customers.

If IBM were to terminate or fundamentally modify our strategic relationship by:

- exclusively selling hardware directly to our customers;
- exclusively providing service and maintenance for its equipment directly to our customers;
- ending our collaboration, thereby making our production of compatible software more difficult; or
- ceasing to manufacture equipment with which our software is compatible,

our relationship with our customers and our revenues and earnings would suffer. We could also lose software market share or be required to redesign existing products or develop new products that would be compatible with the hardware used by our customers.

COMPETITION MAY RESULT IN PRICE REDUCTIONS AND DECREASED DEMAND FOR OUR PRODUCTS AND SERVICES.

We expect that competition in the markets we serve will remain vigorous. We compete on the basis of product quality, reliability, performance, ease of use, quality of support and pricing. We cannot guarantee that we will be able to compete successfully with our existing competitors or with companies that may enter our markets in the future. Certain of our competitors have strong financial, marketing and technological resources and, in some cases, a larger customer base than we do. They may be able to adapt more quickly to new or emerging technologies or to devote greater resources to the promotion and sale of their products and services.

THE LOSS OF KEY EMPLOYEES COULD ADVERSELY AFFECT OUR BUSINESS.

We depend to a significant extent on the contributions and abilities of our Chairman and Chief Executive Officer Michael Henry, our President and Chief Operating Officer Michael Wallace, our Chief Financial Officer Terry Thompson and various other members of our senior management. Our company has grown significantly in recent years and our management remains concentrated in a small number of key employees. If we lose one or more of our key employees, we could suffer a loss of sales and delays in new product development, and management resources would have to be diverted from other activities to compensate for this loss. We do not have employment agreements with any of our executive officers. We maintain \$1.0 million of "key person" life insurance on each of Michael Henry and Michael Wallace, but this amount would be inadequate to compensate us for the loss of their services.

CONSOLIDATION OF FINANCIAL INSTITUTIONS COULD REDUCE THE NUMBER OF OUR CUSTOMERS AND POTENTIAL CUSTOMERS.

Our primary market consists of approximately 8,500 community banks and 11,000 credit unions. The number of community banks and credit unions has decreased as a result of mergers and acquisitions and is expected to continue to decrease as more consolidation occurs, which will reduce our number of potential customers. As a result of this consolidation, some of our existing customers could terminate, or refuse to renew their contracts with us and potential customers could break off negotiations with us.

THE SERVICES WE PROVIDE TO OUR CUSTOMERS ARE SUBJECT TO GOVERNMENT REGULATION THAT COULD HINDER OUR ABILITY TO DEVELOP PORTIONS OF OUR BUSINESS OR IMPOSE ADDITIONAL CONSTRAINTS ON THE WAY WE CONDUCT OUR OPERATIONS.

The financial services industry is subject to extensive and complex federal and state regulation. As a supplier of services to financial institutions, some of our operations are examined by the Office of the Comptroller of the Currency, the Federal Reserve Board and the Federal Deposit Insurance Corporation, among other regulatory agencies. These agencies regulate services we provide and the manner in which we operate, and we are required to comply with a broad range of applicable laws and regulations. In addition, existing laws, regulations and policies could be amended or interpreted differently by regulators in a manner that has a negative impact on our existing operations or that limits our future growth or expansion.

Our customers are also regulated entities, and the form and content of actions by regulatory authorities could determine both the decisions they make concerning the purchase of data processing and other services and the timing and implementation of these decisions. By establishing standards for Year 2000 compliance, federal regulators had a significant impact on the market for our products and services in fiscal 2000. We cannot assure you that future decisions by regulatory authorities will not have a similar or even greater impact on the market in the future. For example, regulations proposed under the Gramm-Leach-Bliley Act may impose strict standards on our customers to protect the confidentiality of personal customer information and records. This may require us to incur costs to modify our products and services to comply with new regulations.

The development of financial services over the Internet has raised concerns with respect to the use, confidentiality and security of private customer information. Regulatory agencies, Congress and state legislatures are considering numerous regulatory and statutory proposals to protect the interests of consumers and to require compliance by the industry with standards and policies that have not been defined. We do not know what form the regulatory framework will take and we cannot assure you that any legislation or regulations that are adopted will not have a negative effect on our current operations, will not limit our ability to expand our Internet-based activities or will not impose onerous costs and/or procedures that would make these operations impractical.

NETWORK OR INTERNET SECURITY PROBLEMS COULD DAMAGE OUR REPUTATION AND BUSINESS.

We rely on standard network and Internet security systems, most of which we license from third parties, to provide the security and authentication necessary to effect secure transmission of data. Computer networks and the Internet are vulnerable to unauthorized access, computer viruses and other disruptive problems. In addition, advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may render our security measures inadequate. Someone who is able to circumvent security measures could misappropriate proprietary information or cause interruptions in our operations or those of our customers. Security risks may result in liability to us and also may deter financial institutions from purchasing our products. We may need to expend significant capital or other resources protecting against the threat of security breaches or alleviating problems caused by breaches. Eliminating computer viruses and alleviating other security problems may result in interruptions, delays or cessation of service to users, any of which could harm our business.

DEFECTS IN OUR SOFTWARE PRODUCTS COULD RESULT IN LOSS OF REVENUES AND INJURY TO OUR REPUTATION AND COULD SUBJECT US TO LIABILITY.

Complex software products such as those we develop, sell and maintain may contain undetected errors or defects which may become evident at any point in the life of the product. Errors may be found from time to time in our software products or in new or recently acquired products resulting in loss of revenues, delay in market acceptance and sales, diversion of development resources, injury to our reputation, liability for damages or increased warranty costs. Because our products are used to deliver services that are integral to our customers' businesses, errors, defects or other performance problems could result in financial or other damages to our customers. Product liability litigation arising from these errors, defects or problems, even if unsuccessful, would be time consuming and costly to defend. Existing or future laws or unfavorable judicial decisions could negate any limitation of liability provisions that are included in our license agreements.

AS TECHNOLOGY BECOMES LESS EXPENSIVE AND MORE ADVANCED, PURCHASE PRICES OF HARDWARE MAY DECLINE AND OUR REVENUES AND PROFITS FROM REMARKETING ARRANGEMENTS MAY DECREASE.

Computer hardware technology is rapidly developing. Hardware manufacturers are producing less expensive and more powerful equipment each year, and we expect this trend to continue into the future. As computer hardware becomes less expensive, revenues and profits derived from our hardware remarketing may decrease and become a smaller portion of our revenues and profits.

IF WE NEED TO DEFEND OUR INTELLECTUAL PROPERTY RIGHTS, WE COULD INCUR SUBSTANTIAL COSTS.

Our future success and ability to compete depends in part upon our proprietary technology. We rely on a combination of copyright protection, trademark registration, trade secret laws and contract restrictions to protect our proprietary interests. Despite our efforts to protect our intellectual property, a third party could copy or otherwise obtain our software or other proprietary information without authorization. We may have to litigate to enforce our intellectual property rights, to protect our trade secrets or know-how or to determine their scope, validity or enforceability. Enforcing or defending our intellectual property rights could be expensive, could cause the diversion of our resources, including diversion of management's attention from our core business, and may not prove successful. If we are unable to protect our intellectual property, we may lose a valuable competitive advantage.

IF WE ARE ACCUSED OF INFRINGING ON THE INTELLECTUAL PROPERTY RIGHTS OF OTHERS, OUR BUSINESS COULD SUFFER.

In the event that a holder of intellectual property claimed that we infringed those rights, whether with or without merit, the need to defend any action would be costly and time-consuming and could divert our management's attention or cause product delays. If our products were found to infringe a third party's proprietary rights, we could be required to pay royalties or licensing fees. If we were not able to obtain rights to use the intellectual property on acceptable terms, we might be required to stop the marketing and sale of one or more of these products and we could incur substantial legal fees.

THE MARKET FOR INTERNET-BASED FINANCIAL SERVICES IS EVOLVING RAPIDLY AND THE GROWTH OF THIS PORTION OF OUR BUSINESS COULD BE LIMITED.

The impact of the Internet on the financial services industry and our customers is uncertain. We are currently involved in planning and developing Internet-based products and services for our customers. We cannot assure you, however, that there will be significant demand for these products and services or that we will meet any demand that arises in a successful or timely manner. Furthermore, we do not know how the evolution of the Internet will affect our existing business or products and services in the future.

AN OPERATIONAL FAILURE IN OUR OUTSOURCING FACILITIES COULD CAUSE US TO LOSE CUSTOMERS.

Damage or destruction that interrupts our provision of outsourcing services could damage our relationship with certain customers and may cause us to incur substantial additional expense to repair or replace damaged equipment. Although we have installed back-up systems and procedures to prevent or reduce disruption, we cannot assure you that we will not suffer a prolonged interruption of our transaction processing services. In the event that an interruption of our network extends for more than several hours, we may experience data loss or a reduction in revenues by reason of such interruption. In addition, a significant interruption of service could have a negative impact on our reputation and could lead our present and potential customers to choose service providers other than us.

THE PRICE OF OUR COMMON STOCK MAY BE VOLATILE.

The market price of our common stock could fluctuate widely in response to numerous factors, including but not limited to:

- actual or anticipated variations in annual or quarterly operating results;
- announcements by us or our competitors of new products, significant contracts, acquisitions or relationships;
- increases or decreases in or elimination of the payment of dividends to our stockholders;
- economic well-being of community financial institutions; and

- availability of significant amounts of common stock for sale into the public market by our stockholders, including shares that may be issued and subsequently sold upon the exercise of stock options.

In addition, in recent years, the stock market in general, and the Nasdaq National Market and the securities of technology companies in particular, have experienced extreme price and volume fluctuations. These fluctuations have often been unrelated and disproportionate to the operating performance of individual companies. These broad market fluctuations may materially adversely affect our stock price, regardless of our operating results. Furthermore, the stock prices of companies that offer solutions designed to enable Internet-based financial services have historically been volatile and may continue to be so.

SOME OF OUR SHARES ARE RESTRICTED FROM IMMEDIATE RESALE BUT MAY BE SOLD INTO THE MARKET IN THE NEAR FUTURE. THIS COULD CAUSE THE MARKET PRICE OF OUR COMMON STOCK TO DROP SIGNIFICANTLY.

After this offering, we will have outstanding 43,357,852 shares of common stock, regardless of whether or not the underwriters exercise their over-allotment options. Of these shares, an aggregate of 33,589,774 shares, including the 5,000,000 shares in this offering, or 34,339,774 shares if the underwriters exercise their over-allotment options in full, will be freely tradeable without restriction under the Securities Act except for any shares purchased by one of our "affiliates" as defined in Rule 144 under the Securities Act. At the conclusion of this offering, a total of 9,768,078 shares will be "restricted securities" within the meaning of Rule 144 under the Securities Act or subject to lock-up agreements. The restricted securities generally may not be sold unless they are registered under the Securities Act or are sold pursuant to an exemption from registration, such as the exemption provided by Rule 144 under the Securities Act. We, our executive officers and directors and the selling stockholders have entered into lock-up agreements under which we and they have agreed not to offer or sell any shares of common stock or securities convertible into or exchangeable or exercisable for shares of common stock other than shares being sold in the offering for a period of 90 days from the date of this prospectus without the prior written consent of Prudential Securities Incorporated, on behalf of the underwriters. Prudential Securities Incorporated may, at any time and without notice, waive any of the terms of these lock-up agreements. These shares will become available for resale in the public market without registration under the Securities Act as shown in the chart below. An additional 3,810,384 shares may be issued under currently exercisable stock options, all of which could be sold, although some would also be subject to Rule 144 "affiliate" restrictions. As restrictions on resale end, the market price could drop significantly if the holders of these restricted shares sell them or are perceived by the market as intending to sell them.

NUMBER OF SHARES -----	DATE OF AVAILABILITY FOR RESALE INTO PUBLIC MARKET -----
9,350,666	90 days after the date of this prospectus due to lock-up agreements that our executive officers and directors and JKHY Partners and Eddina F. Mackey have with Prudential Securities Incorporated.
417,412	Between 90 and 365 days after the date of this prospectus due to requirements of the federal securities laws.

PROVISIONS OF OUR CERTIFICATE OF INCORPORATION AND BYLAWS AND DELAWARE LAW AND OUR CURRENT CONTROLLING STOCKHOLDERS AND SENIOR MANAGEMENT COULD DETER TAKEOVER ATTEMPTS OR PREVENT OTHER ACTIONS THAT CERTAIN STOCKHOLDERS MAY THINK ARE IN THEIR BEST INTERESTS.

After the completion of this offering, members of senior management, the board of directors and members of the Henry family will continue to beneficially own 24.2% of our outstanding common stock (22.5% if the underwriters exercise their over-allotment options in full). As a result, these stockholders will be able to significantly influence matters requiring stockholder approval, including a change in control.

Some provisions in our certificate of incorporation and bylaws could also delay, defer, prevent or make more difficult a merger, tender offer, or proxy contest. Among other things, these provisions:

- allow only the Chairman of the Board, the President, the board of directors, or two-thirds of the stockholders to call special stockholder meetings;
- require a two-thirds vote of the stockholders to amend some provisions of our certificate of incorporation;
- require two-thirds vote of the stockholders to approve an acquisition of our company;
- require a two-thirds vote of the stockholders to amend some provisions of our bylaws;
- prevent stockholder action by written consent in lieu of meeting;
- authorize our board of directors to issue up to 500,000 shares of preferred stock in series with the terms of each series to be fixed by our board of directors; and
- specify advance notice requirements for stockholder proposals and director nominations to be considered at a meeting of stockholders.

In addition, with some exceptions, Section 203 of the Delaware General Corporation Law restricts mergers and other business combinations between us and any holder of 15% or more of our voting stock.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. We have based these forward-looking statements largely on our current expectations and projections about future events and trends affecting the financial condition of our business. These forward-looking statements are subject to a number of risks, uncertainties and assumptions about Jack Henry & Associates, including among other things:

- general economic and business conditions, both nationally and in our markets;
- our expectations and estimates concerning future financial performance, financing plans and the impact of competition;
- anticipated trends in our business;
- existing and future regulations affecting our business;
- opportunities to make acquisitions;
- use of the Internet to facilitate financial transactions; and
- other risk factors set forth under "Risk Factors" in this prospectus.

In addition, in this prospectus, the words "believe", "may", "will", "estimate", "continue", "anticipate", "intend", "expect" and similar expressions, as they relate to Jack Henry & Associates, our business or our management, are intended to identify forward-looking statements.

Unless otherwise required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this prospectus. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

USE OF PROCEEDS

We estimate that the net proceeds to Jack Henry & Associates from our sale of the 2,000,000 shares of common stock in this offering will be approximately \$92.2 million, assuming a public offering price of \$48.875 per share after deducting underwriting discounts and commissions and estimated offering expenses payable by Jack Henry & Associates. We will not receive any proceeds from the sale of shares by the selling stockholders.

We intend to use these net proceeds for the repayment of debt, working capital, capital expenditures and other general corporate purposes. We plan to repay all debt outstanding under our \$75.0 million bank credit facility, which outstanding debt is expected to be approximately \$60.0 million at the time of completion of this offering. This debt had an effective interest rate of 7.63% at June 30, 2000, and the credit facility matures on June 15, 2001. We also may use a portion of the net proceeds to acquire, invest or joint venture in software businesses, software products and outsourcing operations that are complementary to our business. We currently have no commitments or agreements with respect to any acquisition, investment or joint venture.

Pending the uses described above, we will invest the net proceeds in short-term, interest-bearing, investment-grade securities or guaranteed obligations of the U.S. government.

PRICE RANGE OF COMMON STOCK

Our common stock is quoted on the Nasdaq National Market under the symbol "JKHY." The following table sets forth, for the periods indicated, the high and low sales price per share of our common stock as reported by the Nasdaq National Market. All prices have been adjusted to give effect to the 2 for 1 split of our common stock which occurred on March 2, 2000.

	HIGH -----	LOW -----
FISCAL 1999		
First Quarter.....	\$25.13	\$17.38
Second Quarter.....	27.50	15.19
Third Quarter.....	25.06	16.00
Fourth Quarter.....	20.38	13.22
FISCAL 2000		
First Quarter.....	\$22.69	\$15.50
Second Quarter.....	28.25	16.38
Third Quarter.....	40.00	24.13
Fourth Quarter.....	53.00	30.00
FISCAL 2000		
First Quarter (through July 12, 2000).....	\$51.13	\$45.83

On July 12, 2000, the last reported sale price of our common stock on the Nasdaq National Market was \$48.875 per share. As of June 30, 2000, there were approximately 1,031 owners of record of our common stock.

DIVIDEND POLICY

We established a practice of paying quarterly dividends at the end of fiscal 1990 and we have paid dividends with respect to every quarter since that time. Quarterly dividends per share paid on our common stock for the two most recent fiscal years ended June 30, 1999 and 2000, as adjusted to reflect the 2 for 1 stock split in March 2000, are as follows:

	DIVIDEND -----
FISCAL 1999	
First Quarter.....	\$.0325
Second Quarter.....	.0325
Third Quarter.....	.0400
Fourth Quarter.....	.0400
FISCAL 2000	
First Quarter.....	\$.0400
Second Quarter.....	.0400
Third Quarter.....	.0500
Fourth Quarter.....	.0500

The declaration and payment of any future dividends will continue to be at the discretion of our board of directors and will depend, among other factors, upon our earnings, capital requirements, contractual restrictions, and operating and financial condition. We do not currently foresee any changes in our dividend practices.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, short-term borrowings, including current portion of long-term debt, long-term debt, stockholders equity and capitalization at March 31, 2000:

- on a historical basis;
- on a pro forma basis to reflect our acquisition of Symitar Systems, Inc.; and
- on a pro forma basis as adjusted to give effect to our acquisition of Symitar Systems, Inc. and the application of the net proceeds received by us in this offering at an assumed public offering price of \$48.875 per share.

The historical information was derived from and is qualified by reference to our consolidated financial statements and accompanying notes included elsewhere in this prospectus. This information should be read in conjunction with these consolidated financial statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Use of Proceeds" and the unaudited pro forma combined financial information included elsewhere in this prospectus. The amounts in the table below, other than share and per share data, are in thousands.

	AS OF MARCH 31, 2000		
	ACTUAL	PRO FORMA	PRO FORMA, AS ADJUSTED
Cash and cash equivalents.....	\$ 13,025	\$ 22,331	\$ 54,569
Short-term borrowings including current portion of long-term debt.....	\$ 29,872	\$ 73,872	\$ 13,872
Long-term debt.....	\$ 182	\$ 182	\$ 182
Stockholders' Equity:			
Preferred stock; \$1 par value per share; 500,000 shares authorized; none issued.....	--	--	
Common stock, \$.01 par value per share; 50,000,000 shares authorized; 41,121,803 issued actual and pro forma; 43,121,803 shares issued pro forma, as adjusted.....	411	411	431
Additional paid-in capital.....	36,029	36,029	128,247
Retained earnings.....	100,982	100,982	100,982
Total stockholders' equity.....	137,422	137,422	229,660
Total capitalization.....	\$137,604	\$137,604	\$229,842

The number of shares of common stock set forth above does not include:

- 6,615,534 shares issuable upon exercise of options outstanding as of the date of this prospectus, of which 3,810,384 shares were exercisable under our stock option plans at a weighted average exercise price of \$20.17 per share; and
- 1,691,000 shares available as of the date of this prospectus for issuance under our stock plans pursuant to options that have not yet been granted.

SELECTED FINANCIAL DATA

The following tables set forth selected consolidated financial information of Jack Henry & Associates. The balance sheet data as of June 30, 1998 and 1999 and the income statement data for the three years ended June 30, 1997, 1998 and 1999 are derived from the audited consolidated financial statements of Jack Henry & Associates included elsewhere in this prospectus. The balance sheet data as of March 31, 2000 and the income statement data for the nine and three month periods ended March 31, 2000 have been derived from the unaudited consolidated financial statements of Jack Henry & Associates and its subsidiaries and have been prepared on a basis consistent with our audited consolidated financial statements and the related notes and include all adjustments (consisting of normal recurring adjustments), which we consider necessary for a fair presentation of the information. The acquisitions of Peerless Group, Inc., closed December 16, 1998, and Sys-Tech, Inc., closed June 1, 2000, were accounted for as poolings of interests. Therefore, the selected consolidated financial data for all periods have been adjusted to reflect the acquisitions as if they had occurred at the beginning of the earliest period reported. The following 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 accompanying notes included elsewhere in this prospectus. The amounts in the tables below, other than per share data, are in thousands.

	YEAR ENDED JUNE 30,					NINE MONTHS ENDED MARCH 31,		THREE MONTHS ENDED MARCH 31,	
	1995	1996	1997	1998	1999	1999	2000	1999	2000
INCOME STATEMENT DATA:									
Revenues									
Software licensing and installation.....	\$21,489	\$25,885	\$ 31,930	\$ 39,484	\$ 47,181	\$ 36,108	\$ 35,888	\$11,198	\$15,275
Maintenance/support and service.....	16,924	29,618	37,510	46,835	71,278	52,995	69,812	19,128	25,148
Hardware sales.....	28,738	37,821	56,816	61,916	75,068	59,452	50,231	16,187	17,998
Total revenues.....	67,151	93,324	126,256	148,235	193,527	148,555	155,931	46,513	58,421
Cost of Sales									
Cost of hardware.....	22,002	26,307	41,016	43,335	54,661	43,350	35,920	11,964	12,615
Cost of services.....	14,706	24,238	32,001	37,674	52,582	39,792	54,865	13,963	18,650
Total cost of sales.....	36,708	50,545	73,017	81,009	107,243	83,142	90,785	25,927	31,265
Gross profit.....	30,443	42,779	53,239	67,226	86,284	65,413	65,146	20,586	27,156
Operating Expenses									
Selling and marketing expense.....	7,250	9,229	12,750	15,124	14,030	11,384	12,514	3,283	4,326
Research and development expense.....	3,259	4,559	3,012	4,163	5,183	3,758	5,780	1,248	2,242
General and administrative expense.....	6,344	7,157	9,607	11,675	17,347	12,729	13,692	3,699	5,033
Total operating expenses.....	16,853	20,945	25,369	30,962	36,560	27,871	31,986	8,230	11,601
Operating income from continuing operations.....	13,590	21,834	27,870	36,264	49,724	37,542	33,160	12,356	15,555
Other Income (Expense)									
Interest income.....	746	541	738	1,319	1,619	1,430	738	435	223
Interest expense.....	(624)	(699)	(40)	(34)	(93)	(72)	(1,143)	(12)	(567)
Other, net.....	92	217	109	348	363	346	1,629	161	179
Total other income (expense).....	214	59	807	1,633	1,889	1,704	1,224	584	(165)
Income from continuing operations before taxes.....	13,804	21,893	28,677	37,897	51,613	39,246	34,384	12,940	15,390
Provision for income taxes.....	4,705	7,750	10,185	13,692	18,887	14,622	11,468	4,538	5,214
Income from continuing operations.....	9,099	14,143	18,492	24,205	32,726	24,624	22,916	8,402	10,176
Loss from discontinued operations.....	--	(2,620)	(450)	(668)	(758)	(758)	(332)	(531)	--
Net income.....	\$ 9,099	\$11,523	\$ 18,042	\$ 23,537	\$ 31,968	\$ 23,866	\$ 22,584	\$ 7,871	\$10,176

	YEAR ENDED JUNE 30,					NINE MONTHS ENDED MARCH 31,		THREE MONTHS ENDED MARCH 31,	
	1995	1996	1997	1998	1999	1999	2000	1999	2000
Diluted Earnings Per Share:									
Income from continuing operations.....	\$ 0.24	\$ 0.36	\$ 0.46	\$ 0.58	\$ 0.77	\$ 0.58	\$ 0.54	\$ 0.20	\$ 0.24
Loss from discontinued operations.....	--	(0.07)	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	--
Net income.....	\$ 0.24	\$ 0.29	\$ 0.45	\$ 0.57	\$ 0.75	\$ 0.56	\$ 0.53	\$ 0.18	\$ 0.24
Diluted weighted average shares outstanding.....									
	37,766	39,080	40,214	41,593	42,641	42,663	42,343	42,795	42,850
Basic Earnings Per Share:									
Income from continuing operations.....	\$ 0.25	\$ 0.39	\$ 0.49	\$ 0.61	\$ 0.81	\$ 0.61	\$ 0.56	\$ 0.21	\$ 0.25
Loss from discontinued operations.....	--	(0.07)	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	--
Net income.....	\$ 0.25	\$ 0.32	\$ 0.47	\$ 0.59	\$ 0.79	\$ 0.59	\$ 0.55	\$ 0.19	\$ 0.25
Basic weighted average shares outstanding.....									
	36,254	36,390	38,025	39,770	40,337	40,250	40,771	40,428	40,950

	AS OF JUNE 30,					AS OF
	1995	1996	1997	1998	1999	MARCH 31, 2000
BALANCE SHEET DATA:						
Cash and cash equivalents.....	\$ 3,785	\$ 6,413	\$ 11,260	\$ 24,733	\$ 3,376	\$ 13,025
Working capital.....	(5,912)	2,876	16,727	35,758	23,111	(11,466)
Total assets.....	63,002	67,488	100,484	133,830	177,260	225,864
Total debt.....	2,927	3,504	525	654	626	30,054
Stockholders' equity.....	22,515	32,230	60,549	83,591	115,798	137,422

Notes:

- (1) Losses from discontinued operations in connection with our former BankVision subsidiary.
- (2) Share and per share data have been adjusted to reflect the stock splits paid in prior years and the March 2, 2000 2 for 1 stock split, each effected as a stock dividend.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information for Jack Henry & Associates consists of the Unaudited Pro Forma Condensed Combined Statement of Income for the year ended June 30, 1999 and the nine month period ended March 31, 2000 and the Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2000. On September 8, 1999, we purchased certain assets comprising BancTec Financial Systems, a unit of BancTec, Inc. for \$50.0 million in cash, the assumption of approximately \$5.5 million of certain liabilities and transaction costs of approximately \$661,000. This business was renamed Open Systems Group. On June 7, 2000, we completed the acquisition of all of the outstanding common stock of Symitar Systems, Inc. for approximately \$44.0 million in cash. The Unaudited Pro Forma Condensed Combined Statement of Income for the year ended June 30, 1999 and the nine month period ended March 31, 2000 gives effect to the Open Systems Group and Symitar transactions as if they had taken place on July 1, 1998. The Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2000 gives effect to the Symitar transaction as if it had taken place on March 31, 2000.

The Unaudited Pro Forma Condensed Combined Statement of Income combines our consolidated historical results of operations for the year ended June 30, 1999 and the nine months ended March 31, 2000 with Open Systems Group's and Symitar's historical results. These pro forma results include Symitar's results for the entire period in each case and include Open Systems Group's results for each period from the beginning of the period to the date of its purchase by Jack Henry & Associates.

The unaudited pro forma condensed combined financial information should be read in conjunction with the Unaudited Pro Forma Combined Financial Information and the related notes and the consolidated financial statements and notes of Jack Henry, the financial statements and notes of Open Systems Group and the financial statements and notes of Symitar, included elsewhere in this prospectus. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the combined operating results or financial position that would have occurred if the acquisitions described above had been in effect during the periods presented, nor is it necessarily indicative of future operating results or financial position. The amounts in the Unaudited Pro Forma Condensed Combined Financial Information, other than per share data, are in thousands.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

	YEAR ENDED JUNE 30, 1999	NINE MONTHS ENDED MARCH 31, 2000
	-----	-----
INCOME STATEMENT DATA:		
Revenues		
Software licensing and installation.....	\$ 71,622	\$ 43,038
Maintenance/support and service.....	97,720	78,594
Hardware sales.....	105,340	57,265
	-----	-----
Total revenues.....	274,682	178,897
	-----	-----
Cost of sales		
Cost of hardware.....	75,756	39,963
Cost of services.....	88,935	69,792
	-----	-----
Total cost of sales.....	164,691	109,755
	-----	-----
Gross profit.....	109,991	69,142
	-----	-----
Operating expenses		
Selling and marketing expense.....	22,352	15,026
Research and development expense.....	8,846	6,994
General and administrative expense.....	22,289	14,598
	-----	-----
Total operating expenses.....	53,487	36,618
	-----	-----
Operating income from continuing operations.....	56,504	32,524
	-----	-----
Other income (expense)		
Interest income.....	1,943	1,022
Interest expense.....	(6,440)	(4,234)
Other, net.....	354	1,624
	-----	-----
Total other income (expense).....	(4,143)	(1,588)
	-----	-----
Income from continuing operations before taxes.....	52,361	30,936
Provision for income taxes.....	19,156	10,227
	-----	-----
Income from continuing operations.....	33,205	20,709
	=====	=====
Diluted earnings per share from continuing operations.....	\$ 0.78	\$ 0.49
	=====	=====
Basic earnings per share from continuing operations.....	\$ 0.82	\$ 0.51
	=====	=====

PRO FORMA AS OF
MARCH 31, 2000

BALANCE SHEET DATA:	
Cash and cash equivalents.....	\$ 22,331
Total assets.....	282,709
Total debt.....	74,054
Stockholders' equity.....	137,422

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

The following discussion and analysis should be read in conjunction with the "Selected Financial Data" and the consolidated financial statements and related notes included elsewhere in this prospectus. This section of this prospectus contains forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. We use words such as "anticipate," "believe," "expect," "future" and "intend" and similar expressions to identify forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the factors described below and in "Risk Factors." You should not place undue reliance on these forward-looking statements, which apply only as of the date of this prospectus.

OVERVIEW

We provide integrated computer systems for in-house and outsourced data processing to community banks, credit unions and other financial institutions. We have developed and acquired banking application software systems that we market, together with compatible computer hardware, to financial institutions throughout the United States. We also perform data conversion and software installation for the implementation of our systems and provide continuing customer maintenance and support services after the systems are installed. For our customers who prefer not to make an up-front investment in software and hardware, we provide our full range of products and services on an outsourced basis through our nine data centers and 14 item processing centers located across the United States.

We derive revenues from three primary sources:

- sales of software licenses and installation services;
- maintenance, support and outsourcing service fees; and
- hardware sales.

Over the last five fiscal years, our revenues have grown from \$67.2 million in fiscal 1995 to \$193.5 million in fiscal 1999. Income from continuing operations has grown from \$9.1 million in fiscal 1995 to \$32.7 million in fiscal 1999. This growth has resulted primarily from internal expansion supplemented by strategic acquisitions, allowing us to develop new products and expand the number of customers who use our core software systems to approximately 2,400 as of June 30, 2000.

Financial institutions were required by federal regulation to become Year 2000 compliant by early calendar 1999 and were required to complete all new systems implementation by June 30, 1999. As a result, we experienced exceptionally strong revenue and earnings in the nine months ended March 31, 1999 as many financial institutions accelerated their information technology procurement ahead of the cutoff date established by federal regulators. In the period from July 1, 1999 to December 31, 1999, the first half of our 2000 fiscal year, we experienced a decline in revenue from most of our products. In anticipation of this reduced demand for hardware and our core software applications, at the beginning of fiscal 1999 we adjusted our emphasis to sales of our complementary software products and services and our outsourcing services. During the third quarter of fiscal 2000, we experienced a return to normal pre-Year 2000 sales and activity levels as the regulatory moratorium ended.

Since July 1994, we have completed 15 strategic acquisitions. Ten of these acquisitions were accounted for using the purchase method of accounting and our consolidated financial statements include the results of operations of the acquired companies from the dates of their respective acquisitions. The remaining five acquisitions were accounted for as poolings-of-interests. The comparisons set forth below reflect the fact that the consolidated financial statements for fiscal years 1997, 1998 and 1999 and nine and three month periods ended March 31, 1999 and 2000 have been restated to include all acquisitions accounted for as poolings-of-interests as if each had occurred at the beginning of the earliest period reported.

Software sales and installation revenue includes the licensing of application software systems and the conversion and installation services required for the customer's installation of the systems. We license our proprietary software products under standard license agreements which typically provide the customer with a non-exclusive, non-transferable right to use the software for a term of up to 25 years on a single computer and for a single financial institution location upon payment of the license fee. Generally, 25% of license fees are payable upon execution of the license agreement, 65% upon delivery of the software and the balance at the installation of the last application module. We recognize 100% of software license revenue upon delivery of the software and documentation. We recognize installation services each month as services are performed under hourly contracts and at the completion of the installations under fixed fee contracts.

Maintenance and support fees are generated from ongoing services to assist the customer in operating the systems and to modify and update the software and from providing outsourced data processing services. Revenues from software maintenance are generated pursuant to annual agreements and are recognized ratably over the life of the agreements. Outsourcing services are performed through data centers. Revenues from outsourced data processing are derived from monthly usage fees typically under five-year service contracts with our customers. We recognize the revenues under these outsourcing contracts as services are performed.

Cost of services represents direct costs associated with conversion and installation efforts, ongoing maintenance and support for our in-house customers and operation of our centers providing services for our outsourced customers. These costs are recognized as they are incurred.

We have entered into remarketing agreements with several hardware manufacturers under which we sell computer hardware and related services to our customers along with our banking software systems. Revenues from hardware sales are recognized when the manufacturers ship the hardware. Cost of hardware consists of the direct costs of purchasing the equipment from the manufacturers. These costs are recognized at the same time as the related revenue.

Selling and marketing expenses are all the expenses required to market and sell our products and services. The most significant costs are compensation and benefits and travel costs for our sales force.

Research and development expenses consist of the costs incurred to develop computer software. These costs generally are expensed as incurred with a major portion of same being compensation and benefits for our development staff. Certain of these new product development costs are capitalized from the point at which technological feasibility has been established through the point at which customer installation begins.

General and administrative costs are comprised of all operating costs not included above. Some of the more significant items are costs of our internal administration costs of being a public company and depreciation and maintenance of our corporate headquarters.

RESULTS OF OPERATIONS

The following table sets forth certain items from our consolidated income statements as a percentage of revenues from continuing operations.

	FISCAL YEARS ENDED JUNE 30,			NINE MONTHS ENDED MARCH 31,		THREE MONTHS ENDED MARCH 31,	
	1997	1998	1999	1999	2000	1999	2000
Revenues							
Software licensing and installation....	25.3%	26.6%	24.4%	24.3%	23.0%	24.1%	26.1%
Maintenance/support and service.....	29.7	31.6	36.8	35.7	44.8	41.1	43.0
Hardware sales.....	45.0	41.8	38.8	40.0	32.2	34.8	30.8
Total revenues.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cost of Sales							
Cost of hardware.....	32.5	29.2	28.2	29.2	23.0	25.7	21.6
Cost of services.....	25.3	25.4	27.2	26.8	35.2	30.0	31.9
Total cost of sales.....	57.8	54.6	55.4	56.0	58.2	55.7	53.5
Gross profit.....	42.2	45.4	44.6	44.0	41.8	44.3	46.5
Operating Expenses							
Selling and marketing expense.....	10.1	10.2	7.2	7.7	8.0	7.1	7.4
Research and development expense.....	2.4	2.8	2.7	2.5	3.7	2.7	3.8
General and administrative expense.....	7.6	7.9	9.0	8.6	8.8	8.0	8.6
Total operating expenses.....	20.1	20.9	18.9	18.8	20.5	17.7	19.9
Operating income.....	22.1	24.5	25.7	25.3	21.3	26.6	26.6
Other Income (Expense)							
Interest income.....	0.6	0.9	0.8	1.0	0.5	0.9	0.4
Interest expense.....	(0.0)	(0.0)	(0.0)	(0.0)	(0.7)	(0.0)	(1.0)
Other, net.....	0.1	0.2	0.2	0.2	1.0	0.3	0.3
Total other income (expense).....	0.6	1.1	1.0	1.1	0.8	1.3	(0.3)
Income from continuing operations before taxes.....	22.7	25.6	26.7	26.4	22.1	27.8	26.3
Provision for income taxes.....	8.1	9.2	9.8	9.8	7.4	9.8	8.9
Income from continuing operations.....	14.6%	16.3%	16.9%	16.6%	14.7%	18.1%	17.4%

THREE MONTHS ENDED MARCH 31, 2000 COMPARED TO THREE MONTHS ENDED MARCH 31, 1999

REVENUE. Revenues increased by 25.6% from \$46.5 million in the three months ended March 31, 1999 to \$58.4 million in the three months ended March 31, 2000. Software licensing and installation increased 36.4%, maintenance/support and service revenues increased 31.5% and hardware sales increased 11.2% compared to the three months ended March 31, 1999. These increases were primarily due to a significant increase in post-Y2K demand for our products and services and contribution of \$7.1 million from our Open Systems Group, which we refer to as OSG, that we acquired in September 1999.

COSTS OF SALES. Cost of sales increased by 20.6% from \$25.9 million in the three months ended March 31, 1999 to \$31.3 million in the three months ended March 31, 2000, compared to a 25.6% increase in revenues. Cost of hardware increased 5.4% compared to the 11.2% increase in hardware revenues. Cost of services increased 33.6% compared to the 33.3% increase in non-hardware revenues, with the most significant increase in costs resulting from the addition of OSG.

GROSS PROFIT. Gross profit increased by 31.9% from \$20.6 million in the three months ended March 31, 1999 to \$27.2 million in the three months ended March 31, 2000. The gross margin percentage for the

three months ended March 31, 2000 was 46.5% of sales, up from 44.3% for the three months ended March 31, 1999, primarily because of an increase in revenues from our more profitable products and services.

OPERATING EXPENSES. Operating expenses increased 41.0% from \$8.2 million in the three months ended March 31, 1999 to \$11.6 million in the three months ended March 31, 2000. Selling and marketing expense increased 31.8%, research and development expense increased 79.6% and general and administrative expense increased 36.1% in the three months ended March 31, 2000 compared with the third quarter of 1999. These increases parallel the overall growth in our business. The most significant increase was in research and development, a large portion of which was a result of the continued development of our Internet-related products. All components of operating expenses were also significantly increased as a result of the addition of OSG.

OTHER INCOME (EXPENSE). Other income decreased \$749,000 from a gain of \$584,000 in the three months ended March 31, 1999 to a loss of \$165,000 in the three months ended March 31, 2000. This change was due primarily to an increase in interest expense from \$12,000 in the three months ended March 31, 1999 to \$567,000 in the three months ended March 31, 2000 due to short-term borrowings incurred to effect our acquisition of OSG.

PROVISION FOR INCOME TAXES. The provision for income taxes was \$5.2 million, or 33.9% of income from continuing operations before income taxes, in the three months ended March 31, 2000, compared with \$4.5 million, or 35.1% of income from continuing operations before income taxes, in the three months ended March 31, 1999. This decrease in the effective tax rate reflects benefits derived from our tax planning efforts to reduce state income taxes.

INCOME FROM CONTINUING OPERATIONS. Income from continuing operations increased 21.1% from \$8.4 million, or \$.20 per diluted share, in the three months ended March 31, 1999 to \$10.2 million, or \$.24 per diluted share, in the three months ended March 31, 2000.

DISCONTINUED OPERATIONS. We completed accounting for discontinued operations in connection with the sale of our BankVision subsidiary prior to the beginning of the three month period ended March 31, 2000. Therefore, we incurred no loss from discontinued operations for that period, compared with a \$531,000 loss in the three months ended March 31, 1999.

NINE MONTHS ENDED MARCH 31, 2000 COMPARED TO NINE MONTHS ENDED MARCH 31, 1999

REVENUE. Revenues increased by 5.0% from \$148.6 million in the nine months ended March 31, 1999 to \$155.9 million in the nine months ended March 31, 2000. This increase was due to revenues generated by OSG, which we acquired in September 1999. OSG contributed \$16.0 million to our total revenue during the nine months ended March 31, 2000. During the same period, compared with the nine months ended March 31, 1999, software licensing and installation revenues were virtually flat, maintenance/support and service revenues increased 31.7% and hardware sales were down 15.5% from the comparable period in 1999. Without the contribution of OSG, our revenue would have declined 5.8% during the nine months ended March 31, 2000 as a result of the Y2K regulatory moratorium.

COST OF SALES. Cost of sales increased by 9.2% from \$83.1 million in the nine months ended March 31, 1999 to \$90.8 million in the nine months ended March 31, 2000, compared to a 5.0% increase in revenues in the nine months ended March 31, 2000 over the comparable period in 1999. Cost of hardware decreased 17.1%, compared with the 15.5% decrease in hardware revenue. Cost of services increased 37.9% compared to the 18.6% increase in non-hardware revenues, primarily due to OSG.

GROSS PROFIT. Gross profit was virtually flat, decreasing from \$65.4 million in the nine months ended March 31, 1999 to \$65.1 million in the nine months ended March 31, 2000. The gross margin percentage for the nine months ended March 31, 2000 was 41.8% of sales, down from 44.0% during the nine months ended March 31, 1999, primarily because of changes in sales mix and reduced revenues due to the impact of Y2K.

OPERATING EXPENSES. Operating expenses increased 14.8% from \$27.9 million in the nine months ended March 31, 1999 to \$32.0 million in the nine months ended March 31, 2000. Selling and marketing expenses increased 9.9%, research and development increased 53.8% and general and administrative expenses increased 7.6% during the nine months ended March 31, 2000. These expenses grew more rapidly than revenue because, despite the impact of Y2K discussed above, referred to above, we continued operations and staffing at levels necessary to meet anticipated demand in the second half of fiscal 2000.

OTHER INCOME (EXPENSE). Other income decreased 28.2% from \$1.7 million in the nine months ended March 31, 1999 to \$1.2 million in the nine months ended March 31, 2000. The \$1.1 million gain on sale in September 1999 of a stock investment acquired in the Peerless acquisition in large part offset the increase in interest expense of \$1.1 million in the nine months ended March 31, 2000 and the decrease in interest income of \$692,000 from cash investments in the nine months ended March 31, 2000 compared to the comparable period in 1999.

PROVISION FOR INCOME TAXES. The provision for income taxes was \$11.5 million, or 33.4% of income from continuing operations before income taxes, in the nine months ended March 31, 2000, compared with \$14.6 million, or 37.3% of income from continuing operations before income taxes, in the nine months ended March 31, 1999. This decrease in the effective tax rate reflects benefits derived from our tax planning efforts to reduce state income taxes.

INCOME FROM CONTINUING OPERATIONS. Income from continuing operations decreased by 6.9% from \$24.6 million, or \$.58 per diluted share, for the nine months ended March 31, 1999 to \$22.9 million, or \$.54 per diluted share, in the nine months ended March 31, 2000.

DISCONTINUED OPERATIONS. We incurred a \$332,000 loss from discontinued operations for the nine months ended March 31, 2000, all of which was realized in the three months ended September 30, 1999. This was \$426,000 less than the loss from discontinued operations for the comparable period in the prior fiscal year.

FISCAL 1999 COMPARED TO FISCAL 1998

REVENUES. Revenues increased by 30.6% from \$148.2 million in fiscal 1998 to \$193.5 million in fiscal 1999. Above average demand for our core software products and related hardware resulting from the preparation for Y2K was a major factor driving revenue growth in fiscal 1999. Each line item of revenues grew in fiscal 1999 compared with the previous fiscal year, with the largest increase in maintenance/support and service. Sales of complementary products and services, which are primarily provided to customers utilizing our core software products, provided a significant amount of revenue during 1999. Acquisitions, electronic transaction fees, outsourcing fees, Internet banking, form sales and customer support fees also contributed to the significant growth in total revenues during that year.

COST OF SALES. Cost of sales increased by 32.4% from \$81.0 million in fiscal 1998 to \$107.2 million in fiscal 1999, compared to a 30.6% increase in revenues in fiscal 1999 compared to the previous year. Cost of hardware increased 26.1% compared to the 21.2% increase in hardware revenue due to product mix of hardware sold. Cost of services increased 39.6% compared to a 37.2% increase its related components of revenue in fiscal 1999.

GROSS PROFIT. Gross profit increased 28.3% from \$67.2 million in fiscal 1998 to \$86.3 million in fiscal 1999. The gross margin percentage for fiscal 1999 was 44.6%, a small decrease from the gross margin in fiscal 1998.

OPERATING EXPENSES. Operating expenses increased 18.1% from \$31.0 million in fiscal 1998 to \$36.6 million in fiscal 1999, compared to a 28.3% increase in gross profit in fiscal 1999 compared with fiscal 1998. The increase in operating expenses reflects efficiencies realized as part of our overall growth. Selling and marketing expense decreased 7.2% from \$15.1 million in fiscal 1998 to \$14.0 million in fiscal 1999. This decrease reflects the change in product mix, with a higher percentage of revenues being generated by non-commission sources, such as customer support fees. Research and development expense increased 24.5% from \$4.2 million in fiscal 1998 to \$5.2 million in fiscal 1999, directly related to continued development and refinement of new and existing products, particularly Internet products. General and

administrative expense increased 48.6% from \$11.7 million in fiscal 1998 to \$17.3 million in fiscal 1999, principally due to increased requirements caused by our overall growth. Excluding the one-time acquisition costs for the Peerless transaction of \$2.2 million, general and administrative expense increased 29.7% in fiscal 1999 compared with fiscal 1998, while gross profits increased 28.3%.

OTHER INCOME (EXPENSE). Other income increased 15.7% from \$1.6 million in fiscal 1998 to \$1.9 million in fiscal 1999, primarily due to the increased amount of cash and interest-bearing investments in fiscal 1999 compared to fiscal 1998.

PROVISION FOR INCOME TAXES. The provision for income taxes increased 37.9% from \$13.7 million in fiscal 1998 to \$18.9 million in fiscal 1999. The overall tax rate of 36.6% in fiscal 1999 was relatively unchanged from that in 1998.

INCOME FROM CONTINUING OPERATIONS. Income from continuing operations increased 35.2% from \$24.2 million, or \$.58 per diluted share, in fiscal 1998 to \$32.7 million, or \$.77 per diluted share, in fiscal 1999.

DISCONTINUED OPERATIONS. We incurred a \$758,000 loss from discontinued operations in fiscal 1999, compared to a \$668,000 loss from discontinued operations in fiscal 1998. We continued to honor prior commitments to existing customers while anticipating final resolution regarding our discontinued operation which was realized in the first quarter of fiscal 2000.

FISCAL 1998 COMPARED TO FISCAL 1997

REVENUES. Revenues increased 17.4% from \$126.3 million in fiscal 1997 to \$148.2 million in fiscal 1998, particularly due to increased demand for our core software products. Acquisitions, electronic transaction fees, outsourcing fees, forms sales and customer support fees also contributed to our growth in revenues.

COST OF SALES. Cost of sales increased 10.9% from \$73.0 million in fiscal 1997 to \$81.0 million in fiscal 1998, compared to an increase of 17.4% in revenues. Cost of hardware increased 5.7% and cost of services increased 17.7% in fiscal 1998 compared to fiscal 1997, as a result of the increased demand for our products and services.

GROSS PROFIT. Gross profit increased 26.3% from \$53.2 million in fiscal 1997 to \$67.2 million in fiscal 1998. The gross margin percentage increased from 42.2% in fiscal 1997 to 45.4% in fiscal 1998, primarily due to shifts in the product mix to our more profitable software products and related services from hardware sales, which are lower margin products.

OPERATING EXPENSES. Total operating expenses increased 22.0% from \$25.4 million in fiscal 1997 to \$31.0 million in fiscal 1998, compared to an increase of 26.3% in gross profit in the same period. Selling and marketing expense increased 18.6%, research and development expense increased 38.2%, and general and administrative expenses increased 21.5% during the same period. These increases resulted from the continued growth in our business.

OTHER INCOME (EXPENSE). Other income doubled from \$807,000 in fiscal 1997 to approximately \$1.6 million in fiscal 1998, primarily due to the increased amount of cash and interest-bearing investments in fiscal 1998 compared with the prior year.

PROVISION FOR INCOME TAXES. The provision for income taxes increased 34.4% from \$10.2 million in fiscal 1997 to \$13.7 million in fiscal 1998. The overall tax rate remained relatively unchanged from fiscal 1997 to fiscal 1998.

INCOME FROM CONTINUING OPERATIONS. Income from continuing operations increased 30.9% from \$18.5 million, or \$.46 per diluted share, in fiscal 1997, to \$24.2 million, or \$.58 per diluted share, in fiscal 1998.

DISCONTINUED OPERATIONS. We incurred a \$668,000 loss from discontinued operations in fiscal 1998, compared to a \$450,000 loss from discontinued operations in fiscal 1997. Although a planned sale did not

close within the expected time frame, we continued to honor commitments to customers by providing support and maintenance.

SUPPLEMENTAL QUARTERLY INFORMATION

The following table sets forth quarterly unaudited financial data for the quarters of fiscal 1998, fiscal 1999 and the first three quarters of fiscal 2000. In our opinion, such unaudited financial information includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods. The operating results for any quarter are not necessarily indicative of results for any future periods. The amounts in the tables below, except per share data, are in thousands.

QUARTERLY FINANCIAL INFORMATION

	FISCAL 2000 QUARTERS			
	FIRST	SECOND	THIRD	
Total revenues.....	\$43,427	\$54,083	\$58,421	
Cost of sales.....	23,421	36,099	31,265	
Income from continuing operations before income taxes.....	12,734	6,260	15,390	
Income from continuing operations.....	8,539	4,201	10,176	
Loss from discontinued operations.....	(332)	--	--	
Net income.....	\$ 8,207	\$ 4,201	\$10,176	
Diluted earnings per share:				
Income from continuing operations.....	\$.20	\$.10	\$.24	
Net income.....	\$.20	\$.10	\$.24	

	FISCAL 1999 QUARTERS			
	FIRST	SECOND	THIRD	FOURTH
Total revenues.....	\$52,094	\$49,948	\$46,513	\$44,972
Cost of sales.....	29,297	27,918	25,927	24,101
Income from continuing operations before income taxes.....	14,599	11,707	12,940	12,367
Income from continuing operations.....	9,025	7,197	8,402	8,102
Income (loss) from discontinued operations.....	24	(251)	(531)	--
Net income.....	\$ 9,049	\$ 6,946	\$ 7,871	\$ 8,102
Diluted earnings per share:				
Income from continuing operations.....	\$.21	\$.17	\$.20	\$.19
Net income.....	\$.21	\$.16	\$.18	\$.19

	FISCAL 1998 QUARTERS			
	FIRST	SECOND	THIRD	FOURTH
Total revenues.....	\$27,120	\$36,691	\$36,738	\$47,686
Cost of sales.....	13,972	20,829	19,555	26,653
Income from continuing operations before income taxes.....	7,211	8,690	9,467	12,529
Income from continuing operations.....	4,870	5,511	5,929	7,895
Income (loss) from discontinued operations.....	(261)	54	(191)	(270)
Net income.....	\$ 4,609	\$ 5,565	\$ 5,738	\$ 7,625
Diluted earnings per share:				
Income from continuing operations.....	\$.12	\$.13	\$.14	\$.19
Net income.....	\$.11	\$.13	\$.14	\$.18

LIQUIDITY AND CAPITAL RESOURCES

We have historically generated positive cash flow from operations and have generally used existing resources and funds generated from operations to meet our capital requirements. We made capital expenditures totaling \$18.7 million in the nine months ended March 31, 2000, to expand and purchase additional equipment. These were funded from cash generated by operations and additional short-term borrowing. Acquisition costs totaling \$50.7 million for the nine months ended March 31, 2000, connected with the purchase of our Open Systems Group from BancTec, Inc., were funded with \$25.7 million in cash from operations and \$25.0 million of short-term borrowings. In addition, we also purchased Symitar Systems, Inc. on June 7, 2000 for \$44.0 million in cash, which was funded by an increase in short-term borrowing. We expect our consolidated capital expenditures excluding acquisition costs to be approximately \$30.0 to \$40.0 million in fiscal 2000.

Our cash and cash equivalents increased to \$13.0 million at March 31, 2000, from \$3.4 million at June 30, 1999. This reflects the seasonal influx of cash due to the receipt of the Peerless and Open Systems Group annual maintenance fees billed December 31, 1999. The influx of all other annual maintenance fees billed June 30, 1999 were offset by the \$25.0 million cash from operations used in the acquisition of our Open Systems Group.

Net cash from continuing operations was \$41.6 million for the nine months ended March 31, 2000, \$37.8 million for the year ended June 30, 1999 and \$26.3 million for the year ended June 30, 1998. The cash used in investing activities during the period ending March 31, 2000 was primarily attributable to acquisition costs of \$51.2 million. The cash used in the year ended June 30, 1999 was primarily attributable to capital expenditures of \$38.9 million. The cash used in the year ended June 30, 1998 was primarily attributable to capital expenditures of \$9.9 million.

Cash provided by financing activities was \$28.2 million for the nine months ended March 31, 2000. Cash used for investing activities was \$56.6 million for the year ended June 30, 1999 and \$9.0 million for the year ended June 30, 1998.

We currently have two bank credit lines upon which we can draw an aggregate amount at any one time outstanding of \$83.0 million. Our major credit line provides for funding of up to \$75.0 million and bears interest at variable LIBOR-based rates (7.63% at June 30, 2000). On the date of this prospectus, we had outstanding a total of \$65.5 million under this credit line and have \$9.5 million available. We intend to repay in full the amount outstanding out of our net proceeds from this offering. On September 7, 2000, the aggregate amount available under this credit line will be reduced to \$50.0 million. Our second credit line provides for funding of up to \$8.0 million and bears interest at the prime rate. On the date of this prospectus, this entire amount remains available.

We paid a \$.05 per share cash dividend on May 19, 2000 to stockholders of record May 4, 2000 which was funded from operations.

We currently anticipate that our net proceeds from this offering and cash from continuing operations, together with our available cash resources, will be sufficient to meet our presently anticipated working capital, cash expenditure and business expansion requirements. If additional funds are required, we may seek additional equity or debt financing. We cannot assure you that such financing will be available on acceptable terms, if at all, or that such financing will not be dilutive to our stockholders.

RECENT ACCOUNTING PRONOUNCEMENTS

In October, 1997, the Accounting Standards Executive Committee of the American Institute of Public Accountants ("AcSEC") issued Statement of Position ("SOP") 97-2, "Software Revenue Recognition". The Company adopted SOP 97-2 effective July 1, 1998. SOP 97-2 generally requires revenue earned on software arrangements involving multiple elements to be allocated to each element based on the relative fair values of the elements. In March 1998, AcSEC issued SOP 98-4, "Deferral of the Effective Date of a Provision of SOP 97-2, Software Recognition", which deferred portions of SOP 97-2 for one year. Revenues in fiscal 1999 from the sales of software are recognized in accordance

with the enacted portions of SOP 97-2 and the Company's management anticipates that the adoption of SOP 98-4 in fiscal 2000 will not have a material impact on the Company's result of operations.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities. SFAS No. 133, as amended by SFAS No. 137, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. This new standard is not anticipated to have a material impact on the Company's financial position and results of operations.

The Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," on December 3, 1999. SAB No. 101, as amended, provides the SEC Staff's views on selected revenue recognition issues and is effective no later than the fourth fiscal quarter for years beginning after December 15, 1999, which for the Company is the beginning of its fourth quarter of fiscal 2001. The Company has not completed the process of evaluating the impact that will result from adopting SAB No. 101 and therefore, is unable to determine the impact that the adoption will have on its financial position and results of operations.

MARKET RISK

Market risk refers to the risk that a change in the level of one or more market prices, interest rates, indices, volatilities, correlations or other market factors such as liquidity, will result in losses for a certain financial instrument or group of financial instruments. We are currently exposed to credit risk on credit extended to customers, interest risk on investments in U.S. government securities and long-term debt. We actively monitor these risks through a variety of controlled procedures involving senior management. We do not currently use any derivative financial instruments. Based on the controls in place, credit worthiness of the customer base and the relative size of these financial instruments, we believe the risk associated with these instruments will not have a material adverse affect on our consolidated financial position or results of operations.

BUSINESS

OVERVIEW

Jack Henry & Associates, Inc. is a leading provider of integrated computer systems to banks with under \$10.0 billion of total assets, which we refer to as community banks, as well as credit unions and other financial institutions in the United States. We offer a complete, integrated suite of data processing system solutions to improve our customers' management of their entire back-office and customer interaction processes. We believe our solutions enable our customers to provide better service to their customers and compete more effectively against larger banks and alternative financial institutions. Our customers either install and use our systems in-house or outsource these operations to us on a turn-key basis. We perform data conversion, hardware and software installation and software customization for the implementation of our systems and applications. We also provide continuing customer maintenance and support services to ensure proper product performance and reliability, which provides us with continuing client relationships and recurring revenue. For our customers who prefer not to acquire hardware and software, we provide turn-key outsourcing services through nine data centers and 14 item processing centers located across the United States.

Our gross revenue has grown from \$67.2 million in fiscal 1995 to \$193.5 million in fiscal 1999, representing a compound annual growth rate over this five-year period of 30.3%. Net income from continuing operations has grown from \$9.1 million in fiscal 1995 to \$32.7 million in fiscal 1999, a compound annual growth rate of 37.7%.

INDUSTRY BACKGROUND

According to the Automation in Banking 1999 report, all financial institutions, including both the largest banks in the United States and our target market of community banks and credit unions, increased spending on hardware, software, services and telecommunications to \$32.0 billion in 1998 from \$19.9 billion in 1994, representing a compound annual growth rate of 12.6%. An industry survey shows that 93% of community financial institutions believe upgrading technology is the most important issue to their continued success. We believe that the market opportunity for providers of hardware and software systems, maintenance, support and related outsourcing services targeted toward community banks and credit unions will continue to grow as a result of the competitive pressure on financial institutions.

There are approximately 8,600 commercial banks and 11,000 credit unions in the United States. Our primary market has historically been commercial banks with less than \$10.0 billion in assets, of which there were approximately 8,500 at December 31, 1999. As of December 31, 1999, community banks had aggregate assets of approximately \$1.9 trillion. Consolidation within the financial services industry has resulted in a 3.9% compound annual decline in the population of community banks and a 1.6% compound annual decline in their aggregate assets between 1994 and 1999. As the result of two of our recent acquisitions, we have also begun serving credit unions in the United States. These are cooperative, not-for-profit financial institutions organized to promote savings and provide credit to their members. As of December 31, 1999, there were 10,628 federally insured credit unions in the United States. Although the number of these credit unions has declined at a 2.4% compound annual rate between 1994 and 1999, their aggregate assets have increased at a 7.3% compound annual rate to \$411.4 billion in 1999.

We believe that community banks and credit unions play an important role with the communities and customers they serve. Typically, customers of community banks and credit unions rely on these financial institutions because of their ability to provide personalized, relationship-based service and their focus on local community and business needs. We believe these core strengths will allow community banks and credit unions to effectively compete with larger banks and alternative financial institutions. In order to succeed and to maintain strong customer relationships, we believe community banks and credit unions must continue to:

- focus on their primary products and services;

- respond rapidly to customer demand for new products and services;
- implement advanced technologies, such as Internet banking, for interfacing with and marketing to their customers;
- use advanced technologies in back-office operations to improve operating efficiency and control costs while increasing service and lowering costs to their customers; and
- integrate products and services into their core service offerings and data processing infrastructure, to provide the same wide range of services as are offered by larger banks.

In 1998, approximately 60% of commercial banks utilized in-house hardware and software systems to perform all of their core systems and data processing functions. Off-site data processing centers provided systems services on an outsourced basis for the remaining 40% of banks. Since the mid-1980s, banks have tended to shift their data processing requirements in-house from outsourcing such functions to third-party data centers. Of the community banks in the United States with in-house installations, approximately 42%, 24%, and 21% utilize IBM, NCR and Unisys hardware, respectively. No other hardware platform had more than a 6% share of the market.

The Internet is becoming a powerful and efficient medium for the delivery of financial services, including Internet banking, bill payment, bill presentment and other services for individuals, and cash management and other services for the commercial customers of financial institutions. Financial institutions provide Internet banking solutions to retain customers, attract new customers, reduce operating costs, and gain non-interest sources of revenue. According to industry sources, over 60 of the 100 largest banks in the United States offer Internet banking. By contrast, approximately 10% of community banks currently offer Internet banking. We believe that community financial institutions risk losing customers to larger or alternative financial institutions if they do not offer Internet banking services.

OUR SOLUTION

We are a single-source provider of a comprehensive and flexible suite of integrated products and services that address the information technology and data processing needs of community financial institutions. Our business derives revenues from three primary sources:

- software licensing and installation services;
- maintenance, support and outsourcing services; and
- hardware sales.

We develop software applications designed primarily for use on hardware supporting the IBM OS/400 and UNIX operating systems. Our product and service offerings are centered on four proprietary software applications, each comprising the core data processing and information management functions of a community bank or credit union. Key functions of each of our core software applications include deposits, loans, and general ledger. Our software applications make extensive use of parameters allowing our customers to tailor the software to their needs. Our software applications are designed to provide maximum flexibility in meeting our customer data processing requirements within a single, integrated system. Our core proprietary software applications are:

- our Silverlake System, which operates on the IBM AS/400 and is used primarily by banks with total assets up to \$10.0 billion;
- our CIF 20/20 system, which operates on the IBM AS/400 and is used primarily by banks with total assets up to \$300.0 million;
- our Core Director system, which operates on hardware supporting UNIX operating systems and is used by banks employing client-server technology; and
- our Symitar Systems, which operates on the IBM RS/6000 with a UNIX operating system and is used by credit unions.

To complement our core software applications, we provide a variety of ancillary products and services for use on an in-house or an outsourced basis by community financial institutions. The following diagram illustrates our integrated suite of products and services.

GRAPHIC

[Graphic: Constellation of products and services with names of core software systems arranged in a circle in the center: "Silverlake System," "CIF 20/20," "Core Director," and "Symitar Systems." Descriptions of ancillary products encircle the core systems: "Disaster Recovery Services," "Proof of Deposit," "Internet Banking," "Voice Response," "Forms & Supplies," "Teller Software," "Platform System," "Payroll Software," "Hardware," "ATM Software," "Loan Servicing" and "Imaging." The variety of services offered are arranged horizontally at the bottom of the page: "Installation Services," "Maintenance & Support," "Electronic Transactions" and "Customization Services."]

We believe that our solution provides strategic advantages to our customers by enabling them to:

- IMPLEMENT ADVANCED TECHNOLOGIES WITH FULL FUNCTIONALITY. Our comprehensive suite of products and services is designed to meet our customers' information technology needs through custom-tailored solutions using proprietary software products. Our clients can either perform these functions themselves on an in-house basis through the installation of our hardware and software systems or outsource those functions to us.
- RAPIDLY DEPLOY NEW PRODUCTS AND SERVICES. Once a community financial institution has implemented our core software, either in-house or on an outsourced basis, we can quickly and efficiently install additional applications and functions. This allows our customers to rapidly deploy new products and services.
- FOCUS ON CUSTOMER RELATIONSHIPS. Our products and services allow our customers to stay focused on their primary business of gaining, maintaining and expanding their customer relationships while providing the latest financial products and services.
- ACCESS OUTSOURCING SOLUTIONS TO IMPROVE OPERATING EFFICIENCY. Customers utilizing our outsourcing solutions benefit from access to all of our products and services without having to maintain personnel to develop, update and run these systems and without having to make large up-front capital expenditures to implement these advanced technologies.

OUR STRATEGY

Our objective is to grow our revenue and earnings internally, supplemented by strategic acquisitions. The key components of our business strategy are to:

- PROVIDE HIGH-QUALITY, VALUE-ADDED PRODUCTS AND SERVICES TO OUR CLIENTS. We compete on the basis of providing our customers with the highest-value products and services in the market. We believe we have achieved a reputation as a premium product and service provider.
- CONTINUE TO EXPAND OUR PRODUCT AND SERVICE OFFERINGS. We continually upgrade our core software applications and expand our complementary product and service offerings to respond to technological advances and the changing requirements of our clients. For example, we offer a turn-key Internet banking solution that enables community financial institutions to rapidly deploy sophisticated new products and services. Our integrated solutions enable our customers to offer competitive services relative to larger banks and alternative financial institutions. We intend to continue to expand our range of Internet banking and other products and services as well as provide additional services such as network services and computer facilities design.
- EXPAND OUR EXISTING CUSTOMER RELATIONSHIPS. We seek to increase the information technology products and services we provide to those customers that do not utilize our full range of products and services. In this way, we are able to increase revenues from current customers with minimal additional sales and marketing expenses.
- EXPAND OUR CUSTOMER BASE. We seek to establish long-term relationships with new customers through our sales and marketing efforts and selected acquisitions. As of June 30, 2000, we had over 2,850 customers, up from 950 in 1995.
- BUILD RECURRING REVENUE. We enter into contracts with customers to provide services that meet their information technology needs. We provide ongoing software maintenance and support for our in-house customers. Additionally, we provide data processing for our outsourcing customers and ATM transaction switching services, both on contracts that typically extend for periods of five years.
- MAXIMIZE ECONOMIES OF SCALE. We strive to develop and maintain a sufficiently large client base to create economies of scale, enabling us to provide value-priced products and services to our clients while expanding our operating margins.
- ATTRACT AND RETAIN CAPABLE EMPLOYEES. We believe that attracting and retaining high-quality employees is essential to our continued growth and success. Our corporate culture focuses on the needs of employees, a strategy that we believe has resulted in low employee turnover. In addition, we use employee stock options to serve as a strong incentive and retention tool.

OUR ACQUISITIONS

To complement and accelerate our internal growth, we selectively acquire companies that provide us with one or more of the following:

- new customers;
- products and services to complement our existing offerings;
- additional outsourcing capabilities; and
- entry into new markets related to community financial institutions.

When evaluating acquisition opportunities, we focus on companies with a strong employee base and management team and excellent customer relationships. Since fiscal 1995, we have completed the following acquisitions:

FISCAL YEAR	COMPANY	PRODUCTS AND SERVICES
2000	Symitar	Data processing systems and services for credit unions
2000	Sys-Tech	Uninterruptible power supply systems and computer facilities design
2000	BancData Systems	Outsourcing services
2000	Open Systems Group	UNIX-based data processing systems for banks
1999	Peerless Group	Data processing systems for banks and credit unions
1999	Digital Data Services	Outsourcing services
1999	Hewlett Computer Services	Outsourcing services
1998	Vertex	Teller software
1998	Financial Software Systems	Payroll software
1998	GG Pulley	Image and item processing products and services
1997	Liberty Banking Services	Outsourcing services
1996	Central Interchange	ATM network services
1995	Liberty	Data processing systems for banks and outsourcing services
1995	Sector	Data processing systems for banks
1995	Commlink	ATM network services

OUR PRODUCTS AND SERVICES

Changing technologies, business practices and financial products have resulted in issues of compatibility, scalability and increased complexity for the hardware and software used in many financial institutions. We have responded to these issues by developing a fully integrated suite of products and services consisting of core software systems, hardware and complementary products and services. These address virtually all of a community bank or credit union's customer interaction, back-office data and information processing needs.

We provide our full range of products and services to financial institutions through both in-house and outsourced delivery models. For those customers who prefer to purchase systems for their in-house facilities, we contract to sell computer hardware, license core and complementary software and contract to provide installation, training and ongoing maintenance and support and other services.

We also offer our full suite of software products and services on an outsourced basis to customers who do not wish to maintain, update and run these systems or to make large up-front capital expenditures to implement these advanced technologies. Our principal outsourcing service is the delivery of mission-critical data processing services using our data centers located within the United States. We provide our outsourcing services through an extensive national data and service center network, comprised of nine host data centers and 14 item centers. We monitor and maintain our network on a seven-day, 24-hour basis. Customers typically pay monthly fees on multi-year service contracts for these services.

HARDWARE SYSTEMS

Our software operates on a variety of hardware systems. We have entered into remarketing agreements with IBM, NCR and other hardware providers that allow us to purchase hardware at a discount and sell (remarket) it to our customers together with our software applications. We currently sell the IBM AS/400, which is IBM's premier mid-range hardware system, the IBM RS/6000, NCR servers and reader/sorters, and BancTec reader/sorters.

We have a long-term strategic relationship with IBM, dating to the initial design of our first core software applications more than 20 years ago. In addition to our remarketing agreement with IBM, which we renew annually, we have been named a "Premier Business Partner" of IBM for the last eight consecutive years. Our relationship with IBM provides us with a substantial and ongoing source of revenue.

Our remarketing strategy was expanded in 1999 to include IBM and NCR hardware products utilizing UNIX operating systems to allow us to respond to customer demand for alternative hardware products and sell our core software applications to a broader-based market.

CORE SOFTWARE APPLICATIONS

Each of our core software systems consists of several fully-integrated application modules, such as deposits, loans, general ledger, and the customer information file, which is a centralized file containing customer data for all applications. We custom-tailor these modules utilizing parameters determined by our customer. The applications can be connected to a wide variety of peripheral hardware devices used in bank operations. Our software is designed to provide maximum flexibility in meeting our customers' data processing requirements within a single system to minimize data entry.

For our customers who choose to acquire in-house capabilities, we generally license our core system under standard license agreements which provide the customer with a fully-paid, nonexclusive, nontransferable right to use the software for a term of up to 25 years on a single computer and at a single location. These same systems can be delivered on an outsourced basis as well. We provide a limited warranty for unmodified software, typically for a period of 60 days from installation. Under the warranty, we will correct any program errors at no additional charge to the customer.

Our core software applications are differentiated broadly by size of customer, scalability, customizable functionality, customer competitive environment and, to a lesser extent, cost. Our core applications include:

- our Silverlake System, which operates on the IBM AS/400 and is used primarily by banks with total assets up to \$10.0 billion;
- our CIF 20/20 system, which operates on the IBM AS/400 and is used primarily by banks with total assets up to \$300.0 million;
- our Core Director system, which operates on hardware supporting UNIX operating systems and is used by banks employing client-server technology; and
- our Symitar Systems, which operates on the IBM RS/6000 with a UNIX operating system and is used by credit unions.

COMPLEMENTARY PRODUCTS AND SERVICES

To complement our core software applications, we provide a number of ancillary products and services, including:

Vertex Teller Automation System is an online teller automation system that enables tellers to process transactions more efficiently and with greater accuracy.

Streamline Platform Automation is a fully-automated new account origination solution that integrates new customer data, including signature cards, disclosure statements, and loan applications into the core customer data file systems on a real-time basis.

Alliance Check Image Solutions allows our customers to create and store digital check images for inclusion in monthly statements and to facilitate their customer support services.

Silhouette Document Imaging utilizes digital storage and retrieval technology to provide online instant access to document images, such as loan documents and signature cards.

PinPoint Report Retrieval enables system-wide storage and retrieval of computer-generated reports for simplified information access.

NetTeller and MemberConnect-Web provides Internet-based home banking and commercial cash management. See "Online Banking" below.

InTouch Voice Response provides a fully-automated interactive voice response system for 24-hour telephone-based banking and customer service.

Centurion Disaster Recovery provides multi-tiered disaster recovery protection, including comprehensive disaster planning and procedures.

TimeTrack Payroll System:00 is a fully-integrated payroll accounting and human resources software system.

FormSmart provides day-to-day operating forms, year-end tax forms and other printing and office supplies.

CommLink ATM & Transaction Processing Solutions provides national switching and processing services for ATM, debit card transactions and point-of-sale transactions.

Other software products such as proof of deposit, secondary market loan servicing, account reclassification, and investment sweeps further complement our core systems.

INSTALLATION AND TRAINING

Virtually all of our customers contract with us for installation and training services in connection with their purchase of in-house systems. The complete installation process of a core system typically requires six to nine months of planning, design, data conversion, hardware set-up and testing. At the culmination of this installation process, one of our installation teams travels to our customer's facilities to ensure the smooth transfer of data to the new system. Installation fees are charged separately to our customers on both fixed fee and hourly charge models, with full pass-through to our customers of travel and other expenses. Installation services are also required in connection with new outsourcing customers, and are billed separately at the time of installation.

Both in connection with installation of new systems and on an ongoing basis, our customers need, and we provide, extensive training services and programs related to our products and services. Training can be provided in our regional training centers, at meetings and conferences or onsite at our customers' locations, and can be customized to meet our customers' requirements. The large majority of our customers' acquire training services from us, both to improve their employees' proficiency and productivity and to make full use of the functionality of our systems. Generally, training services are paid for on an hourly basis. However we have recently been successful in marketing annual subscriptions for training services, representing blocks of training time that can be used by our customers in a flexible fashion.

MAINTENANCE AND SUPPORT

Following the installation of our hardware and software systems at a customer site, we provide ongoing maintenance and product support services to assist our customers to operate the systems and to periodically update the software. We also offer maintenance services for hardware, primarily through our hardware suppliers, providing customers who have contracted for this service with "one-call" system support covering hardware and software applications.

Support is provided through a 24-hour telephone service available to our customers seven days a week. Most questions and problems can be resolved quickly by our experienced support staff. For more complicated issues, our staff, with our customers' permission, can log on to our customers' systems remotely. We maintain our customers' software largely through releases which contain improvements and incremental additions. Updates also are issued when required by changes in applicable laws and regulations. We provide maintenance and support services on our core systems as well as our complementary software products.

Nearly all of our in-house customers purchase maintenance and support services from us. These services are a significant source of recurring revenue, are contracted for on an annual basis and are typically priced at approximately 18% of the particular software product's license fee. These fees may be increased as our customer's asset base increases and as they increase the level of functionality of their system by purchasing additional complementary products. Maintenance and support fees are generally paid in advance for the entire year, with proration for new contracts which start during the year. Each contract

automatically renews annually unless we or our customer gives notice of termination at least 60 days prior to expiration. Identical maintenance and support is provided to our outsourced customers, but are not separately priced in their overall monthly fees.

ONLINE BANKING

We provide a suite of fully integrated Internet products and services that enables community financial institutions to offer Internet banking and e-commerce solutions to their customers. Our offerings include:

NetTeller, an Internet-based home banking system for individual and commercial cash management for business customers of community banks;

MemberConnect-Web, an Internet-based home banking system for credit union members;

Bill Pay, which allows customers to pay bills online through a third-party provider. We are currently developing our own bill payment system; and

NetHarbor, which provides our customers with a custom-branded web portal that enables them to provide their customers with a variety of customized information and e-commerce opportunities, including user-defined content such as local or special interest events, weather, financial news and other information and online shopping and e-commerce through our relationship with OLB.com. We also plan for NetHarbor to provide online stock trading and market information through our relationship with Q4i.com before the end of calendar year 2000.

RESEARCH AND DEVELOPMENT

We devote significant effort and expense to develop new software and service products and continually upgrade and enhance our existing offerings. Typically, we upgrade our core software applications and ancillary services once per year. We believe that our research and development efforts are highly efficient because of the extensive experience of our research and development staff and because our product development is highly customer-driven. Through our regular contact with customers at user group meetings, sales contacts and through our ongoing maintenance services, our customers inform us of the new products and functionalities they desire.

SALES AND MARKETING

Our primary markets consist of community banks and credit unions. We have not devoted significant marketing and sales efforts to other financial institutions such as thrifts. Historically, we have primarily and most successfully marketed to banks with up to \$3.0 billion in total assets and credit unions of all sizes.

Our sales efforts are conducted by a dedicated field sales force, an inside sales team and a technical sales support team, all of which are overseen by regional sales managers. Our dedicated field sales force is responsible for pursuing lead generation activities and representing the majority of our products and solutions to current and prospective clients. Our inside sales force sells certain complementary products to our existing customers. All sales force personnel have responsibility for a specific territory. The sales support team writes business proposals and contracts and prepares responses to request-for-proposals regarding our software and hardware solutions. All of our sales professionals receive a base salary and performance-based commission compensation.

Our marketing effort consists of attendance at trade shows, printed media advertisement placements, internally developed and managed marketing campaigns. We also conduct a number of field and national user group meetings each year that enable us to keep in close contact with our customers and demonstrate new products and services to them.

We have 33 installations in the Caribbean primarily through the marketing efforts of our wholly-owned foreign sales subsidiary, Jack Henry International Limited. Our international sales have historically accounted for substantially less than 5% of our revenues.

BACKLOG

Our backlog consists of contracted in-house products and services (prior to delivery) and the minimum amounts due on the remaining portion of outsourcing contracts, which are typically for five-year periods. Our backlog at March 31, 2000 was \$32.7 million for in-house products and services and \$58.5 million for outsourcing services, with a total backlog of \$91.2 million.

COMPETITION

The market for companies that provide technology solutions to community financial institutions is competitive and fragmented, and we expect continued competition from both existing competitors and companies that enter our existing or future markets. Some of our current competitors have longer operating histories, larger customer bases and greater financial and other resources. The principal competitive factors affecting the market for our services include comprehensiveness of the applications, features and functionality, flexibility and ease of use, customer support, references from existing customers and price. We compete with large vendors that offer transaction processing products and services to financial institutions, including Bisys, Inc., AllTel Information Services, Fiserv, Inc. and Marshall and Ilsley Corporation. In addition, we compete with a number of providers that offer one or more specialized products or services. There has been significant consolidation among providers of information technology products and services to financial institutions, and we believe this consolidation will continue in the future.

INTELLECTUAL PROPERTY, PATENTS AND TRADEMARKS

Although we believe that our success depends upon our technical expertise more than on our proprietary rights, our future success and ability to compete depends in part upon our proprietary technology. We have already registered or filed applications for our primary trademarks. None of our technology is patented. Instead we rely on a combination of contractual rights and copyrights, trademarks and trade secrets to establish and protect our proprietary technology. We generally enter into confidentiality agreements with our employees, consultants, resellers, customers and potential customers. We restrict access to and distribution of our source code and further limit the disclosure and use of other proprietary information. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain or use our products or technology. We cannot be sure that the steps taken by us in this regard will be adequate to prevent misappropriation of our technology or that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology.

GOVERNMENT REGULATION

The financial services industry is subject to extensive and complex federal and state regulation. Our current and prospective customers, which consist of financial institutions such as community banks and credit unions, operate in markets that are subject to substantial regulatory oversight and supervision. We must ensure that our products and services work within the extensive and evolving regulatory requirements applicable to our customers, including those under the federal truth-in-lending and truth-in-deposit rules, usury laws, the Equal Credit Opportunity Act, the Fair Housing Act, the Electronic Funds Transfer Act, the Fair Credit Reporting Act, the Bank Secrecy Act and the Community Reinvestment Act. The compliance of our products and services with these requirements depends on a variety of factors including the particular functionality, the interactive design and the classification of customers. Our customers must assess and determine what is required of them under these regulations and they contract with us to ensure that our products and services conform to their regulatory needs. It is not possible to predict the impact that any of these regulations could have on our business in the future.

We are not chartered by the Office of the Comptroller of Currency, the Board of Governors of the Federal Reserve System, the National Credit Union Administration or other federal or state agencies that regulate or supervise depository institutions or other providers of financial services. The services provided by our OutLink Data Centers are subject to examination by the Federal depository institution regulators

under the Bank Service Company Act. On occasion these services are also subject to examination by state banking authorities.

We provide outsourced data and item processing through our geographically dispersed OutLink Data Centers, electronic transaction processing through CommLink ATM and Transaction Processing Solutions, Internet banking through NetTeller online banking, and bank business recovery services through Centurion Disaster Recovery. As a service provider to financial institutions, our operations are governed by the same regulatory requirements as those imposed on financial institutions. We are subject to periodic review by federal depository institution regulators who have broad supervisory authority to remedy any shortcomings identified in such reviews.

The privacy requirements in Title V of the Gramm-Leach-Bliley Act adopted in November of 1999 represent a significant change in the federal legal framework governing how providers of financial services in this country interact with their customers. Proposed regulations implementing Title V establish standards for financial institutions relating to administrative, technical and physical safeguards for customer records and information. Financial institutions will be required to evaluate their controls on access to customer information and their policies for encrypting customer information while it is being transmitted or stored on networks to which unauthorized persons may have access. As a software company that provides services to financial institutions, we are likely to be covered under these regulations and may have to adopt additional safeguards within our software to ensure that we and our customers are in compliance with the Act.

PROPERTIES

We own approximately 132 acres located in Monett, Missouri on which we maintain six office buildings. We also own buildings in Houston, Texas; Allen, Texas; Albuquerque, New Mexico; Angola, Indiana; Lenexa, Kansas and Shawnee, Kansas. Our owned facilities represent approximately 280,000 square feet of office space. We have 35 leased office facilities in 20 states which total approximately 195,000 square feet.

We own five aircraft that are utilized for business purposes. Many of our customers are located in communities that do not have an easily accessible commercial airline service. We primarily use our airplanes in connection with installation and sales of systems. Transportation costs for installation and other customer services are billed to our customers. We lease property, including real estate and related facilities, at the Monett, Missouri municipal airport.

LEGAL PROCEEDINGS

We are subject to various routine legal proceedings and claims arising in the ordinary course of business. We do not expect that the results in any of these legal proceedings will have a material adverse effect on our business, financial condition, results of operations or cash flows.

EMPLOYEES

As of June 30, 2000, we had 1,589 full time employees. Our employees are not covered by a collective bargaining agreement and there have been no labor-related work stoppages. We consider our relationship with our employees to be good.

MANAGEMENT

DIRECTORS AND OFFICERS

Set forth below is the name, age, position, term of office and a brief account of the business experience of each person who is a director, executive officer or significant employee of Jack Henry & Associates.

NAME	AGE	POSITION
- - - -	- - -	- - - - -
Michael E. Henry.....	39	Chairman of the Board and Chief Executive Officer
Michael R. Wallace.....	38	President, Chief Operating Officer and Director
John W. Henry.....	65	Vice Chairman, Senior Vice President and Director
Jerry D. Hall.....	57	Executive Vice President and Director
James J. Ellis.....	67	Director
Burton O. George.....	73	Director
George R. Curry.....	75	Director
Terry W. Thompson.....	50	Vice President, Chief Financial Officer and Treasurer
Marguerite P. Butterworth.....	52	Vice President
Tony L. Wormington.....	38	Vice President

Michael E. Henry, the son of John W. Henry and a director of Jack Henry & Associates since 1986, has served as Chairman of the Board and Chief Executive Officer since October 1994. He previously served as Vice Chairman and Senior Vice President since 1993. He served as Manager of Research and Development from 1983 to 1994. He joined Jack Henry & Associates in 1979.

Michael R. Wallace, a director of Jack Henry & Associate since 1991, has served as President since 1993 and as the Chief Operating Officer since October 1994. He served as Manager of Installation Services from 1986 to 1993. He joined Jack Henry & Associates in 1981.

John W. Henry, a founder of Jack Henry & Associates, has served as Vice Chairman since October 1994. He previously served as Chairman of the Board from 1977 through 1994. He also has been a director since incorporation in 1977. He previously served as Chief Executive Officer from 1977 through 1988 and as President from 1977 until 1989.

Jerry D. Hall, a founder of Jack Henry & Associates, has served as Executive Vice President since October 1994. He previously served as Chief Executive Officer from 1990 through 1994. He also has been a director since incorporation in 1977. He previously served as President from 1989 through 1993 and as Vice President-Operations from 1977 through 1988.

James J. Ellis, a director of Jack Henry & Associates since 1985, has been Managing Partner of Ellis/Rosier Financial Services since 1992. Mr. Ellis served as general manager of MONY Financial Services in Dallas, Texas from 1979 until his retirement in 1992. Mr. Ellis also serves as a director of Merit Medical Systems, Inc.

Burton O. George has been a director of Jack Henry & Associates since 1987. Mr. George served as Chairman of the Board and Chief Executive Officer of First National Bank of Berryville, Berryville, Arkansas from 1985 until his retirement in 1989. Mr. George has held various other positions in the banking industry since 1958.

George R. Curry, a director of Jack Henry & Associates since 1989, is Chairman of Central Bank, Lebanon, Missouri, with which he has been affiliated since 1949, as well as President of Central Shares, Inc., a bank holding company.

Terry W. Thompson has served as Vice President, Chief Financial Officer and Treasurer of Jack Henry & Associates since 1990.

Marguerite P. Butterworth is a significant employee and has served as Vice President since February of 1993. Ms. Butterworth joined Jack Henry & Associates in 1983 and has been Hardware Manager since 1984.

Tony L. Wormington is a significant employee and has served as Vice President since October 1998. He joined Jack Henry & Associates in 1980 and has served as Research and Development Manager since 1993.

COMMITTEES OF THE BOARD OF DIRECTORS

The Compensation Committee currently consists of Messrs. Curry, George and Ellis. The Compensation Committee establishes and reviews the compensation and benefits of the executive officers, considers incentive compensation plans for our employees and carries out duties assigned to the committee under our stock option plans and our employee stock purchase plan.

The Audit Committee currently consists of Messrs. Curry, George and Ellis. The Audit Committee makes recommendations to the board of directors regarding the selection and retention of an independent auditor, reviews the scope and results of the audit with the independent auditor and management, reviews and evaluates our audit and control functions and regularly reviews regulatory compliance matters pertaining to our outsourcing services and business recovery operations. The Audit Committee operates under a written Audit Committee Charter that has been adopted by the board of directors.

DIRECTOR COMPENSATION

The directors who are employed by Jack Henry & Associates do not receive any separate compensation for service on the board of directors. Each non-employee director receives \$1,200 for each meeting attended and is reimbursed for out-of-pocket expenses incurred in attending such meetings. Under the 1995 Non-Qualified Stock Option Plan, each non-employee director is also compensated by the annual grant of non-statutory stock options to purchase 15,000 shares of common stock, subject to an overall grant limitation under the plan of 150,000 shares to each individual director.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee is responsible for determining salaries, incentives and other forms of compensation for our executive officers in administering various incentive compensation and benefit plans. No member of the Compensation Committee serves as a member of the board of directors or Compensation Committee of any entity that has one or more executive officers serving as members of our board or directors or Compensation Committee. No member of the Compensation Committee has at any time been an officer or employee of Jack Henry & Associates or any of its subsidiaries. The Compensation Committee members, however, own Jack Henry & Associates common stock as described in "Principal and Selling Stockholders."

EXECUTIVE COMPENSATION

The following table sets forth certain information with regard to the compensation paid by Jack Henry & Associates to our Chief Executive Officer and to the other four most highly compensated executive officers for the three years ended June 30, 2000.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		LONG-TERM
		SALARY	BONUS(1)	COMPENSATION
				SHARES
				UNDERLYING
				OPTIONS(2)
Michael E. Henry.....	2000	\$247,467	\$ 5,000	100,000
Chairman and Chief Executive Officer	1999	205,800	5,000	100,000
	1998	205,000	5,000	--
Michael R. Wallace.....	2000	247,467	5,000	100,000
President and Chief Operating Officer	1999	205,800	5,000	100,000
	1998	205,000	5,000	--
John W. Henry.....	2000	103,200	5,000	--
Vice Chairman and Senior Vice President	1999	103,200	5,000	--
	1998	102,400	5,000	--
Jerry D. Hall.....	2000	103,200	5,000	--
Executive Vice President	1999	103,200	5,000	--
	1998	135,733	5,000	--
Terry W. Thompson.....	2000	139,133	5,000	20,000
Vice President, Chief Financial Officer	1999	120,271	5,000	--
and Treasurer	1998	104,166	15,000	20,000

(1) Includes corporate 401(k) matching contribution of \$5,000 for each executive officer in each period.

(2) Adjusted for stock splits effected as dividends.

The following tables set forth information with respect to stock options granted to and exercised by the executive officers named in the Summary Compensation Table during the fiscal year ended June 30, 2000 together with the number of options outstanding as of such date. Data, as appropriate, have been adjusted for stock splits.

OPTION GRANTS IN FISCAL 2000

NAME	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM(1)	
	NUMBER OF SHARES UNDERLYING OPTIONS GRANTED	PERCENT OF OPTIONS TOTAL GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE PRICE	EXPIRATION DATE	5%	10%
Michael E. Henry.....	100,000	3.4%	\$20.08	08/24/09	\$1,262,820	\$3,200,235
Michael R. Wallace.....	100,000	3.4	20.08	08/24/09	1,262,820	3,200,235
Terry W. Thompson.....	20,000	0.7	33.75	04/04/10	424,503	1,075,776

(1) The amounts in these columns are required to be disclosed by the SEC at rates set by regulation and are not intended to forecast possible future appreciation of our common stock or amounts that may ultimately be realized upon exercise. We have chosen not to use an alternative formula for grant date valuation.

AGGREGATED OPTION EXERCISES IN FISCAL 2000 AND JUNE 30, 2000 OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED	NUMBER OF SHARES UNDERLYING UNEXERCISED OPTIONS AT 6/30/2000		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT 6/30/2000	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Michael E. Henry.....	--	--	680,000	--	\$27,534,687	--
Michael R. Wallace.....	40,080	\$967,905	580,000	--	22,760,521	--
Terry W. Thompson.....	1,500	37,688	51,600	20,000	2,073,650	\$327,500

STOCK OPTION PLANS

We have two stock option plans under which options may currently be granted: the 1996 Stock Option Plan and the Non-Qualified Stock Option Plan.

The 1996 Stock Option Plan is designed to attract, motivate and retain the best available personnel and ultimately to make Jack Henry & Associates more successful by aligning employee and stockholder interests. The persons eligible to receive options under the 1996 Stock Option Plan are employees of Jack Henry & Associates, and subsidiary corporations or any affiliated entity, including employees who are also members of our board of directors.

The aggregate number of shares which may be issued, and as to which stock options may be granted under the 1996 Stock Option plan is 6,500,000, subject to proportionate adjustment by reason of merger, consolidation, reorganization, recapitalization or exchange of shares or by stock dividend, stock split, combination of shares or other changes in capital structure effected without receipt of consideration. If any stock option granted under the 1996 Stock Option Plan expires, is surrendered in whole or in part, or terminates for any reason without being exercised in full, then the number of shares subject to the stock option will again be available for purposes of the 1996 Stock Option Plan.

The 1996 Stock Option Plan is administered by the Compensation Committee of our board of directors. The Compensation Committee has the power to determine the persons to be granted options, the number of shares to be covered by such options, whether such options are to be incentive stock options

under Section 422A of the Internal Revenue Code, or nonqualified options, and the time or times at which options are to be exercisable. However, no option granted under the 1996 Stock Option Plan shall have a term in excess of 10 years from the grant date. The aggregate fair market value of the common stock with respect to which Incentive Options granted under the 1996 Stock Option Plan are exercisable shall not exceed \$100,000 per grantee or such greater amount as may be permitted by later amendments to the Internal Revenue Code.

The option price per share shall be fixed by the Compensation Committee, but in no event shall the option price per share be less than 100% of the fair market value of a share of common stock on the date of the option grant.

Under the terms of the 1996 Stock Option Plan, options terminate 30 days after termination of employment, three months after retirement, one year after death or 10 years after grant. Furthermore, for the first six months after the date of grant of the option, no option granted under the 1996 Stock Option Plan shall be transferable by the optionee other than by will or by the laws of descent and distribution. Thereafter, options may be transferred during the lifetime of an optionee to any members of the immediate family of the optionee and any trust established for the benefit of the optionee or the optionee's immediate family members.

In the event of a sale of all or substantially all of the our assets or 50% or more of the outstanding voting stock by means of a sale, merger, reorganization or liquidation, our board of directors shall have discretionary authority to authorize the surrender of all unexercised options in exchange for a cash distribution equal in amount to the difference between (i) the fair market value of the authorized surrender date of the shares for which the surrender option or portion thereof is at the time exercisable, and (ii) the aggregate option price payable for such shares. Further, if, in connection with any such sale, merger, reorganization or liquidation, a provision is made for each outstanding option to either be assumed by the successor corporation or be replaced with a comparable option to purchase shares of the capital stock of the successor corporation, each person holding unexercised options shall be entitled to have such options assumed by the successor corporation or replaced with a comparable option.

The 1996 Stock Option Plan, unless sooner terminated, shall terminate at the close of business on November 1, 2006. The board shall have the authority to effect, at any time and from time to time, with the consent of the affected optionee, the cancellation of any or all outstanding options under the 1996 Stock Option Plan and to grant new options in substitution under the 1996 Stock Option Plan covering the same or different numbers of shares of common stock but having an option price per share not less than 100% of fair market value on the new grant date. With certain limitations, our board of directors has the power and authority to amend or modify the 1996 Stock Option Plan.

The Non-Qualified Stock Option Plan was adopted by Jack Henry & Associates in 1995 for our outside directors. The Non-Qualified Stock Option Plan is designed to attract, motivate and retain the best available members of our board of directors and to properly align director interests with those of the stockholders. Our board of directors administers the Non-Qualified Stock Option Plan and determines to whom options are to be granted and the terms and conditions, including the number of shares and the period of exercisability thereof.

Subject to adjustments as provided in the Non-Qualified Stock Option Plan, the number of shares of common stock that may be issued under the plan may not in the aggregate exceed 600,000 shares with a maximum of 150,000 for each director. Options granted under the Non-Qualified Stock Option Plan are exercisable six months after the grant. The exercise price of a non-qualified option shall be 100% of the fair market value of the stock at the grant date. The administrator may provide that the option price is payable at the time of the exercise in cash, by surrender of shares and certain other forms of cashless exercise. Under the Non-Qualified Stock Option Plan, options are not transferable by a participant except if transferred by will or the laws of descent and distribution. The option granted under the plan terminates when the optionee's director status ends, upon surrender of the option, or 10 years after the grant. In the event of a merger or sale of substantially all the assets, each option shall be assumed or substituted by the

successor corporation or by a parent or subsidiary of the successor corporation. All options will fully vest if the successor refuses to assume or substitute those outstanding options.

Jack Henry & Associates has options outstanding under several older plans, including the 1987 Stock Option Plan and the Non-Qualified Stock Option Plan, which are similar to and predecessors of the 1996 Stock Option Plan and the 1995 Non-Qualified Stock Option Plan. In addition, in connection with its acquisition of The Peerless Group, Inc. in December of 1998, Jack Henry & Associates fully assumed The Peerless Group, Inc. 1997 Stock Option Plan. The Peerless Group, Inc. 1997 Stock Option Plan is similar in terms to our 1996 Stock Option Plan. While these plans are still in effect with respect to outstanding options, we have no intention of issuing any new options thereunder.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of common stock as of June 30, 2000 and as adjusted to reflect the completion of this offering by:

- each of Jack Henry & Associates' directors and executive officers;
- each person who is known to us to own beneficially more than five percent of the outstanding shares of the common stock, including the selling stockholders; and
- all directors and executive officers of Jack Henry & Associates as a group.

The address for the following stockholders, unless otherwise indicated, is c/o Jack Henry & Associates, Inc., 663 Highway 60, Monett, Missouri 65708. The percentage of common stock disclosed assumes no exercise of the underwriters' over-allotment options to purchase up to 750,000 shares of common stock from the selling stockholders. Applicable percentage ownership is based on 41,357,852 shares of common stock outstanding as of June 30, 2000 and 43,357,852 shares outstanding immediately following completion of this offering. Beneficial ownership is determined in accordance with the rules and regulations of the Securities and Exchange Commission. Shares of common stock subject to options which are currently exercisable or exercisable within 60 days are deemed outstanding for computing the percentage ownership of the person holding the options or warrants, but are not deemed outstanding for computing the percentage ownership of any other person.

NAME	SHARES BENEFICIALLY OWNED PRIOR TO THE OFFERING(1)			SHARES BENEFICIALLY OWNED AFTER THE OFFERING(1)	
	NUMBER	PERCENT OF SHARES OUTSTANDING	SHARES OFFERED	NUMBER	PERCENT OF SHARES OUTSTANDING
John W. Henry(2).....	1,913,429	4.6 %	500,000	1,413,429	3.3 %
Michael E. Henry, Vicki Jo Henry and JKHY Partners(3).....	6,778,824	16.1	500,000	5,278,824(4)	12.0
Jerry D. Hall(5).....	3,346,834	8.1	1,000,000	2,346,834	5.4
Eddina F. Mackey(6)..... 411 Lincoln Road South Monett, MO	2,747,960	6.6	1,000,000	1,747,960(4)	4.0
Michael R. Wallace(7).....	739,795	1.8		739,795	1.7
Terry W. Thompson(8).....	291,461	*		291,461	*
James J. Ellis(9).....	275,840	*		275,840	*
Burton O. George(9).....	167,010	*		167,010	*
George R. Curry(9).....	348,798	*		348,798	*
All directors and executive officers as a group (8 persons)(10).....	13,862,901	32.3		10,862,901	24.2

* Less than 1%

- (1) The persons named in the table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them, except as noted below. With respect to shares held in our 401(k) Employee Stock Ownership Plan (the 401(k) ESOP), a participant has the right to direct the voting and disposition of shares allocated to his account.
- (2) Reflects information in filings with the SEC that Mr. Henry holds 1,829,128 shares individually and 84,301 shares are allocated to his 401(k) ESOP account. In the event the underwriters exercise their over-allotment options in full, the number of shares beneficially owned by Mr. Henry after the offering will be 1,188,429, representing 2.7% of the total shares outstanding.
- (3) Reflects information in filings with the SEC by Michael E. Henry, his sister Vicki Jo Henry and JKHY Partners, their family partnership. Michael E. Henry separately is deemed to beneficially own

6,778,824 shares, including 74,418 shares held individually, 32,356 shares allocated to his 401(k) ESOP account, 680,000 shares currently acquirable by exercise of outstanding stock options, 3,245,000 shares held by JKHY Partners, 2,747,050 shares in various trusts specified in note 6 below and the Henry Family Limited Partnership. Michael E. Henry is deemed to share beneficial ownership in the shares held by the JKHY Partners, by the trusts established by his mother, Eddina F. Mackey, and by the Henry Family Limited Partnership because he has been granted proxies to vote all these shares. Vicki Jo Henry does not beneficially own any shares of common stock in her individual capacity and her business address is 6851 South Holly Circle, Suite 270, Englewood, Colorado 80112. In the event the underwriters exercise their over-allotment options in full, the number of shares beneficially and collectively owned by Michael E. Henry, Vicki Jo Henry and JKHY Partners after the offering will be 4,903,824, representing 11.1% of the total shares outstanding.

- (4) 500,000 shares are being sold in this offering by JKHY Partners and 1,000,000 shares are being sold by trusts and a foundation established by Ms. Mackey. Michael E. Henry is not selling in the offering any shares which he individually owns.
- (5) Includes 97,072 shares held in the 401(k) ESOP for Mr. Hall's account and 105,000 shares beneficially owned by his wife. In the event the underwriters exercise their over-allotment options in full, the number of shares beneficially owned by Mr. Hall after the offering will be 2,196,834, representing 5.1% of the total shares outstanding.
- (6) Includes 2,167,005 shares held in a revocable trust for Ms. Mackey's benefit, 120,045 shares held by five charitable remainder Unitrusts established for the benefit of family members, 160,000 shares held in the charitable Pearl Foundation, 300,000 shares held by the Henry Family Limited Partnership and 910 shares owned by Ms. Mackey's husband. As described above in note 3, beneficial ownership of these shares, with the exception of the 910 shares owned by Ms. Mackey's husband, is shared with Michael E. Henry. In the event the underwriters exercise their over-allotment options in full, the number of shares beneficially owned by Ms. Mackey after the offering will be 1,597,960, representing 3.7% of the total shares outstanding. Following are the trusts for which Ms. Mackey serves as trustee that are selling shares in the offering and the number of shares to be sold by each:

Eddina F. Mackey Trust	719,955 shares
E. F. Mackey Charitable Remainder Unitrust for benefit of Michael E. Henry	33,350 shares*
E. F. Mackey Charitable Remainder Unitrust for benefit of Vicki Jo Henry	33,350 shares*
E. F. Mackey Charitable Remainder Unitrust for benefit of Donna E. Jensen	33,350 shares*
E. F. Mackey Charitable Remainder Unitrust for benefit of Darla S. Lawrence	13,320 shares*
E. F. Mackey Charitable Remainder Unitrust for benefit of Douglas M. Mackey	6,675 shares*
The Pearl Foundation	160,000 shares*

*Ms. Mackey disclaims beneficial ownership with respect to these shares.

- (7) Includes 580,000 shares currently acquirable by exercise of outstanding stock options and 63,247 shares held in the 401(k) ESOP for Mr. Wallace's account.
- (8) Includes 51,600 shares currently acquirable by exercise of outstanding stock options and 13,751 shares held in the 401(k) ESOP for Mr. Thompson's account.
- (9) Includes 75,000 shares each currently acquirable by exercise of outstanding stock options.
- (10) Beneficially owned share amounts include 1,536,600 shares which are or will be acquirable within 60 days under outstanding stock options, and 290,727 shares held in the 401(k) ESOP for the accounts of all executive officers and directors as a group.

DESCRIPTION OF CAPITAL STOCK

Under the Jack Henry & Associates certificate of incorporation, our authorized capital stock consists of 50,000,000 shares of common stock, par value \$0.01 per share, and 500,000 shares of preferred stock, par value \$1.00 per share.

COMMON STOCK

The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Subject to preferences that may be applicable to any outstanding preferred stock, holders of common stock are entitled to receive ratably such dividends as may be declared by the board of directors out of legally available funds. In the event of a liquidation or dissolution of Jack Henry & Associates, holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any outstanding preferred stock.

Holders of common stock have no preemptive rights and have no rights to convert their common stock into any other securities. All of the outstanding shares of common stock are, and the shares of common stock issued pursuant to this offering will be, duly authorized, validly issued, fully paid and nonassessable.

PREFERRED STOCK

Our board of directors is authorized to designate any series of preferred stock and the powers, preferences and rights of the shares of such series and the qualifications, limitations or restrictions thereof without further action by the holders of common stock. No shares of preferred stock are issued or outstanding.

Our board of directors may create and issue a series of preferred stock with rights, privileges or restrictions, and adopt a stockholder rights plan, having the effect of discriminating against an existing or prospective holder of such securities as a result of such security holder beneficially owning or commencing a tender offer for a substantial amount of common stock. One of the effects of authorized but unissued and unreserved shares of capital stock may be to render more difficult or discourage an attempt by a potential acquiror to obtain control of Jack Henry & Associates by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management. The issuance of such shares of capital stock may have the effect of delaying, deferring or preventing a change in control without any further action by the stockholders. We have no present intention to adopt a stockholder rights plan, but could do so without stockholder approval at any future time.

TRANSFER AGENT AND REGISTRAR

UMB Bank, N.A. is the transfer agent and registrar for our common stock.

ANTI-TAKEOVER EFFECTS OF OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND BYLAWS AND PROVISIONS OF DELAWARE LAW

Provisions of our charter and bylaws may make it more difficult for a third party to acquire, or may discourage a third party from attempting to acquire, control of us. These provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. These provisions:

- require a two-thirds vote of the stockholders to amend some provisions of our certificate of incorporation;
- require a two-thirds vote of the stockholders to approve an acquisition of our company;
- require a two-thirds vote of the stockholders to amend some provisions of our bylaws;
- prevent stockholder action by written consent in lieu of annual meeting;

- require special meetings of the stockholders be called by the Chairman of the Board, the President, the board of directors as a whole, or two-thirds of the stockholders; and
- require vacancies on the board of directors may only be filled by a vote of the majority of the directors.

In addition, subject to limitations prescribed by law, our board of directors has the authority to issue up to 500,000 shares of preferred stock and to determine the price, rights, preferences, privileges and restrictions, including voting rights, of those shares without any further vote or action by the stockholders. The issuance of preferred stock, while providing flexibility in connection with possible financing or acquisitions or other corporate purposes, could have the effect of making it more difficult for a third party to acquire a majority of our outstanding voting stock.

These and other provisions contained in our charter and bylaws could have the effect of delaying or preventing a change in control.

We are also subject to Section 203 of the Delaware General Corporation Law which, subject to exceptions, prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that a stockholder became an interested stockholder, unless:

- prior to that date, the board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; or
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock outstanding at the time the transaction commenced; or
- on or following that date the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

SHARES ELIGIBLE FOR FUTURE SALE

After this offering, we will have outstanding 43,357,852 shares of common stock, regardless of whether or not the underwriters exercise their over-allotment options. Of these shares, an aggregate of 33,589,774 shares, including the 5,000,000 shares in this offering, or 34,339,774 shares if the underwriters exercise their over-allotment options in full, will be freely tradeable without restriction under the Securities Act except for any shares purchased by one of our "affiliates" as defined in Rule 144 under the Securities Act. At the conclusion of this offering, a total of 9,768,078 shares will be "restricted securities" within the meaning of Rule 144 under the Securities Act or subject to lock-up agreements. The restricted securities generally may not be sold unless they are registered under the Securities Act or are sold pursuant to an exemption from registration, such as the exemption provided by Rule 144 under the Securities Act. We, our executive officers and directors and the selling stockholders have entered into lock-up agreements under which we and they have agreed not to offer or sell any shares of common stock or securities convertible into or exchangeable or exercisable for shares of common stock other than shares being sold in the offering for a period of 90 days from the date of this prospectus without the prior written consent of Prudential Securities Incorporated, on behalf of the underwriters. Prudential Securities Incorporated may, at any time and without notice, waive any of the terms of these lock-up agreements. These shares will become available for resale in the public market without registration under the Securities Act as shown in the chart below. An additional 3,810,384 shares may be issued under currently exercisable stock options, all of which could be sold, although some would also be subject to Rule 144 "affiliate" restrictions. As restrictions on resale end, the market price could drop significantly if the holders of these restricted shares sell them or are perceived by the market as intending to sell them.

NUMBER OF SHARES	DATE OF AVAILABILITY FOR RESALE INTO PUBLIC MARKET
9,350,666	90 days after the date of this prospectus due to lock-up agreements that our executive officers and directors and JKHY Partners and Eddina F. Mackey have with Prudential Securities Incorporated.
417,412	Between 90 and 365 days after the date of this prospectus due to requirements of the federal securities laws.

In general, under Rule 144 as currently in effect any person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned shares for a period of at least one year is entitled to sell, within any three-month period a number of shares that does not exceed the greater of:

- 1% of the then-outstanding shares of common stock, and
- the average weekly trading volume in the common stock during the four calendar weeks immediately preceding the date on which the notice of such sale on Form 144 is filed with the SEC.

Sales under Rule 144 are also subject to certain provisions relating to notice and manner of sale and the availability of current public information about Jack Henry & Associates. In addition, a person (or persons whose shares are aggregated) who has not been an affiliate of Jack Henry & Associates at any time during the 90 days immediately preceding a sale and who has beneficially owned the shares for at least two years, would be entitled to sell such shares under Rule 144(k) without regard to the volume limitation and other conditions described above. The foregoing summary of Rule 144 is not intended to be a complete description.

We have filed six registration statements on Form S-8, to register shares of common stock reserved for issuance under our option plans and employee stock purchase plan. Shares issued under the foregoing plans may be sold in the open market, subject, in the case of certain holders, to the Rule 144 limitations applicable to affiliates, the above-referenced lock-up agreements and vesting restrictions imposed by us. Of that number of shares, 3,810,384 shares are subject to options that were exercisable as of the date of this prospectus.

UNDERWRITING

We and the selling stockholders have entered into an underwriting agreement with the underwriters named below, for whom Prudential Securities Incorporated, CIBC World Markets Corp., Robert W. Baird & Co. Incorporated, George K. Baum & Company and A.G. Edwards & Sons, Inc. are acting as representatives. We and the selling stockholders are obligated to sell, and the underwriters are obligated to purchase, all of the shares offered on the cover page of this prospectus, if any are purchased. Subject to certain conditions of the underwriting agreement, each underwriter has severally agreed to purchase the shares indicated opposite its name.

UNDERWRITERS -----	NUMBER OF SHARES -----
Prudential Securities Incorporated.....	
CIBC World Markets Corp.....	
Robert W. Baird & Co. Incorporated.....	
George K. Baum & Company.....	
A.G. Edwards & Sons, Inc.....	

Total.....	5,000,000 =====

The underwriters may sell more shares than the total number of shares offered on the cover page of this prospectus and they have, for a period of 30 days from the date of this prospectus, over-allotment options to purchase up to 750,000 additional shares from the selling stockholders. If any additional shares are purchased, the underwriters in the same proportion as per the table above will severally purchase the shares from the selling stockholders.

The representatives of the underwriters have advised us and the selling stockholders that the shares will be offered to the public at the offering price indicated on the cover page of this prospectus. The underwriters may allow selected dealers a concession not in excess of \$ per share and such dealers may reallow a concession not in excess of \$ per share to certain other dealers. After the shares are released to the public, the representatives may change the offering price and the concessions.

We and the selling stockholders have agreed to pay to the underwriters the following fees, assuming both no exercise and full exercise of the underwriters' over-allotment options to purchase additional shares:

	FEE PER SHARE -----	TOTAL FEES -----	
		WITHOUT EXERCISE OF OVER-ALLOTMENT OPTIONS -----	FULL EXERCISE OF OVER-ALLOTMENT OPTIONS -----
Fees paid by us.....	\$	\$	--
Fees paid by the selling stockholders....	\$	\$	\$

In addition, we estimate that we will spend approximately \$625,000 in expenses for this offering, including those of the selling stockholders. We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in respect of these liabilities.

We, our executive officers and directors, and the selling stockholders have entered into lock-up agreements pursuant to which we and they have agreed not to offer or sell any shares of common stock or securities convertible into or exchangeable or exercisable for shares of common stock for a period of 90 days from the date of this prospectus without the prior written consent of Prudential Securities Incorporated, on behalf of the underwriters. Prudential Securities Incorporated may, at any time and without notice, waive the terms of these lock-up agreements specified in the underwriting agreement.

Prudential Securities Incorporated, on behalf of the underwriters, may engage in the following activities in accordance with applicable securities rules:

- Create a syndicate short position by making short sales of our common stock and may purchase our common stock on the open market to cover syndicate short positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in the offering. Short sales can be either "covered" or "naked." "Covered" short sales are sales made in an amount not greater than the underwriters' over-allotment options to purchase additional shares in the offering. "Naked" short sales are sales in excess of the over-allotment options. A "naked" short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering.
- Stabilizing and short covering. Stabilizing bids to purchase the shares are permitted if they do not exceed a specified maximum price. Prudential Securities Incorporated, on behalf of the underwriters, may close out any covered short position by either exercising the over-allotment options or purchasing shares in the open market and must close out any naked short position by purchasing shares in the open market. In determining the source of shares to close out the covered short position, Prudential Securities Incorporated, on behalf of the underwriters, will consider, among other things, the price of shares available for purchase in the open market as compared to the price shares may be purchased through the over-allotment options. These activities may cause the price of the shares to be higher than would otherwise exist in the open market.
- Penalty bids permitting the representatives to reclaim concessions from a syndicate member of the shares purchased in the stabilizing or short covering transactions.

Such activities, which may be commenced and discontinued at any time, may be effected on the Nasdaq National Market, in the over-the-counter market or otherwise. Also, prior to the pricing of the shares and until such time when a stabilizing bid may have been made, some or all of the underwriters who are market makers in the shares may make bids for or purchases of shares subject to certain restrictions, known as passive market making activities.

Each underwriter has represented that it has complied and will comply with all applicable laws and regulations in connection with the offer, sale or delivery of the shares and related offering materials in the United Kingdom, including:

- the Public Offers of Securities Regulations 1995;
- the Financial Services Act 1986; and
- the Financial Services Act 1986, (Investment Advertisements) (Exemptions) Order 1996 (as amended).

Prudential Securities Incorporated and George K. Baum & Company have, from time to time, performed various investment banking and financial advisory services on a fee for services basis for Jack Henry & Associates.

Prudential Securities Incorporated facilitates the marketing of new issues online through its Prudential Securities.com division. Clients of Prudential Advisor(SM), a full service brokerage firm program, may view offering terms and a prospectus online and place orders through their financial advisors.

LEGAL MATTERS

Certain legal matters will be passed on for Jack Henry & Associates, Inc. by Shughart Thomson & Kilroy, P.C. of Kansas City, Missouri. Certain legal matters will be passed on for the underwriters by Brown & Wood LLP of New York, New York.

EXPERTS

The consolidated financial statements of Jack Henry & Associates, Inc. and subsidiaries as of June 30, 1998 and 1999 and for each of the three years in the period ended June 30, 1999, included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein, and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The financial statements of BancTec Financial Systems, a unit of BancTec, Inc., as of August 31, 1999 and for the twelve months ended August 31, 1999, included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein (which report expresses an unqualified opinion and includes an explanatory paragraph referring to the fact that the financial statements of BancTec Financial Systems may not necessarily be indicative of the conditions that would have existed or the results of operations if BancTec Financial Systems had been operated as an unaffiliated company), and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The financial statements of Symitar Systems, Inc. as of December 31, 1999 and for the year ended December 31, 1999, included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

AVAILABLE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1. This prospectus, which forms a part of the registration statement, does not contain all the information included in the registration statement. Certain information is omitted and you should refer to the registration statement and its exhibits. With respect to references made in this prospectus to any contract or other document of Jack Henry & Associates, Inc., such references are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including exhibits filed therewith, at the Commission's public reference facilities in Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located at 7 World Trade Center, Suite 1300, New York, New York 10048, and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. You may also obtain copies of such materials from the Public Reference Section of the Commission, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The Commission maintains a web site (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding registrants such as Jack Henry & Associates, Inc. that file electronically with the Commission.

This prospectus includes statistical data regarding the banking business sector which were obtained from industry publications, including reports generated by Computer Based Solutions, Inc. These industry publications generally indicate that they have obtained information from sources believed to be reliable, but they do not guarantee the accuracy and completeness of such information. While we believe these industry publications to be reliable, we have not independently verified such data.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Jack Henry & Associates, Inc.:

We have audited the accompanying consolidated balance sheets of Jack Henry & Associates, Inc. and Subsidiaries (the "Company") as of June 30, 1999 and 1998, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended June 30, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Jack Henry & Associates, Inc. and Subsidiaries at June 30, 1999 and 1998, and the results of their operations and their cash flows for the three years in the period ended June 30, 1999 in conformity with accounting principles generally accepted in the United States of America.

/S/ DELOITTE & TOUCHE LLP
St. Louis, Missouri
August 23, 1999

(September 8, 1999 as to Note 13 and July 6, 2000 as to Note 14
and the effects of the stock split described in Note 1)

JACK HENRY & ASSOCIATES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	YEARS ENDED JUNE 30,			NINE MONTHS ENDED MARCH 31,	
	1997	1998	1999	1999	2000
				(UNAUDITED)	
Revenues					
Software licensing and installation.....	\$ 31,930	\$ 39,484	\$ 47,181	\$ 36,108	\$ 35,888
Maintenance/support and service.....	37,510	46,835	71,278	52,995	69,812
Hardware sales.....	56,816	61,916	75,068	59,452	50,231
Total revenues.....	126,256	148,235	193,527	148,555	155,931
Cost of Sales					
Cost of hardware.....	41,016	43,335	54,661	43,350	35,920
Cost of services.....	32,001	37,674	52,582	39,792	54,865
Total cost of sales.....	73,017	81,009	107,243	83,142	90,785
Gross profit.....	53,239	67,226	86,284	65,413	65,146
Operating Expenses					
Selling and marketing expense.....	12,750	15,124	14,030	11,384	12,514
Research and development expense.....	3,012	4,163	5,183	3,758	5,780
General and administrative expense.....	9,607	11,675	17,347	12,729	13,692
Total operating expense.....	25,369	30,962	36,560	27,871	31,986
Operating income from continuing operations.....	27,870	36,264	49,724	37,542	33,160
Other Income (Expense)					
Interest income.....	738	1,319	1,619	1,430	738
Interest expense.....	(40)	(34)	(93)	(72)	(1,143)
Other, net.....	109	348	363	346	1,629
Total other income.....	807	1,633	1,889	1,704	1,224
Income from continuing operations before taxes...	28,677	37,897	51,613	39,246	34,384
Provision for income taxes.....	10,185	13,692	18,887	14,622	11,468
Income from continuing operations.....	18,492	24,205	32,726	24,624	22,916
Loss from discontinued operations.....	(450)	(668)	(758)	(758)	(332)
Net income.....	\$ 18,042	\$ 23,537	\$ 31,968	\$ 23,866	\$ 22,584
Diluted Earnings Per Share:					
Income from continuing operations.....	\$ 0.46	\$ 0.58	\$ 0.77	\$ 0.58	\$ 0.54
Loss from discontinued operations.....	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)
Net income.....	\$ 0.45	\$ 0.57	\$ 0.75	\$ 0.56	\$ 0.53
Diluted weighted average shares outstanding.....	40,214	41,593	42,641	42,663	42,343
Basic Earnings Per Share:					
Income from continuing operations.....	\$ 0.49	\$ 0.61	\$ 0.81	\$ 0.61	\$ 0.56
Loss from discontinued operations.....	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)
Net Income.....	\$ 0.47	\$ 0.59	\$ 0.79	\$ 0.59	\$ 0.55
Basic weighted average shares outstanding.....	38,025	39,770	40,337	40,250	40,771

See Notes to Consolidated Financial Statements.

JACK HENRY & ASSOCIATES, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	JUNE 30,		MARCH 31,
	1998	1999	2000
			(UNAUDITED)
ASSETS			
Current Assets:			
Cash and cash equivalents.....	\$ 24,733	\$ 3,376	\$ 13,025
Investments, at amortized cost.....	3,229	6,702	1,034
Trade receivables.....	43,348	52,239	37,803
Income taxes receivable.....	1	1,244	--
Prepaid cost of product.....	4,046	9,106	669
Prepaid expenses and other.....	8,036	9,109	22,356
	-----	-----	-----
Total.....	83,393	81,776	74,887
	-----	-----	-----
Property and equipment, net.....	31,492	66,192	80,520
	-----	-----	-----
Other Assets:			
Intangible assets, net of amortization.....	15,272	25,181	65,551
Computer software, net of amortization.....	2,838	3,015	3,626
Other.....	835	1,096	1,280
	-----	-----	-----
Total.....	18,945	29,292	70,457
	-----	-----	-----
Total assets.....	\$133,830	\$177,260	\$225,864
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable.....	\$ 8,130	\$ 5,036	\$ 6,918
Short-term borrowings.....	400	399	29,855
Accrued expenses.....	5,758	8,484	6,541
Accrued income taxes.....	236	66	1,722
Deferred revenues.....	33,096	44,664	41,300
Current portion of long-term debt.....	15	16	17
	-----	-----	-----
Total.....	47,635	58,665	86,353
	-----	-----	-----
Long-term debt.....	239	211	182
	-----	-----	-----
Deferred income taxes.....	2,365	2,586	1,907
	-----	-----	-----
Total liabilities.....	50,239	61,462	88,442
	-----	-----	-----
Stockholders' Equity:			
Preferred stock; \$1 par value; 500,000 shares authorized; none issued.....	--	--	--
Common stock; \$.01 par value; 50,000,000 shares authorized; shares issued 1998 -- 20,194,870; 1999 -- 20,517,090; 2000 -- 41,121,803.....	202	205	411
Additional paid-in capital.....	26,267	32,210	36,029
Retained earnings.....	57,122	83,383	100,982
	-----	-----	-----
Total stockholders' equity.....	83,591	115,798	137,422
	-----	-----	-----
Total liabilities and stockholders' equity.....	\$133,830	\$177,260	\$225,864
	=====	=====	=====

See Notes to Consolidated Financial Statements.

JACK HENRY & ASSOCIATES, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	YEARS ENDED JUNE 30,			NINE MONTHS ENDED MARCH 31, 2000
	1997	1998	1999	(UNAUDITED)
Preferred Shares (500,000 authorized):.....	--	--	--	--
Common Shares (50,000,000 authorized):				
Shares, beginning of year.....	13,358,563	20,023,689	20,194,870	20,517,090
Shares issued upon exercise of stock options.....	618,750	104,465	314,277	268,530
Shares issued for Employee Stock Purchase Plan.....	1,659	5,926	7,943	7,678
Shares issued for acquisitions.....	56,144	60,790	--	--
Stock dividend.....	5,988,573	--	--	20,328,505
	20,023,689	20,194,870	20,517,090	41,121,803
Less: Held in treasury.....	(15,410)	--	--	--
Shares, end of period.....	20,008,279	20,194,870	20,517,090	41,121,803
Common Stock -- Par Value \$.01 Per Share:				
Balance, beginning of year.....	\$ 133	\$ 200	\$ 202	\$ 205
Shares issued upon exercise of stock options.....	6	2	3	3
Shares issued for acquisitions.....	1	--	--	--
Stock dividend.....	60	--	--	--
Stock split.....	--	--	--	203
Balance, end of period.....	200	202	205	411
Additional Paid-in Capital:				
Balance, beginning of period.....	18,434	22,467	26,267	32,210
Shares issued upon exercise of stock options.....	2,788	1,620	3,264	3,698
Shares issued for Employee Stock Purchase Plan.....	42	176	312	324
Shares issued for acquisitions.....	(306)	1,228	150	--
Stock dividend.....	(60)	--	--	--
Sale of treasury stock.....	(451)	--	--	--
Tax benefit on exercise on exercise of options.....	2,020	776	2,217	--
Stock split.....	--	--	--	(203)
Balance, end of period.....	22,467	26,267	32,210	36,029
Treasury Stock:				
Balance, beginning of period.....	--	(293)	--	--
Purchases of treasury stock.....	(7,469)	--	(5)	(5)
Sales of treasury stock.....	6,871	--	5	5
Shares issued for acquisitions.....	305	293	--	--
Balance, end of period.....	(293)	--	--	--
Retained Earnings:				
Balance, beginning of period.....	23,844	38,175	57,122	83,383
Net loss for the three months ended September 30, 1999 -- Sys-Tech, Inc.....	--	--	--	264
Retained deficit of acquired businesses.....	(80)	(62)	(19)	--
Net income.....	18,042	23,537	31,968	22,584
Dividends (1997 -- \$.10 per share; 1998 -- \$.12 per share; 1999 -- \$.145 per share; 2000 -- \$.13 per share).....	(3,631)	(4,528)	(5,688)	(5,249)
Balance, end of period.....	38,175	57,122	83,383	100,982
Total stockholders' equity.....	\$ 60,549	\$ 83,591	\$ 115,798	\$ 137,422

See Notes to Consolidated Financial Statements.

JACK HENRY & ASSOCIATES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEARS ENDED JUNE 30,			NINE MONTHS ENDED MARCH 31,	
	1997	1998	1999	1999	2000
				(UNAUDITED)	
Cash Flows from Operating Activities:					
Income from continuing operations.....	\$ 18,492	\$ 24,205	\$ 32,726	\$ 24,624	\$ 22,916
Adjustments to Reconcile Income from Continuing Operations to Cash from Operating Activities					
Depreciation and amortization.....	5,212	6,362	7,901	6,231	10,662
Provision for deferred income taxes.....	322	478	221	--	--
Gain on sale of investment.....	--	--	--	(78)	(1,105)
Other.....	87	89	157	7	4
Changes In:					
Trade receivables.....	(8,181)	(12,215)	(8,540)	21,939	21,723
Prepaid expenses and other.....	(2,057)	(2,814)	(6,397)	(2,532)	(6,885)
Accounts payable.....	429	1,532	(3,308)	(8,582)	1,370
Accrued expenses.....	2,499	155	2,716	171	(2,966)
Income taxes.....	65	890	805	114	2,900
Deferred revenues.....	3,088	7,625	11,568	(6,550)	(7,047)
Net cash from continuing operations.....	19,956	26,307	37,849	35,344	41,572
Cash flows from discontinued operations.....	(819)	(1,075)	(608)	(306)	700
Cash Flows from Investing Activities:					
Capital expenditures.....	(13,714)	(9,949)	(38,884)	(31,489)	(18,733)
Purchases of investments.....	(5,887)	(3,177)	(6,708)	(5,522)	--
Proceeds from maturities of investments.....	3,002	5,800	3,100	2,100	5,668
Proceeds from sale of investment.....	--	--	--	--	3,605
Other assets.....	(2,500)	--	--	--	--
Purchases of customer contracts.....	(33)	--	(7,105)	--	--
Computer software developed/purchased.....	(191)	(281)	(867)	(362)	(632)
Acquisition costs, net of cash acquired.....	(282)	(1,046)	(5,905)	(8,129)	(51,215)
Other, net.....	(12)	(346)	(241)	59	216
Net cash from investing activities.....	(19,617)	(8,999)	(56,610)	(43,343)	(61,091)
Cash Flows from Financing Activities:					
Proceeds from issuance of common stock upon exercise of stock options.....	1,532	1,463	3,267	2,734	3,700
Proceeds from sale of common stock.....	10,655	201	462	225	325
Dividends paid.....	(3,631)	(4,528)	(5,688)	(4,075)	(5,249)
Short-term borrowings, net.....	--	200	(2)	(60)	29,456
Principal payments on long-term debt.....	(3,585)	(71)	(27)	(822)	(28)
Purchase of treasury stock.....	(5,444)	--	(5)	(6)	--
Proceeds from sale of treasury stock.....	5,646	--	5	--	--
Net cash from financing activities.....	5,173	(2,735)	(1,988)	(2,004)	28,204
Net cash activity for the three months ended September 30, 1999 -- Sys-Tech, Inc.	--	--	--	--	264
Net (decrease) increase in cash and cash equivalents.....	4,693	13,498	(21,357)	(10,309)	9,649
Cash and cash equivalents, beginning of period.....	6,542	11,235	24,733	24,733	3,376
Cash and cash equivalents, end of period.....	\$ 11,235	\$ 24,733	\$ 3,376	\$ 14,424	\$ 13,025
Supplemental Disclosures of Cash Flow Information					
Cash Paid During the Period for:					
Interest.....	\$ 40	\$ 34	\$ 93	\$ 69	\$ 829
Income taxes.....	\$ 8,443	\$ 10,601	\$ 13,988	\$ 13,477	\$ 9,061

See Notes to Consolidated Financial Statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF THE COMPANY

Jack Henry & Associates, Inc. ("JHA" or the "Company") is a computer software company which has developed several banking software systems. The Company's revenues are predominately earned by marketing those systems to financial institutions nationwide along with the computer equipment (hardware) and by providing the conversion and software customization services necessary for a financial institution to install a JHA software system. JHA also provides continuing support and maintenance services to customers using the systems.

CONSOLIDATION

The consolidated financial statements include the accounts of JHA and all of its wholly-owned subsidiaries and all significant intercompany accounts and transactions have been eliminated.

POOLING OF INTERESTS TRANSACTIONS

The consolidated financial statements for all periods presented have been restated to include Peerless Group, Inc. ("Peerless") which was acquired on December 16, 1998. The acquisition was accounted for as a pooling of interests and therefore all periods have been adjusted to reflect the acquisition as if it had occurred at the beginning of the earliest period reported (see Note 12).

The consolidated financial statements for all periods presented have been restated to include Sys-Tech, Inc. ("Sys-Tech"), which was acquired on June 1, 2000. The acquisition was accounted for as a pooling of interests and therefore all periods have been adjusted to reflect the acquisition as if it had occurred at the beginning of the earliest period reported (see Note 14).

Prior to the consummation of the pooling, Sys-Tech's year end was September 30. Therefore, the consolidated statements of income and cash flows for the years ended June 30, 1997, 1998 and 1999 reflect the results of operations and cash flows for the Company for the years then ended combined with Sys-Tech for the years ended September 30, 1997, 1998 and 1999, respectively. The consolidated balance sheets as of June 30, 1998 and 1999 reflect the financial position of the Company on those dates combined with the financial position of Sys-Tech as of September 30, 1998 and 1999, respectively. As a result of the Company and Sys-Tech having different fiscal year ends, Sys-Tech's results of operations for the three month period ended September 30, 1999 have been included in the consolidated statements of income for the year ended June 30, 1999 and the nine month period ended March 31, 2000, and, therefore, have been removed from the Company's retained earnings at July 1, 1999. Revenues, net loss from continuing operations and net loss of Sys-Tech for the three month period ended September 30, 1999 were \$1,402, \$378 and \$264, respectively.

COMMON STOCK SPLIT

On January 31, 2000, the Company's Board of Directors declared a 100% stock dividend on its common stock, effectively a 2 for 1 stock split. The stock dividend was paid March 2, 2000 to stockholders of record at the close of business on February 17, 2000. All per share and shares outstanding data in the consolidated statements of income and the notes to the consolidated financial statements have been retroactively restated to reflect the stock split.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE RECOGNITION

The Company's various sources of revenue and the methods of revenue recognition are as follows:

SOFTWARE LICENSING FEES

Initial licensing fees are recognized upon delivery of the unmodified software. Monthly software usage charges are recognized ratably over the contract period.

SOFTWARE INSTALLATION AND RELATED SERVICES

Fees for these services are recognized as the services are performed on hourly contracts and at completion on fixed-fee contracts.

MAINTENANCE/SUPPORT FEES

Fees from these contracts are recognized ratably over the life of the contract.

HARDWARE

Revenues from sales of hardware are recognized upon direct shipment by the supplier to the Company's customers. Costs of items purchased and remarketed are reported as cost of hardware in cost of sales.

DEFERRED REVENUES

Deferred revenues consist primarily of prepaid annual software and hardware maintenance fees. Software and hardware deposits are also reflected as deferred revenues.

COMPUTER SOFTWARE DEVELOPMENT

The Company capitalizes new product development costs incurred from the point at which technological feasibility has been established through the point at which customer installations begin. The capitalized costs, which include salaries and related expenses, equipment/facility costs and other direct expenses, are amortized to expense based on estimated revenues over the estimated product life (generally five years).

INCOME PER SHARE

Per share information is based on the weighted average number of common shares outstanding during the year. Stock options have been included in the calculation of income per share to the extent they are dilutive. Reconciliation from basic to diluted weighted average shares outstanding is the dilutive effect of outstanding stock options.

CASH EQUIVALENTS

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

INVESTMENTS

The Company invests its cash that is not required for current operations primarily in U.S. government securities.

The Company has the positive intent and ability to hold its debt securities until maturity and accordingly, these securities are classified as held-to-maturity and are carried at historical cost adjusted for amortization of premiums and accretion of discounts. Premiums and discounts are amortized and accreted, respectively, to interest income using the level-yield method over the period to maturity. The held-to-maturity securities typically mature in less than one year. Interest on investments in debt securities is included in income when earned.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost and depreciated principally using the straight-line method over the estimated useful lives of the assets.

INTANGIBLE ASSETS

Intangible assets consist of excess purchase price over the fair value of net assets acquired, customers, software maintenance/support contracts and marketing agreements acquired in business acquisitions. The amounts are amortized over an estimated economic benefit period, generally five to fifteen years using the straight-line method.

The Company reviews long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable.

COMPREHENSIVE INCOME

The Company has adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," which established standards for the reporting and display of comprehensive income and its components. Comprehensive income is defined as net income plus certain items that are recorded directly to shareholder's equity. Comprehensive income for each of the years in the period ended June 30, 1999 equals the Company's net income.

BUSINESS SEGMENT INFORMATION

The Company adopted SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information," which establishes standards for the disclosure required related to segments of an enterprise.

The Company is a leading provider of financial data processing systems for financial institutions. In accordance with SFAS No. 131, the Company's operations are classified as one business segment. The financial performance and productivity of the Company is monitored as a single unit as all products and services relate to one line of business, providing comprehensive services for data processing to the financial institution industry. Revenue by type of product and service is presented on the face of the statements of income.

INCOME TAXES

Deferred tax liabilities and assets are recognized for the tax effects of differences between the financial statement and tax bases of assets and liabilities. A valuation allowance is established to reduce deferred tax assets if it is likely that a deferred tax asset will not be realized.

RECENT ACCOUNTING PRONOUNCEMENTS

In October, 1997, the Accounting Standards Executive Committee of the American Institute of Public Accountants ("AcSEC") issued Statement of Position ("SOP") 97-2, "Software Revenue Recognition". The Company adopted SOP 97-2 effective July 1, 1998. SOP 97-2 generally requires revenue earned on software arrangements involving multiple elements to be allocated to each element based on the relative fair values of the elements. In March 1998, AcSEC issued SOP 98-4, "Deferral of the Effective Date of a Provision of SOP 97-2, Software Revenue Recognition", which deferred portions of SOP 97-2 for one year. Revenues in fiscal year 1999 from the sales of software are recognized in accordance with the enacted portions of SOP 97-2 and the Company's management anticipates that the adoption of SOP 98-4 in fiscal year 2000 will not have a material impact on the Company's result of operations.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities. SFAS No. 133, as amended by SFAS No. 137, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. This new standard is not anticipated to have a material impact on the Company's financial position and results of operations.

The Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," on December 3, 1999. SAB No. 101, as amended, provides the SEC Staff's views on selected revenue recognition issues and is effective no later than the fourth fiscal quarter for years beginning after December 15, 1999, which for the Company is the beginning of its fourth quarter of fiscal year 2001. The Company has not completed the process of evaluating the impact that will result from adopting SAB No. 101 and therefore, is unable to determine the impact that the adoption will have on its financial position and results of operations.

RECLASSIFICATION

Where appropriate, prior years' financial information has been reclassified to conform with the current years' presentation. The statements of cash flows are prepared using the indirect method, which represents a reclassification of the prior years' presentation using the direct method.

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim consolidated financial statements as of March 31, 2000 and for the nine-month periods ended March 31, 1999 and 2000 were prepared in accordance with the SEC rules and regulations for interim financial statements. In the opinion of management, the unaudited interim consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation. The accounting principles applied in preparation of the interim consolidated financial statements are consistent with those applied in the annual consolidated financial statements. Results of operations for the nine-month period ended March 31, 2000 are not necessarily indicative of the results that may be expected for the year ending June 30, 2000.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 2: INVESTMENTS

The amortized cost and approximate fair values of held-to-maturity securities at June 30, 1998 and 1999 are included in the following table. Fair market values of these securities did not differ significantly from amortized cost due to the nature of the securities and minor interest rate fluctuations during the periods.

	1998	1999
	-----	-----
	(IN THOUSANDS)	
U.S. treasury notes.....	\$3,101	\$6,583
Accrued interest.....	128	119
	-----	-----
Total.....	\$3,229	\$6,702
	=====	=====

NOTE 3: FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values for held-to-maturity securities are based on quoted market prices (See Note 2). For all other financial instruments, including amounts receivable and payable, short-term borrowings and long-term debt, fair values approximate carrying value, based on the short-term nature of the assets and liabilities and the variability of the interest rates on the borrowings.

NOTE 4: PROPERTY AND EQUIPMENT

The classification of property and equipment, together with their estimated useful lives is as follows:

	JUNE 30,		
	-----	-----	
	1998	1999	ESTIMATED USEFUL LIFE
	-----		-----
	(IN THOUSANDS)		
Land.....	\$ 830	\$ 2,830	
Land improvements.....	708	1,154	5-20 years
Buildings.....	5,624	16,444	25-30 years
Equipment and furniture.....	24,334	34,809	5-8 years
Aircraft.....	10,565	18,957	8-10 years
Construction in process.....	2,554	11,174	
	-----	-----	
	44,615	85,368	
Less accumulated depreciation.....	13,123	19,176	
	-----	-----	
Property and equipment, net.....	\$31,492	\$66,192	
	=====	=====	

NOTE 5: OTHER ASSETS

Following is an analysis of intangible assets:

	YEAR ENDED JUNE 30,	
	-----	-----
	1998	1999

	(IN THOUSANDS)	
Balance, beginning of year.....	\$15,469	\$15,272
Intangible assets.....	1,339	11,999
Amortization.....	(1,536)	(2,090)
	-----	-----
Balance, end of year.....	\$15,272	\$25,181
	=====	=====

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Computer software includes the unamortized cost of software products developed or acquired by the Company which were required to be capitalized by generally accepted accounting principles. The costs are amortized over an estimated economic benefit period, generally five years. Following is an analysis of the computer software costs:

	YEAR ENDED JUNE 30,	
	1998	1999

	(IN THOUSANDS)	
Balance, beginning of year.....	\$3,071	\$2,838
Software development costs capitalized.....	281	515
Software acquired.....	--	352
Amortization.....	(514)	(690)

Balance, end of year.....	\$2,838	\$3,015
	=====	=====

NOTE 6: LINES OF CREDIT AND LONG-TERM DEBT

LINES OF CREDIT

The Company has an \$8,000,000 line of credit at June 30, 1999, which is payable upon demand or at March 15, 2000, and is secured by \$1,000,000 of investments with the remainder unsecured. Borrowings under the line bear interest at a floating prime rate (7.75% at June 30, 1999). The Company also had a similar line of credit at June 30, 1998. There were no amounts outstanding under the line at June 30, 1999, or 1998. Utilization of the line was minimal during each of the last three fiscal years.

Sys-Tech has a line of credit with a maximum loan amount of \$400,000, bearing interest at the lender's prime rate plus one-half (10.0% at June 30, 1999). Amounts outstanding are \$400,000 and \$399,000 as of June 30, 1998 and 1999, respectively. The line is payable on demand or at August 20, 2000 and is secured by the accounts receivable and other current assets of Sys-Tech.

LONG-TERM DEBT

Sys-Tech has a note payable with an original loan amount of \$400,000, bearing interest at 10%, payable monthly, due August 4, 2001. The note is secured by specific real estate.

	YEAR ENDED JUNE 30,	
	1998	1999

	(IN THOUSANDS)	
Long-Term Debt.....	\$254	\$227
Less current maturities.....	15	16

	\$239	\$211
	=====	=====

Future maturities of long-term debt as of June 30, 1999 is as follows:

2000.....	\$ 16
2001.....	18
2002.....	193

	\$227
	=====

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 7: INCOME TAXES

The provision for income taxes on income from continuing operations consists of the following:

	YEAR ENDED JUNE 30,		
	1997	1998	1999
	(IN THOUSANDS)		
Current:			
Federal.....	\$ 8,954	\$12,044	\$16,860
State.....	909	1,170	1,806
Deferred:			
Federal.....	297	431	204
State.....	25	47	17
	-----	-----	-----
	\$10,185	\$13,692	\$18,887
	=====	=====	=====
Effective Rate.....	36%	36%	37%
	=====	=====	=====

The tax effects of temporary differences related to deferred taxes shown on the balance sheets were:

	YEAR ENDED JUNE 30,	
	1998	1999
	(IN THOUSANDS)	
Deferred Tax Assets:		
Carryforwards (operating losses, capital losses, credits, etc.).....	\$ 68	\$ 347
Expense reserves (bad debts, insurance, franchise tax, vacation, etc.).....	588	624
Intangible assets.....	535	1,236
	-----	-----
	1,191	2,207
Deferred Tax Liabilities:		
Excess tax depreciation.....	(2,998)	(4,104)
Excess tax amortization.....	(526)	(674)
Other, net.....	(32)	(15)
	-----	-----
	(3,556)	(4,793)
	-----	-----
Net deferred tax liability.....	\$(2,365)	\$(2,586)
	=====	=====

The following analysis reconciles the statutory federal income tax rate to the effective income tax rates reflected above:

	YEAR ENDED JUNE 30,		
	1997	1998	1999
	----	----	----
Computed "expected" tax expense (benefit).....	35%	35%	35%
Increase (Reduction) in Taxes Resulting From:			
State income taxes, net of federal income tax benefits....	3	3	3
Research & Development Credit.....	(1)	(1)	--
Other.....	(1)	(1)	(1)
	---	---	---
	36%	36%	37%
	==	==	==

Net operating less carryforwards of \$847,000 (from acquisitions) and capital loss carryforwards of \$57,000 expire through the year 2014.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 8: INDUSTRY AND SUPPLIER CONCENTRATIONS

The Company sells its products to banks and financial institutions throughout the United States and generally does not require collateral. Adequate reserves (which are insignificant at June 30, 1999, and 1998) are maintained for potential credit losses.

In addition, the Company purchases most of its computer equipment (hardware) and related maintenance for resale in relation to installation of JHA software systems from one supplier. There are a limited number of hardware suppliers for these required materials.

NOTE 9: STOCK OPTION PLANS

The Company has two stock option plans: the 1996 Stock Option Plan ("1996 SOP") and the Non-Qualified Stock Option Plan ("NSOP").

The 1996 SOP was adopted by the Company October 29, 1996, for its employees. This plan replaced the terminating 1987 SOP. Terms of the options are determined by the Compensation Committee of the Board of Directors when granted and for options outstanding include vesting periods up to 2 1/2 years. Shares of common stock are reserved for issuance under this plan at the time of each grant which must be at or above fair market value at the grant date. The options terminate upon termination of employment, three months after retirement, one year after death or ten years after grant. As of June 30, 1999, there were 2,264,000 shares available for future grants under the plan from the original 5,500,000 shares approved by the stockholders.

The NSOP was adopted by the Company on October 31, 1995, for its outside directors. Options are exercisable beginning six months after grant at a price equal to 100% of the fair market value of the stock at the grant date. The options terminate when director status ends, upon surrender of the option or ten years after grant. A total of 600,000 shares of common stock have been reserved for issuance under this plan with a maximum of 150,000 for each director.

A summary of the activity of all of the Company's stock option plans is:

	YEAR ENDED JUNE 30,		
	1997	1998	1999
Options outstanding, beginning of year:.....	2,913,602	3,120,260	4,322,184
Options granted.....	189,500	1,434,854	694,774
Options exercised.....	(1,320,450)	(208,930)	(645,778)
Options forfeited.....	(15,000)	(24,000)	(32,800)
Increase in options outstanding due to 50% stock dividend.....	1,352,608	--	--
Options outstanding, end of year:.....	3,120,260	4,322,184	4,338,380
Currently exercisable.....	2,995,262	3,038,268	3,322,406
Weighted-average exercise price for options outstanding....	\$ 5.494	\$ 8.324	\$ 10.791
Weighted-average exercise price for options granted.....	\$ 10.928	\$ 12.547	\$ 21.306
Weighted-average exercise price for options exercised.....	\$ 2.526	\$ 6.072	\$.187
Weighted-average fair value of options granted.....	\$ 2.888	\$ 4.934	\$ 9.608

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Following is an analysis of stock options outstanding (O) and exercisable (E) as of June 30, 1999:

RANGE OF EXERCISE PRICES	SHARES		WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE IN YEARS	WEIGHTED-AVERAGE EXERCISE PRICE	
	O	E	O	O	E
\$2 to 5.....	794,598	794,598	4.61	\$ 2.90	\$ 2.90
6 to 9.....	1,205,640	1,205,640	6.47	7.56	7.56
10 to 12.....	1,281,568	763,968	8.28	11.94	11.86
13 to 19.....	486,840	219,240	8.89	15.43	14.00
19 to 28.....	569,734	338,960	9.32	22.11	22.14
	-----	-----	-----	-----	-----
\$2 to 28.....	4,338,380	3,322,406	7.31	\$10.79	\$ 9.35
	=====	=====	=====	=====	=====

OPTIONS
FORFEITED:

FISCAL YEAR	RANGE OF EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
1997.....	\$ 6 to 9	15,000	\$ 8.96
1998.....	\$12 to 13	24,000	\$12.07
1999.....	\$12 to 22	32,800	\$18.71

As permitted under SFAS No. 123, "Accounting for Stock-Based Compensation," the Company has elected to continue to follow Accounting Principles Board ("APB") No. 25 "Accounting for Stock Issued to Employees," in accounting for stock-based awards to employees. Under APB No. 25, the Company generally recognizes no compensation expense with respect to such awards, since the exercise price of the stock options awarded are equal to the fair market value of the underlying security on the grant date.

Pro forma information regarding net income and earnings per share is required by SFAS No. 123 for awards granted after December 31, 1994, as if the Company had accounted for its stock-based awards to employees under the fair value method of SFAS No. 123. The fair value of the Company's stock-based awards to employees was estimated as of the date of the grant using a Black-Scholes option pricing model.

The Company's pro forma information for continuing operations follows:

		YEAR ENDED JUNE 30,		
		1997	1998	1999
Net income.....	As reported.....	\$18,492	\$24,205	\$32,726
	Pro forma.....	\$18,261	\$22,150	\$27,453
Diluted earnings per share.....	As reported.....	\$.46	\$.58	\$.77
	Pro forma.....	\$.45	\$.53	\$.64
Basic earnings per share.....	As reported.....	\$.49	\$.61	\$.81
	Pro forma.....	\$.48	\$.56	\$.68
Assumptions:				
Expected life (years).....		2.16	2.16	2.97
Volatility.....		40%	40%	56%
Risk free interest rate.....		5.9%	6.1%	5.0%
Dividend yield.....		.35%	.35%	.35%

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 10: EMPLOYEE BENEFIT PLANS

STOCK PURCHASE PLAN -- The Company established an employee stock purchase plan on January 1, 1996. The plan allows the majority of employees the opportunity to directly purchase shares of the Company. Purchase prices for all participants are based on the closing bid price on the last business day of each month.

401(K) EMPLOYEE STOCK OWNERSHIP PLAN ("ESOP") -- The Company has a 401(k) Employee Stock Ownership Plan (the "Plan") covering substantially all employees of the Company and its subsidiaries. As of July 1, 1987, the plan was amended and restated to include most of the existing ESOP provisions and to add salary reduction contributions allowed under Section 401(k) of the Internal Revenue Code and to require employer matching contributions. The Company matches 100% of employee contributions up to 5% of compensation subject to a maximum of \$5,000. The Company has the option of making a discretionary contribution to the Plan, however, none has been made for any of the three most recent fiscal years. The Company assumed responsibility for the Peerless Employee 401(k) Plan as of acquisition date (see Note 12), and will merge it into the Plan as of December 31, 1999. The total expense related to the Plans was \$723,000, \$952,000, and \$1,321,000 for 1997, 1998, and 1999, respectively.

NOTE 11: DISCONTINUED OPERATIONS

In the last quarter of 1996, the Company discontinued the operations of its BankVision Software, Ltd. subsidiary ("BankVision") which it planned to sell by December 31, 1996. The estimated loss on disposal recorded in 1996 consisted of the following:

Estimated loss on sale, net of applicable income tax benefit.....	\$2,390,000
Operating losses from April 1, 1996, through June 30, 1996, net of income tax benefit of \$78,000.....	130,000
Estimated operating losses from July 1, 1996, to anticipated disposal date, net of income tax benefit of \$38,000.....	100,000

	\$2,620,000
	=====

The planned sale of BankVision was not concluded as of June 30, 1999. Thus, additional losses of \$450,000, \$668,000 and \$758,000 were reported for the discontinued BankVision unit for the years ended June 30, 1997, 1998 and 1999, respectively. Several issues which were raised during negotiations for the sale of BankVision caused a delay in the Company's plan for disposing of this subsidiary. These issues have now been addressed. The Company is currently honoring commitments to existing customers and anticipates final resolution regarding its discontinued operations by January 31, 2000. The Company has notified customers that maintenance contracts will not be renewed upon normal expiration. (See Note 13).

NOTE 12: BUSINESS ACQUISITIONS

POOLING OF INTERESTS TRANSACTIONS

The Company acquired all the outstanding shares of Peerless on December 16, 1998, for approximately \$36,000,000 (1,654,000 shares) in Company stock.

The Company acquired all the outstanding shares of Financial Software Systems, Inc. on September 2, 1997, for \$600,000 in Company stock.

The Company acquired all the outstanding shares of G. G. Pulley & Associates, Inc. on July 1, 1997, for \$5,000,000 in Company stock.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The Company acquired all the outstanding shares of Liberty Banking Services, Inc. on September 1, 1996, for \$2,000,000 in Company stock.

Prior years' consolidated financial statements have been restated for the effect of the pooling transactions. The following table presents a reconciliation of revenue and net income previously reported by the Company and Peerless to those presented in the accompanying consolidated financial statements. (See Note 13 for the impact of the Sys-Tech pooling).

	FISCAL 1997	FISCAL 1998	THREE MONTHS ENDED SEPTEMBER 30, 1998
	-----	-----	-----
			(UNAUDITED)
Revenues:			
JHA.....	\$ 82,600	\$113,423	\$40,728
Peerless.....	38,151	29,124	8,921
	-----	-----	-----
Combined.....	\$120,751	\$142,547	\$49,649
	=====	=====	=====
Net Income JHA.....	\$ 15,305	\$ 21,569	\$ 8,296
Peerless.....	2,514	1,713	497
	-----	-----	-----
Combined.....	\$ 17,819	\$ 23,282	\$ 8,793
	=====	=====	=====

PURCHASE TRANSACTIONS

On November 25, 1998, the Company acquired all the outstanding shares of Digital Data Services, Inc. common stock for \$2,750,000 in cash.

On July 1, 1998, the Company acquired all the outstanding shares of Hewlett Computer Services, Inc. common stock for \$2,250,000 in cash.

On December 12, 1997, the Company acquired all the outstanding shares of Vertex, Inc. common stock for \$1,905,000 in Company stock and \$1,095,000 in cash.

The consolidated operations of the Company include the operations of the acquirees from their acquisition dates for acquisitions accounted for as purchases. Pro Forma information for acquisitions accounted for as purchases is not presented as the impact was not material.

NOTE 13: SUBSEQUENT EVENTS

SALE OF SUBSIDIARY

On September 7, 1999, the Company completed the sale of its BankVision subsidiary (see discontinued operations, Note 11) for \$1,000,000. Under the terms of the agreement, the purchaser, made a \$500,000 down payment and executed promissory notes to pay \$250,000 (plus interest) in each of the next two years. The net assets of the subsidiary, as of that date, approximately equal the sales proceeds, and as a result, the Company expects the transaction to have minimal effect on its financial results for fiscal year 2000.

OPEN SYSTEM GROUP ACQUISITION

On September 8, 1999, the Company's wholly-owned subsidiary Open System Group, Inc. ("OSG"), completed the acquisition of BancTec, Inc.'s community banking business, providing software, account processing capabilities and data center operations to over 800 community banks throughout the United States and the Caribbean. Revenues from these acquired community banking operations total approximately \$17,000,000 and \$43,000,000 for the six months ended June 30, 1999 and calendar 1998,

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

respectively. The total value of the transaction was approximately \$56,136,000, of which \$50,000,000 was in cash, the assumption of approximately \$5,475,000 liabilities and \$661,000 in transaction costs. The purchase price was paid with approximately \$25,000,000 cash from operations and \$25,000,000 proceeds from a line of credit with a commercial lender. The line of credit provides for advances of up to \$40,000,000, bears interest at variable LIBOR-Based Rates (5.98% as of September 7, 1999) and is due September 7, 2000.

NOTE 14: SYS-TECH, INC. ACQUISITION

On June 1, 2000, the Company acquired all the outstanding shares of Sys-Tech for approximately \$16,000,000 (417,000 shares) in Company stock.

Prior years' consolidated financial statements have been restated for the effect of this pooling transaction. The following table presents a reconciliation of revenue and net income previously reported by the Company, as restated for the Peerless transaction, and Sys-Tech to those presented in the accompanying consolidated financial statements.

	FISCAL 1997	FISCAL 1998	FISCAL 1999	NINE MONTHS ENDED MARCH 31, 2000
	-----	-----	-----	-----
	(UNAUDITED)			
Revenues:				
JHA.....	\$120,751	\$142,547	\$184,504	\$150,239
Sys-Tech.....	5,505	5,688	9,023	5,692
Combined.....	\$126,256	\$148,235	\$193,527	\$155,931
	=====	=====	=====	=====
Net Income:				
JHA.....	\$ 17,819	\$ 23,282	\$ 31,768	\$ 22,588
Sys-Tech.....	223	255	200	(4)
Combined.....	\$ 18,042	\$ 23,537	\$ 31,968	\$ 22,584
	=====	=====	=====	=====

NOTE 15: ADDITIONAL SUBSEQUENT EVENTS (UNAUDITED)

With respect to the OSG acquisition discussed in Note 13, the Company allocated the purchase price to the assets and liabilities acquired based on their estimated fair values at the acquisition date, resulting in allocations of \$39,000,000, \$5,315,000 and \$1,000,000 to acquired customer relationships, goodwill and acquired software, respectively. The customer contracts, goodwill and software will be amortized on a straight-line basis over 20, 20 and 10 years respectively.

On April 1, 2000, the Company acquired all the outstanding shares of BancData Solutions, Inc. ("BDS"), for \$5,000,000 in cash. BDS is a provider of a variety of service bureau options to community banks, primarily in southern California. Systems are AS/400 based and are already using the JHA core application system. The excess purchase price over the fair value of net assets acquired of \$3,963,000 was allocated to customers and is being amortized on a straight-line basis over 20 years.

On June 7, 2000, the Company completed the acquisition of Symitar Systems, Inc. ("Symitar"), a provider of in-house data processing solutions for credit unions. Symitar provides 237 credit unions throughout the United States with its comprehensive line of software and services that run on the IBM RS/6000. Revenues from these operations totaled approximately \$33,000,000 and \$36,000,000 for years ended December 31, 1999 and 1998, respectively. The purchase price of \$44,000,000 in cash was paid with proceeds from a line of credit with a commercial lender. The line of credit which originally provided for advances of up to \$40,000,000 and was due September 7, 2000, was renewed and increased to provide for

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

advances of up to \$75,000,000, bears interest at variable LIBOR-Based Rates (7.63% as of June 7, 2000) and is due June 15, 2001.

The purchase price for Symitar was preliminarily allocated to the assets and liabilities acquired based on their estimated fair values at the acquisition date, pending final determination of the fair value of certain acquired intangible assets. The preliminary allocation has resulted in acquired customers of approximately \$41,300,000 and acquired software of \$2,000,000 which will be amortized on a straight-line basis over 20 years and 10 years, respectively.

The three acquisitions discussed above were accounted for using the purchase method. Accordingly, the accompanying consolidated statements of income do not include any revenues and expenses related to these acquisitions prior to their respective closing dates.

The following unaudited proforma condensed information is presented as if the OSG and Symitar acquisitions had occurred at the beginning of the earliest period presented. The pro forma results for BDS were not included as amounts are not material.

	YEAR ENDED JUNE 30,		NINE MONTHS ENDED MARCH 31,	
	1998	1999	1999	2000
	(IN THOUSANDS, EXPECT PER SHARE DATA)			
Revenues.....	\$212,200	\$274,682	\$212,093	\$178,897
Income from continuing operations.....	21,524	33,205	25,067	20,709
Net income.....	20,856	32,447	24,309	20,337
Diluted Earnings Per Share:				
Income from continuing operations.....	.52	.78	.59	.49
Net income.....	\$.50	\$.76	\$.57	\$.48

These unaudited pro forma results have been prepared for comparative purposes only and do not necessarily reflect the results of operations which would have actually resulted had the acquisition occurred as of the beginning of the earliest period presented, or of future results of operations.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial information for Jack Henry consists of the Unaudited Pro Forma Combined Statement of Income for the year ended June 30, 1999 and the nine month period ended March 31, 2000 and the Unaudited Pro Forma Combined Balance Sheet as of March 31, 2000. The historical consolidated financial information of Jack Henry has been restated to reflect the acquisitions of Peerless Group, Inc. in December 1998 and Sys-Tech, Inc. in June 2000, which were accounted for as poolings-of-interest, as if they had occurred at the beginning of the earliest period presented herein. On September 8, 1999, Jack Henry purchased certain assets comprising BancTec Financial Systems, a unit of BancTec, Inc., for \$50.0 million in cash, the assumption of approximately \$5.5 million of liabilities and transaction costs of approximately \$661,000. The acquisition was funded with \$25.7 million from operations and \$25.0 million from short-term borrowings. The acquired business was renamed Open Systems Group. On June 7, 2000, the Company completed the acquisition of all of the outstanding common stock of Symitar Systems, Inc. ("Symitar"), a California Subchapter S corporation, for approximately \$44.0 million in cash, funded with short-term borrowings. The purchase price for Symitar was preliminarily allocated to the assets and liabilities acquired based on their estimated fair value at the acquisition date, pending final determination of the valuation of certain acquired intangible assets. The Unaudited Pro Forma Combined Statements of Income for the year ended June 30, 1999 and the nine month period ended March 31, 2000 give effect to the Open Systems Group and Symitar transactions as if they had taken place on July 1, 1998. The Unaudited Pro Forma Combined Balance Sheet as of March 31, 2000 gives effect to the Symitar transaction as if it had taken place on that date.

The Unaudited Pro Forma Combined Statements of Income combines Jack Henry consolidated historical results of operations for the year ended June 30, 1999 and the nine months ended March 31, 2000 with Open Systems Group's and Symitar's historical results for the same periods. Jack Henry's results of operations include the results of operations of Open Systems Group since its acquisition in September 1999. The pro forma combined financial information has been prepared on the basis of assumptions described in the notes.

The pro forma combined financial information should be read in conjunction with the related notes and the consolidated financial statements and accompanying notes of Jack Henry, the financial statements and accompanying notes of Open Systems Group and the financial statements and accompanying notes of Symitar. The combined pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the acquisitions had been in effect during the periods presented, nor is it necessarily indicative of future operating results or financial position. The amounts in the unaudited pro forma combined financial information and the related notes thereto, other than per share data, are in thousands.

JACK HENRY & ASSOCIATES, INC.
 UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
 FOR THE YEAR ENDED JUNE 30, 1999

	HISTORICAL				PRO FORMA ADJUSTMENTS	PRO FORMA
	JACK HENRY	OPEN SYSTEMS GROUP	SYMITAR	COMBINED		
Revenues						
Software licensing and installation.....	\$ 47,181	\$ 9,147	\$15,294	\$71,622	\$ --	\$ 71,622
Maintenance/support and service.....	71,278	20,338	6,104	97,720	--	97,720
Hardware sales.....	75,068	10,679	19,593	105,340	--	105,340
Total revenues.....	193,527	40,164	40,991	274,682	--	274,682
Cost of Sales						
Cost of hardware.....	54,661	8,160	12,935	75,756	--	75,756
Cost of services.....	52,582	19,222	14,032	85,836	3,099 (a)	88,935
Total cost of sales.....	107,243	27,382	26,967	161,592	3,099	164,691
Gross profit.....	86,284	12,782	14,024	113,090	(3,099)	109,991
Operating Expenses						
Selling and marketing expense.....	14,030	6,170	2,152	22,352	--	22,352
Research and development expense....	5,183	2,875	788	8,846	--	8,846
General and administrative expense.....	17,347	4,298	644	22,289	--	22,289
Total operating expenses.....	36,560	13,343	3,584	53,487	--	53,487
Operating income from continuing operations.....	49,724	(561)	10,440	59,603	(3,099)	56,504
Other Income (Expense)						
Interest income.....	1,619	--	324	1,943	--	1,943
Interest expense.....	(93)	--	--	(93)	(6,347) (b)	(6,440)
Other, net.....	363	--	(9)	354	--	354
Total other income (expense).....	1,889	--	315	2,204	(6,347)	(4,143)
Income from continuing operations before taxes.....	51,613	(561)	10,755	61,807	(9,446)	52,361
Provision for income taxes.....	18,887	--	128	19,015	141 (c)	19,156
Income from continuing operations.....	\$ 32,726	\$ (561)	\$10,627	\$42,792	\$(9,587)	\$ 33,205
Diluted earnings per share from continuing operations:.....						
	\$ 0.77					\$ 0.78
Diluted weighted average shares outstanding.....						
	42,641					42,641
Basic earnings per share from continuing operations.....						
	\$ 0.81					\$ 0.82
Basic weighted average shares outstanding.....						
	40,337					40,337

See Notes to Unaudited Pro Forma Combined Financial Information.

JACK HENRY & ASSOCIATES, INC.
 UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
 FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2000

	HISTORICAL				PRO FORMA ADJUSTMENTS	PRO FORMA
	JACK HENRY	OPEN SYSTEMS GROUP	SYMITAR	COMBINED		
Revenues						
Software licensing and installation.....	\$ 35,888	\$ 416	\$6,734	\$43,038	\$ --	\$ 43,038
Maintenance/support and service.....	69,812	3,016	5,766	78,594	--	78,594
Hardware sales.....	50,231	65	6,969	57,265	--	57,265
Total Revenues.....	155,931	3,497	19,469	178,897	--	178,897
Cost of Sales						
Cost of hardware.....	35,920	--	4,043	39,963	--	39,963
Cost of services.....	54,865	3,141	9,924	67,930	1,862 (a)	69,792
Total Cost of Sales.....	90,785	3,141	13,967	107,893	1,862	109,755
Gross profit.....	65,146	356	5,502	71,004	(1,862)	69,142
Operating Expenses						
Selling and marketing expense.....	12,514	925	1,587	15,026	--	15,026
Research and development expense....	5,780	432	782	6,994	--	6,994
General and administrative expense.....	13,692	396	510	14,598	--	14,598
Total.....	31,986	1,753	2,879	36,618	--	36,618
Operating income from continuing operations.....	33,160	(1,397)	2,623	34,386	(1,862)	32,524
Other Income (Expense)						
Interest income.....	738	--	284	1,022	--	1,022
Interest expense.....	(1,143)	--	--	(1,143)	(3,091) (b)	(4,234)
Other, net.....	1,629	(4)	(1)	1,624	--	1,624
Total Other Income (Expense).....	1,224	(4)	283	1,503	(3,091)	(1,588)
Income from continuing operations before taxes.....	34,384	(1,401)	2,906	35,889	(4,953)	30,936
Provision for income taxes.....	11,468	--	22	11,490	(1,263) (c)	10,227
Income from continuing operations...	\$ 22,916	\$(1,401)	\$2,884	\$24,399	\$(3,690)	\$ 20,709
Diluted earnings per share from continuing operations.....						
	\$ 0.54					\$ 0.49
Diluted weighted average shares outstanding.....						
	42,343					42,343
Basic earnings per share from continuing operations.....						
	\$ 0.56					\$ 0.51
Basic weighted average shares outstanding.....						
	40,771					40,771

See Notes to Unaudited Pro Forma Combined Financial Information.

JACK HENRY & ASSOCIATES, INC.
 UNAUDITED PRO FORMA COMBINED BALANCE SHEET
 MARCH 31, 2000

	HISTORICAL			PRO FORMA ADJUSTMENTS	PRO FORMA
	JACK HENRY	SYMITAR	COMBINED		
ASSETS					
Current Assets:					
Cash and cash equivalents.....	\$ 13,025	\$12,018	\$25,043	\$(2,712) (e)	\$ 22,331
Investments, at amortized cost.....	1,034	--	1,034	--	1,034
Trade receivables.....	37,803	2,538	40,341	--	40,341
Income taxes receivable.....	--	--	--	--	--
Prepaid cost of product.....	669	204	873	--	873
Prepaid expenses and other.....	22,356	117	22,473	--	22,473
Total.....	74,887	14,877	89,764	(2,712)	87,052
Property and equipment, net.....	80,520	1,431	81,951	--	81,951
Other Assets:					
Intangible assets, net of amortization.....	65,551	--	65,551	41,177 (a)	106,728
Computer software, net of amortization.....	3,626	--	3,626	2,000 (a)	5,626
Other.....	1,280	72	1,352	--	1,352
Total.....	70,457	72	70,529	43,177	113,706
Total assets.....	\$225,864	\$16,380	\$242,244	\$40,465	\$282,709
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities:					
Accounts payable.....	\$ 6,918	\$ 500	\$ 7,418	\$ --	\$ 7,418
Short-term borrowings.....	29,855	--	29,855	44,000 (b)	73,855
Accrued expenses.....	6,541	1,107	7,648	--	7,648
Accrued income taxes.....	1,722	--	1,722	--	1,722
Deferred revenues.....	41,300	11,330	52,630	--	52,630
Current portion of long-term debt.....	17	--	17	--	17
Total.....	86,353	12,937	99,290	44,000	143,290
Long-term debt.....	182	--	182	--	182
Deferred income taxes.....	1,907	--	1,907	(92) (d)	1,815
Total liabilities.....	88,442	12,937	101,379	43,908	145,287
Stockholders' Equity:					
Preferred stock; \$1 par value; 500,000 shares authorized; none issued.....	--	--	--	--	--
Common stock; \$.01 par value; 50,000,000 shares authorized; shares issued at March 31, 2000 -- 41,121,803.....	411	--	411	--	411
Additional paid-in capital.....	36,029	30	36,059	(30) (e)	36,029
Retained earnings.....	100,982	3,413	104,395	(3,413) (e)	100,982
Total stockholders' equity.....	137,422	3,443	140,865	(3,443)	137,422
Total liabilities and stockholders' equity.....	\$225,864	\$16,380	\$242,244	\$40,465	\$282,709

See Notes to Unaudited Pro Forma Combined Financial Information.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

- (a) Adjustment includes amortization expense for the acquired intangible assets of Open Systems Group, offset by the reduction of intangible assets amortized for prior acquisitions of Open Systems Group. The acquired assets consist of customer relationships valued at \$39,000 and goodwill valued at \$5,315, each to be amortized on a straight-line basis over 20 years, and acquired software valued at \$1,000 to be amortized on a straight-line basis over 10 years. This adjustment also included the amortization of acquired intangible assets from Symitar Systems, Inc. The purchase price for Symitar was preliminarily allocated to the assets and liabilities acquired based on their estimated fair value at the acquisition date, pending final determination of the valuation of certain acquired intangible assets. The preliminary allocation has resulted in acquired software valued at \$2,000 to be amortized on a straight-line basis over 10 years, with the remaining costs of \$41,417 preliminarily allocated to customer relationships to be amortized on a straight-line basis over 20 years. The actual adjustment shown on the Unaudited Pro Forma Combined Balance Sheet of \$41,177 reflects \$240 in decreased allocable costs due to the change in the net assets of Symitar between March 31, 2000 and the acquisition date.

	YEAR ENDED JUNE 30, 1999	NINE MONTHS ENDED MARCH 31, 2000
	-----	-----
Open Systems Group amortization of acquired intangible assets.....	\$ 828	\$ 159
Symitar Systems, Inc. amortization of acquired intangible assets.....	2,271	1,703
	-----	-----
Net increase in amortization.....	\$ 3,099	\$1,862
	=====	=====

- (b) Short-term borrowings has been adjusted to reflect the \$44,000 of borrowings incurred to finance the acquisition of Symitar Systems, Inc. In addition, this adjustment reflects interest expense that Jack Henry would have incurred if it had borrowed the entire \$50,000 cash purchase price of Open Systems Group. Interest expense has been adjusted to reflect the incremental interest from the short-term borrowings related to the acquisitions of Symitar at an interest rate of 7.63% (the current interest rate) and Open Systems Group at an interest rate of 5.98% (the effective borrowing rate at the date of the acquisition). The adjustment reflects the additional interest costs that would have been paid if the acquisitions had occurred as of the beginning of the earliest period reported.

	YEAR ENDED JUNE 30, 1999	NINE MONTHS ENDED MARCH 31, 2000
	-----	-----
Open Systems Group interest expense to reflect debt incurred.....	\$2,990	\$ 573
Symitar Systems, Inc. interest expense to reflect debt incurred.....	3,357	2,518
	-----	-----
Net increase in interest expense.....	\$6,347	\$3,091
	=====	=====

- (c) This adjustment reflects the tax effect of the pro forma adjustments and an additional provision for income taxes, as Symitar was a Subchapter S corporation prior to its acquisition by Jack Henry. The tax effect was determined using an effective tax rate of 36.0%, which approximates the statutory federal rate adjusted for state taxes in the periods presented.
- (d) Reflects the net decrease in deferred income taxes arising from the difference between the assigned values and tax bases of the assets and liabilities of Symitar. This adjustment reduces the amount of excess purchase price to be allocated to acquired intangible assets.
- (e) Adjustment reflects the pro forma effect of \$2,712 of distributions to the stockholders of Symitar during April 2000 as if these distributions had occurred as of March 31, 2000. The adjustment also reflects the elimination of the remaining stockholders' equity of Symitar.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Jack Henry & Associates, Inc.:

We have audited the accompanying balance sheet of BancTec Financial Systems, a unit of BancTec, Inc., (the "Company") as of August 31, 1999, and the related statements of operations, equity, and cash flows for the twelve months ended August 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of BancTec Financial Systems at August 31, 1999, and the results of its operations and its cash flows for the twelve months ended August 31, 1999 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared from the separate records maintained by BancTec Financial Systems and may not necessarily be indicative of the conditions that would have existed or the results of operations if BancTec Financial Systems had been operated as an unaffiliated company. Portions of certain expenses represent allocations made from BancTec, Inc. for items applicable to BancTec, Inc. as a whole.

/s/ DELOITTE & TOUCHE LLP

December 22, 1999
St. Louis, Missouri

BANCTEC FINANCIAL SYSTEMS

BALANCE SHEET

AUGUST 31, 1999

(IN THOUSANDS)

ASSETS

Current Assets:

Accounts receivable, less allowance for doubtful accounts of \$1,713.....	\$ 6,926
Inventory, less reserve for obsolescence of \$336.....	712
Prepaid expenses and other.....	309
Deferred income taxes.....	919

Total current assets.....	8,866
Property and equipment, net.....	2,127
Goodwill, net.....	19,266

Total assets.....	\$30,259
	=====

LIABILITIES AND EQUITY

Current Liabilities:

Accounts payable.....	\$ 512
Accrued expenses.....	1,926
Deferred revenues.....	3,684

Total current liabilities.....	6,122
Deferred income taxes.....	919

Total liabilities.....	7,041
Equity.....	23,218

Total liabilities and equity.....	\$30,259
	=====

See Notes to Financial Statements.

BANCTEC FINANCIAL SYSTEMS
 STATEMENT OF OPERATIONS
 FOR THE TWELVE MONTHS ENDED AUGUST 31, 1999

(IN THOUSANDS)

Revenues	
Software and installations.....	\$ 9,147
Maintenance and other services.....	20,338
Hardware.....	10,679

Total revenues.....	40,164

Cost of Sales	
Software and installations.....	7,602
Maintenance and support.....	11,620
Hardware.....	8,160

Total cost of sales.....	27,382

Gross profit.....	12,782
Operating Expenses	
Product development.....	2,875
Selling.....	6,170
General and administrative.....	4,298

Total operating expenses.....	13,343

Loss from operations before income taxes.....	(561)

Provision for income taxes.....	--

Net loss.....	\$ (561)
	=====

See Notes to Financial Statements.

BANCTEC FINANCIAL SYSTEMS
STATEMENT OF CHANGE IN EQUITY
FOR THE TWELVE MONTHS ENDED AUGUST 31, 1999

	(IN THOUSANDS)
Balance, September 1, 1998.....	\$28,130
Net loss.....	(561)
Distribution to BancTec, Inc., net.....	(4,351)

Balance, August 31, 1999.....	\$23,218
	=====

See Notes to Financial Statements.

BANCTEC FINANCIAL SYSTEMS

STATEMENT OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED AUGUST 31, 1999

(IN THOUSANDS)

Cash Flows from Operating Activities:	
Net loss.....	\$ (561)
Adjustments to Reconcile Net Loss to Cash Flows from	
Operating Activities:	
Depreciation.....	1,393
Amortization.....	1,548
Changes In:	
Accounts receivable.....	2,243
Inventory.....	1,378
Prepaid expenses and other.....	60
Accounts payable.....	(447)
Accrued expenses.....	(357)
Deferred revenues.....	370
Net cash from operating activities.....	5,627
Cash flows from investing activities -- Capital	
expenditures.....	(1,276)
Cash flows from financing activities -- Distribution to	
BancTec, Inc, net.....	(4,351)
Change in cash.....	--
Cash, September 1, 1998.....	--
Cash, August 31, 1999.....	\$ --
	=====

See Notes to Financial Statements.

BANCTEC FINANCIAL SYSTEMS

NOTES TO FINANCIAL STATEMENTS
(IN THOUSANDS)

1. SUMMARY OF ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS -- BancTec Financial Systems ("BFS" or the "Company"), a unit of BancTec, Inc. ("BancTec"), provides a broad range of products and services, including hardware, software and account processing capabilities at six data center operations to over 800 community banks throughout the United States and the Caribbean.

USE OF ESTIMATES -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INVENTORIES -- Inventories consist of finished goods acquired under reseller agreements and are valued at the lower of cost or market. Cost is determined using the first-in, first-out and weighted average methods. Valuation reserve has been recorded to adjust the net book value of inventory to the net realizable value for obsolescence of specific items.

DEFERRED REVENUES -- Certain of the Company's contracts permit the Company to bill the customer in advance of the time revenue is recognized. Deferred revenue represents billings in excess of revenue recognized. Revenue is recognized ratably over the contract period as the services are performed, which usually occurs within one year of billing.

REVENUE RECOGNITION -- The Company's revenue recognition policies for its principal sources of revenue are:

Equipment and software sales -- Revenue from sales of established products is recognized upon shipment of completed product in conformity with certain provisions of AICPA Statement of Position ("SOP") 97-2, "Software Revenue Recognition." Revenue for new products is generally recognized at the time of acceptance by the customer. All customer contracts costs, including equipment and software, are charged to cost of sales at the time the related revenue is recognized.

Maintenance -- Revenue from maintenance contracts is recognized ratably over the term of the contract. The excess of annual maintenance revenue billed to the customers over revenue recognized to date is shown as deferred revenue.

Data Centers -- The Company owns and operates six service bureau facilities that provide check and data processing services. The Company enters into multi-year contracts with customers to provide such services. Revenue from the related contracts is recognized as services are provided.

PRODUCT DEVELOPMENT -- Company sponsored software product development costs are expensed as incurred until technological feasibility has been established. Subsequent to that time, the software product development costs are capitalized in conformity with Statement of Financial Accounting Standards ("SFAS") No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed." At August 31, 1999, there were no capitalized software costs recorded in other assets. Software costs are amortized on a straight-line basis over a three year period. The amount of software development costs amortized to expense for the twelve month period ended August 31, 1999 was \$60.

PROPERTY AND EQUIPMENT -- Property and equipment is stated at cost and depreciated principally using the straight-line method over the estimated useful lives of the assets, generally three to seven years.

BANCTEC FINANCIAL SYSTEMS
 NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
 (IN THOUSANDS)

INTANGIBLE ASSETS -- Intangible assets consist of excess purchase price over the fair value of net assets acquired in business acquisitions. The excess of cost over net assets of acquired businesses is amortized over 10 to 20 years.

The Company evaluates the recoverability of goodwill and other long-lived assets by measuring the carrying value of the assets against the estimated undiscounted future cash flows associated with them. At the time such evaluations indicate that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

COMPREHENSIVE INCOME -- The Company has adopted SFAS No. 130, "Reporting Comprehensive Income," which established standards for the reporting and display of comprehensive income and its components. Comprehensive income (loss) for the twelve months ended August 31, 1999 equals the Company's net income (loss).

INCOME TAXES

The operating results of the Company are included in the consolidated federal tax return of BancTec. The provision for income taxes was calculated using a stand-alone allocation method, that is, as if the Company filed on a separate return basis. Deferred tax liabilities and assets are recognized for the tax effects of differences between the financial statement and tax bases of assets and liabilities.

RECENT ACCOUNTING PRONOUNCEMENTS

In March, 1998, Accounting Standards Executive Committee of the American Institute of Public Accountants issued SOP 98-4, "Deferral of the Effective Date of a Provision of SOP 97-2, Software Revenue Recognition", which deferred portions of SOP 97-2 for one year. Revenues for the twelve months ended August 31, 1999, from the sales of software, are recognized in accordance with the enacted portions of SOP 97-2 and the Company's management anticipates that the adoption of SOP 98-4 will not have a material impact on the Company's results of operations.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133, as amended by SFAS No. 137, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. This standard is not expected to have a material impact on the Company's financial position and results of operations.

2. PROPERTY AND EQUIPMENT

The classification of property and equipment is as follows:

Leasehold improvements.....	\$ 79
Computer equipment.....	5,378
Equipment and furniture.....	2,983

	8,440
Less accumulated depreciation.....	6,313

	\$2,127
	=====

BANCTEC FINANCIAL SYSTEMS
 NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
 (IN THOUSANDS)

3. GOODWILL

Goodwill.....	\$28,013
Less accumulated amortization.....	8,747

	\$19,266
	=====

4. ACCRUED EXPENSES

The detail of accrued expenses is as follows:

Salaries, wages and other compensation.....	\$1,237
Accrued cost of services.....	302
Other.....	387

	\$1,926
	=====

5. INCOME TAXES

The tax effects of temporary differences related to deferred taxes shown on the balance sheet were:

Gross Deferred Tax Assets:	
Net operating loss carryforwards.....	\$ 271
Expense reserves (bad debts, inventory, insurance, vacation, etc.).....	928

Total gross deferred tax assets.....	1,199
Deferred tax asset valuation allowance.....	(280)

Net deferred tax asset.....	919

Gross Deferred Tax Liabilities:	
Excess tax depreciation.....	(58)
Excess tax amortization.....	(861)

Total gross deferred tax liability.....	(919)

Net deferred tax asset.....	\$ --
	=====

The valuation allowance was adjusted to \$280. Given the Company's losses in the twelve months ended August 31, 1999, and in previous periods, it was determined that a full valuation allowance continued to be necessary as of August 31, 1999. The Company did not receive or pay income taxes during the twelve months ended August 31, 1999. Net operating loss carryforwards of \$753 expire through the year 2014.

6. INTERCOMPANY TRANSACTIONS

As a unit of BancTec, the Company receives administrative support from BancTec. This support includes billing and collecting of accounts receivable, accounts payable processing, payroll and fringe benefits administration and marketing support. As a result of this assistance, BancTec allocates a proportionate share of expenses to each of its participating business units and records the amounts in an intercompany account. The Statement of Operations of the Company includes the expenses allocated from BancTec in amounts that management believes are reasonable. The allocated amounts for the twelve months ended August 31, 1999, to Product Development, Selling and General and Administrative expenses

BANCTEC FINANCIAL SYSTEMS
 NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
 (IN THOUSANDS)

were \$1,237, \$653, and \$1,479, respectively. The intercompany balances are included as "Equity" on the Balance Sheet and the Statement of Changes in Equity.

7. INDUSTRY AND SUPPLIER CONCENTRATIONS

The Company sells its products to banks and financial institutions throughout the United States and generally does not require collateral. Reserves are maintained for potential credit losses.

In addition, the Company purchases most of its computer equipment (hardware) and related maintenance for resale in relation to installation of BFS software systems from a few suppliers. There are a limited number of hardware suppliers for these required materials.

8. COMMITMENTS AND CONTINGENCIES

LEASES

The Company leases certain real estate facilities and equipment for various operations under non-cancelable operating leases expiring through year 2005. The Company's total rent expense for the twelve months ended August 31, 1999 was \$750.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of August 31, 1999 in the aggregate are:

2000.....	\$ 432
2001.....	375
2002.....	374
2003.....	177
2004.....	152
Thereafter.....	38

Total minimum future rent payments.....	\$1,548
	=====

INDEBTEDNESS

BancTec had incurred corporate indebtedness from a commercial lender under which BancTec granted a general lien on all domestic assets, which included those of the Company. Pursuant to the sale of the certain assets comprising the Company (see Note 10), BancTec negotiated with the lender to remove the lien from those specific assets associated with the Company.

9. EMPLOYEE BENEFIT PLAN

The Company's employees are eligible to participate in the BancTec Employee's Savings Plan which allows all full-time and part-time U.S. employees to make contributions defined by Section 401(k) of the Internal Revenue Code. The cost of administering this plan and additional discretionary contributions are the expense of BancTec and included in the allocations to the Company, See Note 6.

10. SUBSEQUENT EVENT

On September 8, 1999, BancTec completed the sale of certain assets comprising the Company to Jack Henry & Associates, Inc ("JHA") through its wholly owned subsidiary, Open Systems Group ("OSG"), for \$50,000 in cash and the assumption of approximately \$5,475 in liabilities, subject to possible post-closing adjustment (the "Purchase Price"). The acquisition was completed pursuant to the Agreement for Purchase and Sale of Assets dated as of September 1, 1999 by and among BancTec, JHA and OSG.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Symitar Systems, Inc.:

We have audited the accompanying balance sheets of Symitar Systems, Inc. (the "Company") as of December 31, 1999 and the related statements of income, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 1999 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/S/ DELOITTE & TOUCHE LLP

San Diego, California
March 15, 2000

SYMITAR SYSTEMS, INC.
BALANCE SHEETS

	DECEMBER 31, 1999	MARCH 31, 2000	
	-----	-----	
			(UNAUDITED)
ASSETS			
Current Assets:			
Cash and cash equivalents.....	\$5,026,927	\$12,017,922	
Accounts receivable.....	2,417,906	2,537,540	
Inventories.....	346,425	204,358	
Prepaid expenses.....	139,777	117,340	
	-----	-----	
Total current assets.....	7,931,035	14,877,160	
Property -- net.....	1,460,215	1,430,497	
Other assets.....	74,189	72,484	
	-----	-----	
Total assets.....	\$9,465,439	\$16,380,141	
	=====	=====	
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable.....	\$ 248,100	\$ 499,693	
Accrued and other liabilities.....	1,167,279	1,107,064	
Deferred revenue.....	4,407,765	11,330,239	
	-----	-----	
Total current liabilities.....	5,823,144	12,936,996	
	-----	-----	
Commitments (See Note 3 and 4)			
Stockholders' Equity:			
Common stock, no par, 10,000 shares authorized, 900 shares issued and outstanding.....	30,000	30,000	
Retained earnings.....	3,612,295	3,413,145	
	-----	-----	
Total stockholders' equity.....	3,642,295	3,443,145	
	-----	-----	
Total.....	\$9,465,439	\$16,380,141	
	=====	=====	

See Notes to Financial Statements.

SYMITAR SYSTEMS, INC.
STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31, 1999	THREE MONTHS ENDED MARCH 31, 2000
	-----	-----
		(UNAUDITED)
Revenues:		
Software and installations.....	\$15,660,963	\$2,767,052
Hardware.....	9,262,607	1,891,612
Maintenance and support.....	7,881,235	2,341,978
	-----	-----
Total revenues.....	32,804,805	7,000,642
	-----	-----
Cost of Revenues:		
Cost of hardware.....	6,116,108	1,081,677
Cost of services.....	8,387,360	1,980,429
	-----	-----
Total cost of revenues.....	14,503,468	3,062,106
	-----	-----
Gross Profit.....	18,301,337	3,938,536
	-----	-----
Operating Expenses:		
Salaries and benefits.....	9,467,877	2,306,434
General and administrative.....	2,573,054	709,516
Marketing and travel.....	758,941	211,461
Depreciation and amortization.....	479,163	120,833
	-----	-----
Total operating expenses.....	13,279,035	3,348,244
	-----	-----
Income from operations.....	5,022,302	590,292
	-----	-----
Other Income (Expense):		
Interest income.....	322,985	122,775
Loss on disposal of assets.....	(170)	(1,544)
	-----	-----
Total other income -- net.....	322,815	121,231
	-----	-----
Income before income taxes.....	5,345,117	711,523
Provision for income taxes.....	82,826	10,673
	-----	-----
Net income.....	\$ 5,262,291	\$ 700,850
	=====	=====

See Notes to Financial Statements.

SYMITAR SYSTEMS, INC.
 STATEMENT OF STOCKHOLDERS' EQUITY
 YEAR ENDED DECEMBER 31, 1999 AND
 THREE MONTHS ENDED MARCH 31, 2000

	COMMON STOCK		RETAINED EARNINGS	TOTAL
	SHARES	AMOUNT		
BALANCE, JANUARY 1, 1998.....	900	\$30,000	\$ 4,621,756	\$ 4,651,756
Distributions to stockholders.....			(6,271,752)	(6,271,752)
Net income.....			5,262,291	5,262,291
	---	-----	-----	-----
BALANCE, DECEMBER 31, 1999.....	900	30,000	3,612,295	3,642,295
Distributions to stockholders.....			(900,000)	(900,000)
Net Income.....			700,850	700,850
	---	-----	-----	-----
BALANCE, MARCH 31, 2000 (UNAUDITED).....	900	\$30,000	\$ 3,413,145	\$ 3,443,145
	===	=====	=====	=====

See Notes to Financial Statements.

SYMITAR SYSTEMS, INC
STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31, 1999	THREE MONTHS ENDED MARCH 31, 2000
	-----	-----
		(UNAUDITED)
Operating Activities:		
Net income.....	\$ 5,262,291	\$ 700,850
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and amortization.....	479,163	120,833
Loss on disposal of assets.....	170	1,544
Changes in Assets and Liabilities:		
Accounts receivable.....	1,277,639	(119,634)
Inventories.....	381,555	142,067
Prepaid expenses.....	28,674	22,437
Other assets.....	(7,984)	1,705
Accounts payable.....	(975,494)	251,593
Accrued and other liabilities.....	75,995	(60,215)
Deferred revenue.....	(4,163,407)	6,922,474
	-----	-----
Net cash from operating activities.....	2,358,602	7,983,654
	-----	-----
Investing activities -- Acquisition of property.....	(344,640)	(92,659)
	-----	-----
Financing activities -- Distribution to stockholders.....	(6,271,752)	(900,000)
	-----	-----
Net increase (decrease) in cash and cash equivalents.....	(4,257,790)	6,990,995
Cash and cash equivalents at beginning of period.....	9,284,717	5,026,927
	-----	-----
Cash and cash equivalents at end of period.....	\$ 5,026,927	\$12,017,922
	=====	=====
Supplemental Disclosure of Cash Flow Information		
Income taxes paid.....	\$ 125,617	--
	=====	=====

See Notes to Financial Statements.

SYMITAR SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS -- Symitar Systems, Inc. (the "Company") is a California corporation engaged in the design and development of data processing software systems primarily for the credit union industry, which it sells together with related hardware, program maintenance and software developed by third parties. The Company's customers are primarily located throughout the United States.

ACCOUNTING ESTIMATES -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

REVENUE AND COST RECOGNITION -- Revenue is recognized under the provisions of Statement of Position ("SOP") 97-2, "Software Revenue Recognition". Revenues include sales of hardware, third-party software, proprietary software, conversion services and software maintenance. Revenues and costs from hardware and third-party software sales are recognized upon shipment. Revenues and costs from sales of proprietary software and conversion services are recognized over the period of conversion. Revenues and costs from software maintenance are recognized ratably over the maintenance period.

CASH EQUIVALENTS -- Cash equivalents consist of investment instruments purchased with an original maturity of three months or less.

ACCOUNTS RECEIVABLE -- Based upon past experience, management anticipates that all receivables are collectible, therefore no allowance for doubtful accounts has been established.

INVENTORIES -- Inventories consist of various types of hardware and third-party software and are stated at the lower of cost or market. Cost is generally determined on the first-in, first-out method.

PROPERTY -- Property is stated at cost. Depreciation on computer equipment, furniture and software is provided using the straight-line method over the estimated useful lives of the assets (generally three to ten years). Leasehold improvements are amortized, using the straight-line method, over the shorter of the life of the improvement or the remaining lease term.

DEFERRED REVENUE -- Deferred revenue represents amounts billed to customers in advance of revenue earned.

INCOME TAXES -- The Company has elected to be taxed as a Subchapter S corporation for federal and state purposes. Under this election, the Company is not liable for federal taxes on income and is liable for only 1.5% of state taxable income. Accordingly, the earnings of the Company are reported on the stockholders' federal and state income tax returns.

CONCENTRATION OF CREDIT RISK -- The Company invests its excess cash in money market accounts. At December 31, 1999 the Company had deposits in excess of federally insured limits of approximately \$4,526,627.

The Company sells its products to credit unions throughout the United States and generally does not require collateral. Adequate reserves (which are insignificant at December 31, 1999) are maintained for potential credit losses.

UNAUDITED INTERIM FINANCIAL STATEMENTS -- In the opinion of management, the unaudited interim financial statements as of March 31, 2000 and for the three month periods then ended reflect all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation. The

SYMITAR SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

accounting principles applied in preparation of the interim financial statements are consistent with those applied in the annual financial statements. Results of operations for the three month period ended March 31, 2000 are not necessarily indicative of the results that may be expected for the year ending December, 31, 2000.

2. BALANCE SHEET DETAILS AT DECEMBER 31, 1999

Property -- At Cost:	
Computer equipment.....	\$ 1,723,304
Furniture.....	999,079
Leasehold improvements.....	316,440
Software.....	341,201

	3,380,024
Less accumulated depreciation and amortization.....	(1,919,809)

Total.....	\$ 1,460,215
	=====

3. COMMITMENTS

EMPLOYEE BENEFIT PLAN -- The Company has an employee profit sharing plan with a 401(k) deferred compensation provision. The plan covers employees over 21 years old who have completed one year of service. The Company's contributions are based upon the employees' compensation and voluntary employee deferrals. Expense related to the plan was \$983,253 for the year ended December 31, 1999.

OPERATING LEASE -- The Company leases office space under an operating lease that expires in August 2004. The Company has an option to renew the lease for an additional five years. Rent expense for the years ended December 31, 1999 was \$933,314. Payments under the lease are personally guaranteed by the Company's stockholders. Future annual minimum lease payments are as follows:

2000.....	\$ 745,643
2001.....	799,033
2002.....	874,119
2003.....	948,336
2004.....	572,486

Total.....	\$3,939,617
	=====

4. SUBSEQUENT EVENTS

DIVIDEND -- The Board of Directors approved the distribution of \$900,000 in dividends to stockholders of record as of January 14, 2000.

SALE OF THE COMPANY (UNAUDITED) -- On June 7, 2000, the stockholders of the Company consummated the sale of the Company to Jack Henry & Associates, Inc. for \$44,000,000 in cash.

DIVIDENDS -- The Board of Directors approved distributions of \$1,500,000 and \$1,212,294 to stockholders of record as of April 14, 2000 and April 28, 2000, respectively.

SYMITAR SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

5. PRO FORMA FINANCIAL INFORMATION (UNAUDITED)

Prior to its sale, the Company had elected to be taxed as a Subchapter S corporation for federal and state tax purposes. The pro forma provision for income taxes that would have been recorded by the Company in addition to the historical provision, utilizing statutory tax rates, had the Company not been an S corporation prior to its sale was \$1,841,416 and \$245,475 for the year ended December 31, 1999 and the three months ended March 31, 2000, respectively. In addition, the undistributed earnings of an S corporation are required to be reclassified to paid-in capital in pro forma statements. Therefore, historical retained earnings, adjusted for the additional taxes in the respective period discussed above, would have been reported as paid-in capital of \$1,770,884 and \$1,326,252 at December 31, 1999 and March 31, 2000, respectively.

* * * * *

F-41

[JACK HENRY LOGO]

PRUDENTIAL SECURITIES
CIBC WORLD MARKETS
ROBERT W. BAIRD & CO.
GEORGE K. BAUM & COMPANY
A.G. EDWARDS & SONS, INC.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the costs and expenses, other than the underwriting discount and commissions, payable by the registrant in connection with the sale of the common stock being registered hereby. All amounts shown are estimates, except the Securities and Exchange Commission registration fee, the NASD filing fee and the Nasdaq National Market supplemental listing fee.

Securities and Exchange Commission registration fee.....	\$ 73,872
NASD filing fee.....	30,500
Nasdaq National Market supplemental listing fee.....	17,500
Blue Sky fees and expenses.....	2,500
Printing and engraving expenses.....	90,000
Legal fees and expenses.....	150,000
Accounting fees and expenses.....	175,000
Transfer Agent and Registrar fees.....	2,000
Miscellaneous expenses.....	83,628

Total.....	\$625,000
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ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law (the "DGCL") permits a corporation to indemnify any of its directors or officers who was or is a party or is threatened to be made a party to any third party proceeding by reason of the fact that such person is or was a director or officer of the corporation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such person's conduct was unlawful. In a derivative action, i.e., one by or in the right of a corporation, the corporation is permitted to indemnify any of its directors or officers against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made if such person shall have been adjudged liable to the corporation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that such person is fairly and reasonably entitled to indemnity for such expenses despite such adjudication of liability.

Article Eleventh of the Registrant's Certificate of Incorporation provides for indemnification of directors and officers of the Registrant against liability they may incur in their capacities as such to the fullest extent permitted by the DGCL.

The Registrant has entered into indemnification agreements with its directors and officers. Pursuant to such agreements, the Registrant will, to the extent permitted by applicable law, indemnify such persons against all expenses incurred in connection with the defense or settlement of any proceeding brought against them by reason of the fact that they were directors or officers of the Registrant.

The Registrant has in effect directors' and officers' liability insurance with a limit of \$1,000,000 and fiduciary liability insurance with a limit of \$1,000,000. The fiduciary liability insurance covers actions of directors and officers as well as other employees with fiduciary responsibilities under ERISA.

The Underwriting Agreement (Exhibit 1.1 hereto) provides for indemnification by the Underwriter of the Registrant and its executive officers and directors, and by the Registrant of the Underwriters, for certain liabilities, including liabilities arising under the Securities Act, in connection with matters specifically provided in writing by the Underwriters for inclusion in this Registration Statement.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

(a) On July 10, 1997, Jack Henry & Associates issued 444,938 (adjusted for 2 for 1 stock split) shares of fully paid and non-assessable common stock to the shareholders of G.G. Pulley & Associates, Inc., as total consideration for a transaction whereby Pulley was acquired by merger. These shares of common stock were issued in an unregistered, non-public transaction in which no underwriters participated. These shares were issued under the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

(b) On September 1, 1997, Jack Henry & Associates issued 48,316 (adjusted for 2 for 1 stock split) shares of fully paid and non-assessable common stock to Gary S. Neal and Marcia G. Neal, sole shareholders of Financial Software Systems, Inc., as total consideration for a transaction whereby all of the outstanding capital stock of FSS was acquired. These shares of common stock were issued in an unregistered, non-public transaction in which no underwriters participated. These shares were issued under the exemption from registration provided by Section 4(2) of the Securities Act.

(c) On December 12, 1997, Jack Henry & Associates issued 152,400 (adjusted for 2 for 1 stock split) shares of fully paid and non-assessable common stock to the shareholders of Vertex, Inc., as partial consideration for a transaction whereby all of the outstanding capital stock of Vertex was acquired. These shares of common stock were issued in an unregistered, non-public transaction in which no underwriters participated. These shares were issued under the exemption from registration provided by Section 4(2) of the Securities Act.

(d) On June 1, 2000, Jack Henry & Associates issued 388,712 shares of fully paid non-assessable Company common stock to the shareholders of Sys-Tech, Inc. of Kansas (Sys-Tech) and 28,700 shares of fully paid non-assessable common stock to the shareholders of Big Sky Marketing, Inc., as total consideration for a transaction whereby all of the outstanding capital stock of Sys-Tech and of BSMI were acquired by merger. These shares were issued under the exemption from registration provided by Sections 4(2) and 4(6) of the Securities Act and Rule 506 thereunder.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

EXHIBIT NO.	DESCRIPTION
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1.1	Form of Underwriting Agreement (filed herewith).
3.1.1	Certificate of Incorporation, attached as Exhibit 3.1 to the Registrant's Registration Statement on Form S-1, filed November 17, 1985.
3.1.2	Certificate of Amendment of Certificate of Incorporation attached as Exhibit 4 to the Registrant's Quarterly Report on Form 10-Q for the Quarter ended December 31, 1987.
3.1.3	Certificate of Amendment of Certificate of Incorporation, attached as Exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the Year Ended June 30, 1993.
3.1.4	Certificate of Amendment of Certificate of Incorporation, attached as Exhibit 3.5 to the Registrant's Annual Report on Form 10-K for the year ended June 30, 1997.
3.1.5	Certificate of Amendment of Certificate of Incorporation, attached as Exhibit 3.6 to the Registrant's Annual Report on Form 10-K for the year ended June 30, 1998.
3.2.1	Amended and Restated Bylaws, attached as Exhibit A to the Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 1996.
4.1	Form of Common Stock Certificate of the Registrant.*
5.1*	Opinion of Shughart Thomson & Kilroy P.C., regarding the legality of securities to be issued.*

EXHIBIT NO.	DESCRIPTION
10.1	The Registrant's 1987 Stock Option Plan, as amended as of October 27, 1992, attached as Exhibit 19.1 to the Registrant's Quarterly Report on Form 10-Q for the Quarter ended September 30, 1992.
10.2	The Registrant's Non-Qualified Stock Option Plan, as amended as of October 26, 1993, attached as Exhibit 19.2 to the Registrant's Quarterly Report on Form 10-Q for the Quarter ended September 30, 1993.
10.3	The Registrant's 1995 Non-Qualified Stock Option Plan, attached as Exhibit 10.3 to the Registrant's Annual Report on Form 10-K for the Year Ended June 30, 1996.
10.4	IBM Remarketer Agreement dated May 21, 1992, attached as Exhibit 10.1 to the Registrant's Annual Report on Form 10-K for the Year Ended June 30, 1992; renewed for a two year term on January 1, 1997.
10.5	Form of Indemnity Agreement which has been entered into as of August 27, 1996, between the Registrant and each of its Directors, attached as Exhibit 10.8 to the Registrant's Annual Report on Form 10-K for the Year Ended June 30, 1996.
10.6	The Registrant's 1996 Stock Option Plan, attached as Exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the Year Ended June 30, 1997.
10.7	Agreement and Plan of Merger regarding acquisition of Peerless Group, Inc. dated August 18, 1998, attached as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended June 30, 1998.
10.11	Line of Credit Agreement dated September 7, 1999, between the Company and Commerce Bank, N.A., attached as Exhibit 10.11 to the Company's current report on Form 8-K filed September 20, 1999.
10.12	Agreement for Sale and Purchase of Assets dated September 1, 1999, by and among the Company, Open Systems Group, Inc. and BancTec, Inc. attached as Exhibit 2.1 to the Company's current report on Form 8-K filed September 20, 1999.
10.13	Agreement and Plan of Merger regarding acquisition of Sys-Tech, Inc. of Kansas and Big Sky Marketing, Inc. dated June 1, 2000, attached as Exhibit 2.1 to the Company's current report on Form 8-K filed June 14, 2000.
10.14	Stock Purchase Agreement dated May 14, 2000, between the Company and the Stockholders of Symitar Systems, Inc., attached as Exhibit 2.1 to the Company's current report on Form 8-K filed June 19, 2000.
10.15	Line of Credit Loan Modification Agreement dated June 6, 2000 between the Company and Commerce Bank, N.A. attached as Exhibit 10.11 to the Company's current report on Form 8-K filed June 19, 2000.
21.2	List of the Company's subsidiaries (filed herewith)
23.1*	Consent of Shughart Thomson & Kilroy P.C., (included in the opinion filed as Exhibit 5.1 to this Registration Statement)
23.2	Consent of Deloitte & Touche LLP (filed herewith).
23.3	Consent of Deloitte & Touche LLP (filed herewith).
23.4	Consent of Deloitte & Touche LLP (filed herewith).
24.1	Power of Attorney (included on page II-5 hereof).

* To be filed by amendment

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14, or otherwise, the registrant has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Company has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Monett, State of Missouri, on the _____ day of July, 2000.

JACK HENRY & ASSOCIATES, INC.
/S/ MICHAEL E. HENRY

By: _____

Michael E. Henry, Chairman of the Board and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below authorizes Michael E. Henry and Terry W. Thompson and each of them, each of whom may act without joinder of the other, to execute in the name of each such person who is then an officer or director of the Company and to file any amendments to this Registration Statement necessary or advisable to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration of the securities which are the subject of this Registration Statement, which amendments may make such changes in the Registration Statement as such attorney may deem appropriate. Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the date indicated.

SIGNATURE -----	CAPACITY -----	DATE ----
/s/ MICHAEL E. HENRY ----- Michael E. Henry	Chairman of the Board and Chief Executive Officer	July 13, 2000
/s/ MICHAEL R. WALLACE ----- Michael R. Wallace	President, Chief Executive Officer and Director	July 13, 2000
/s/ JOHN W. HENRY ----- John W. Henry	Vice Chairman, Senior Vice President and Director	July 13, 2000
/s/ JERRY D. HALL ----- Jerry D. Hall	Executive Vice President and Director	July 13, 2000
/s/ TERRY W. THOMPSON ----- Terry W. Thompson	Vice President, Treasurer and Chief Financial Officer (Principal Accounting Officer)	July 13, 2000
/s/ JAMES J. ELLIS ----- James J. Ellis	Director	July 13, 2000
----- Burton O. George	Director	July , 2000
/s/ GEORGE R. CURRY ----- George R. Curry	Director	July 13, 2000

Jack Henry & Associates, Inc.
5,000,000 Shares
Common Stock
UNDERWRITING AGREEMENT

____, 2000

PRUDENTIAL SECURITIES INCORPORATED
CIBC WORLD MARKETS CORP.
ROBERT W. BAIRD & CO. INCORPORATED
GEORGE K. BAUM & COMPANY
A.G. EDWARDS & SONS, INC.
As Representatives of the several Underwriters
c/o Prudential Securities Incorporated
One New York Plaza
New York, New York 10292

Ladies and Gentlemen:

Jack Henry & Associates, Inc., a Delaware corporation (the "Company"), each of the selling stockholders listed in Schedule 3 attached (each, an "Executive Selling Stockholder" and, collectively, the "Executive Selling Stockholders") and each of the selling stockholders listed in Schedule 4 hereto (each, an "Other Selling Stockholder" and, collectively with the Executive Selling Stockholders, the "Selling Stockholders.") hereby confirm their agreement with the several underwriters named in Schedule 1 hereto (the "Underwriters"), for whom you have been duly authorized to act as representatives (in such capacity, the "Representatives"), as set forth below. If you are the only Underwriters, all references herein to the Representatives shall be deemed to be to the Underwriters.

1. Securities. Subject to the terms and conditions herein contained, the Company and the Selling Stockholders propose to sell to the several Underwriters an aggregate of 5,000,000 shares (the "Firm Securities") of the Company's Common Stock, par value \$.01 per share ("Common Stock"). The Selling Stockholders also propose to sell to the several Underwriters not more than 750,000 additional shares of Common Stock if requested by the Representatives as provided in Section 4 of this Agreement. Any and all shares of Common Stock to be purchased by the Underwriters pursuant to such options are referred to herein as the "Option Securities", and the Firm Securities and any Option Securities are collectively referred to herein as the "Securities".

2. Representations and Warranties of the Company and the Executive Selling Stockholders. The Company and each of the Executive Selling Stockholders, jointly and severally, represents and warrants to, and agrees with, each of the several Underwriters that:

(a) A registration statement on Form S-1 (File No. 333-_____) with respect to the Securities, including a prospectus subject to completion, has been filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), and one or more amendments to such registration statement may have been so filed. After the execution of this Agreement, the Company will file with the Commission either (i) if such registration statement, as it may have been amended, has been declared by the Commission to be effective under the Act, either (A) if the Company relies on Rule 434 under the Act, a Term Sheet (as hereinafter defined) relating to the Securities, that shall identify the Preliminary Prospectus (as hereinafter defined) that it supplements containing such information as is required or permitted by Rules 434, 430A and 424(b) under the Act or (B) if the Company does not rely on Rule 434 under the Act, a prospectus in the form most recently included in an amendment to such registration statement (or, if no such amendment shall have been filed, in such registration statement), with such changes or insertions as are required by Rule 430A under the Act or permitted by Rule 424(b) under the Act, and in the case of either clause (i)(A) or (i)(B) of this sentence as have been provided to and approved by the Representatives prior to the execution of this Agreement, or (ii) if such registration statement, as it may have been amended, has not been declared by the Commission to be effective under the Act, an amendment to such registration statement, including a form of prospectus, a copy of which amendment has been furnished to and approved by the Representatives prior to the execution of this Agreement. The Company may also file a related registration statement with the Commission pursuant to Rule 462(b) under the Act for the purpose of registering certain additional Securities, which registration shall be effective upon filing with the Commission. As used in this Agreement, the term "Original Registration Statement" means the registration statement initially filed relating to the Securities, as amended at the time when it was or is declared effective, including all financial schedules and exhibits thereto and including any information omitted therefrom pursuant to Rule 430A under the Act and included in the Prospectus (as hereinafter defined); the term "Rule 462(b) Registration Statement" means any registration statement filed with the Commission pursuant to Rule 462(b) under the Act (including the Original Registration Statement and any Preliminary Prospectus or Prospectus incorporated therein at the time such Original Registration Statement became effective); the term "Registration Statement" includes both the Original Registration Statement and any Rule 462(b) Registration Statement; the term "Preliminary Prospectus" means each prospectus subject to completion filed with such registration statement or any amendment thereto (including the prospectus subject to completion, if any, included in the Registration Statement or any amendment thereto at the time it was or is declared effective); the term "Prospectus" means:

(A) if the Company relies on Rule 434 under the Act, the Term Sheet relating to the Securities that is first filed pursuant to Rule 424(b)(7) under the Act, together with the Preliminary Prospectus identified therein that such Term Sheet supplements;

(B) if the Company does not rely on Rule 434 under the Act, the prospectus first filed with the Commission pursuant to Rule 424(b) under the Act; or

(C) if the Company does not rely on Rule 434 under the Act and if no prospectus is required to be filed pursuant to Rule 424(b) under the Act, the prospectus included in the Original Registration Statement;

and the term "Term Sheet" means any term sheet that satisfies the requirements of Rule 434 under the Act. Any reference herein to the "date" of a Prospectus that includes a Term Sheet shall mean the date of such Term Sheet.

(b) The Commission has not issued any order preventing or suspending use of any Preliminary Prospectus. When any Preliminary Prospectus was filed with the Commission it (i) contained all statements required to be stated therein in accordance with, and complied in all material respects with the requirements of, the Act and the rules and regulations of the Commission thereunder and (ii) did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. When the Registration Statement or any amendment thereto was or is declared effective, it (i) contained or will contain all statements required to be stated therein in accordance with, and complied or will comply in all material respects with the requirements of, the Act and the rules and regulations of the Commission thereunder and (ii) did not or will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading. When the Prospectus or any Term Sheet that is a part thereof or any amendment or supplement to the Prospectus is filed with the Commission pursuant to Rule 424(b) (or, if the Prospectus or part thereof or such amendment or supplement is not required to be so filed, when the Registration Statement or the amendment thereto containing such amendment or supplement to the Prospectus was or is declared effective) and on the Firm Closing Date and any Option Closing Date (both as hereinafter defined), the Prospectus, as amended or supplemented at any such time, (i) contained or will contain all statements required to be stated therein in accordance with, and complied or will comply in all material respects with the requirements of, the Act and the rules and regulations of the Commission thereunder and (ii) did not or will not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The foregoing provisions of this paragraph (b) do not apply to statements or omissions made in any Preliminary Prospectus, the Registration Statement or any amendment thereto or the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein.

(c) If the Company has elected to rely on Rule 462(b) and the Rule 462(b) Registration Statement has not been declared effective (i) the Company has filed a Rule 462(b) Registration Statement in compliance with and that is effective upon filing pursuant to Rule 462(b) and has received confirmation of its receipt and (ii) the Company has given irrevocable instructions for transmission of the applicable filing fee in connection with the filing of the Rule 462(b) Registration Statement, in compliance with Rule 111 promulgated under the Act or the Commission has received payment of such filing fee.

(d) The Company and each of its subsidiaries listed on Schedule 2 hereto (each a "Subsidiary" and together the "Subsidiaries") have been duly organized and are validly existing as corporations in good standing under the laws of their respective jurisdictions

of incorporation and are duly qualified to transact business as foreign corporations and are in good standing under the laws of all other jurisdictions where the ownership or leasing of their respective properties or the conduct of their respective businesses requires such qualification, except where the failure to be so qualified does not amount to a material liability or disability to the Company and its Subsidiaries, taken as a whole.

(e) The Company and each of its Subsidiaries have full power (corporate and other) to own or lease their respective properties and conduct their respective businesses as described in the Registration Statement and the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus; and the Company has full power (corporate and other) to enter into this Agreement and to carry out all the terms and provisions hereof to be carried out by it.

(f) The issued shares of capital stock of each of the Company's Subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable and, except as otherwise set forth in the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus, are owned beneficially by the Company free and clear of any security interests, liens, encumbrances, equities or claims.

(g) The Company has an authorized, issued and outstanding capitalization as set forth in the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus. All of the issued shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable. The Firm Securities and the Option Securities have been duly authorized and at the Firm Closing Date or the related Option Closing Date (as the case may be), after payment therefor in accordance herewith, will be validly issued, fully paid and nonassessable. No holders of outstanding shares of capital stock of the Company are entitled as such to any preemptive or other rights to subscribe for any of the Securities, and no holder of securities of the Company has any right which has not been fully exercised or waived to require the Company to register the offer or sale of any securities owned by such holder under the Act in the public offering contemplated by this Agreement.

(h) The capital stock of the Company conforms to the description thereof contained in the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus.

(i) Except as disclosed in the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), there are no outstanding (A) securities or obligations of the Company or any of its Subsidiaries convertible into or exchangeable for any capital stock of the Company or any such Subsidiary, (B) warrants, rights or options to subscribe for or purchase from the Company or any such Subsidiary any such capital stock or any such convertible or exchangeable securities or obligations, or (C) obligations of the Company or any such Subsidiary to issue any shares of capital stock, any such convertible or exchangeable securities or obligations, or any such warrants, rights or options.

(j) The consolidated financial statements of the Company and its consolidated subsidiaries, the financial statements of BancTec Financial Systems, ("BFS") and the financial statements of Symitar Systems, Inc. ("Symitar") included in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) fairly present the financial position and the results of operations and changes in financial condition of the Company and its consolidated subsidiaries, BFS and Symitar, respectively

as of the dates and periods therein specified. Such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved (except as otherwise noted therein). The selected financial data set forth under the caption "Selected Financial Data" in the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) fairly present, on the basis stated in the Prospectus (or such Preliminary Prospectus), the information included therein. The unaudited pro forma combined financial information complies as to form in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X and that the pro forma adjustments have been properly applied to the historical amounts in the compilation of those statements. The unaudited pro forma condensed combined financial information set forth under the caption "Unaudited Pro Forma Condensed Combined Financial Information" in the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) fairly presents; on the basis stated in the Prospectus (or such Preliminary Prospectus) the information included therein.

(k) Deloitte & Touche LLP, who have certified certain financial statements of the Company and its consolidated subsidiaries and delivered their report with respect to the audited consolidated financial statements included in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), are independent public accountants as required by the Act and the applicable rules and regulations thereunder.

(l) The execution and delivery of this Agreement have been duly authorized by the Company and this Agreement has been duly executed and delivered by the Company, and is the valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

(m) No legal or governmental proceedings are pending to which the Company or any of its Subsidiaries is a party or to which the property of the Company or any of its Subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not described therein (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), and no such proceedings have been threatened against the Company or any of its Subsidiaries or with respect to any of their respective properties; and no contract or other document is required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement that is not described therein (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) or filed as required.

(n) The issuance, offering and sale of the Securities to the Underwriters by the Company pursuant to this Agreement, the compliance by the Company with the other provisions of this Agreement and the consummation of the other transactions herein contemplated do not (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained, such as may be required under state securities or blue sky laws and, if the registration statement filed with respect to the Securities (as amended) is not effective under the Act as of the time of execution hereof, such as may be required (and shall be obtained as provided in this Agreement) under the Act, or (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or any of their respective properties are bound, or the charter documents or by-laws of the Company or any of its Subsidiaries, or any statute or any judgment, decree, order, rule or

regulation of any court or other governmental authority or any arbitrator applicable to the Company or any of its Subsidiaries.

(o) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus, neither the Company nor any of its Subsidiaries has sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding and there has not been any material adverse change, or any development involving a prospective material adverse change, in the condition (financial or otherwise), management, business prospects, net worth, or results of the operations of the Company or any of its subsidiaries, except in each case as described in or contemplated by the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus.

(p) The Company has not, directly or indirectly, (i) taken any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (ii) since the filing of the Registration Statement (A) sold, bid for, purchased, or paid anyone any compensation for soliciting purchases of, the Securities or (B) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company (except for the sale of Securities by the Selling Stockholders under this Agreement).

(q) The Company has not distributed and, prior to the later of (i) the Closing Date and (ii) the completion of the distribution of the Securities, will not distribute any offering material in connection with the offering and sale of the Securities other than the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or other materials, if any permitted by the Act.

(r) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), (1) the Company and its Subsidiaries have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction not in the ordinary course of business; (2) the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock; and (3) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company and its consolidated subsidiaries, except in each case as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(s) The Company and each of its Subsidiaries have good and marketable title in fee simple to all items of real property and marketable title to all personal property owned by each of them, in each case free and clear of any security interests, liens, encumbrances, equities, claims and other defects, except such as do not materially and adversely affect the value of such property and do not interfere with the use made or proposed to be made of such property by the Company or such Subsidiary, and any real property and buildings held under lease by the Company or any such Subsidiary are held under valid, subsisting and enforceable leases, with

such exceptions as are not material and do not interfere with the use made or proposed to be made of such property and buildings by the Company or such Subsidiary, in each case except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(t) No labor dispute with the employees of the Company or any of its Subsidiaries exists or is threatened or imminent that could result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its Subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(u) The Company and its Subsidiaries own or possess, or can acquire on reasonable terms, all material patents, patent applications, trademarks, service marks, trade names, licenses, copyrights and proprietary or other confidential information currently employed by them in connection with their respective businesses, and neither the Company nor any such Subsidiary has received any notice of infringement of or conflict with asserted rights of any third party with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its Subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(v) The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for; and neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely affect the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its Subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(w) No Subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such Subsidiary's capital stock, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's property or assets to the Company or any other Subsidiary of the Company, except such prohibitions as are set forth in the Company's credit agreement with Commerce Bank, N.A., as amended to date and except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(x) The Company and its Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such

certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its Subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(y) The Company is not subject to registration as an investment company under the Investment Company Act of 1940, as amended, and this transaction will not cause the Company to become an investment company subject to registration under such act or the rules and regulation promulgated thereunder.

(z) The Company has filed all foreign, federal, state and local tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not have a material adverse effect on the Company and its Subsidiaries) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(aa) Neither the Company nor any of its Subsidiaries is in violation of any federal or state law or regulation relating to occupational safety and health or to the storage, handling or transportation of hazardous or toxic materials and the Company and its Subsidiaries have received all permits, licenses or other approvals required of them under applicable federal and state occupational safety and health and environmental laws and regulations to conduct their respective businesses, and the Company and each such Subsidiary is in compliance with all terms and conditions of any such permit, license or approval, except any such violation of law or regulation, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals which would not, singly or in the aggregate, result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its Subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(bb) Each certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters shall be deemed to be a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

(cc) Except for the shares of capital stock of each of the Subsidiaries owned by the Company and such Subsidiaries, neither the Company nor any such Subsidiary owns any shares of stock or any other equity securities of any corporation or has any equity interest in any firm, partnership, association or other entity, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) and except preferred stock of companies that are not Subsidiaries of the Company having an aggregate market value not exceeding \$1,000,000.

(dd) There are no holders of securities of the Company, who, by reason of the filing of the Registration Statement, have the right (and have not waived such right) to request the

Company to register under the Act, or to include in the Registration Statement, securities held by them.

(ee) The Company and each of its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (1) transactions are executed in accordance with management's general or specific authorizations; (2) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (3) access to assets is permitted only in accordance with management's general or specific authorization; and (4) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(ff) No default exists, and no event has occurred which, with notice or lapse of time or both, would constitute a default in the due performance and observance of any term, covenant or condition of any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or any of their respective properties is bound or may be affected in any material adverse respect with regard to the property, business or operations of the Company and its Subsidiaries.

3. Representations and Warranties of the Selling Stockholders. Each Selling Stockholder represents and warrants to, and agrees with, each of the several Underwriters that:

(a) Such Selling Stockholder has full power (partnership, trust and other, if applicable,) to enter into this Agreement and to sell, assign, transfer and deliver to the Underwriters the Securities to be sold by such Selling Stockholder hereunder in accordance with the terms of this Agreement; the execution and delivery of this Agreement have been duly authorized by all necessary partnership, trust or other action of such Selling Stockholder, if applicable; and this Agreement has been duly executed and delivered by such Selling Stockholder.

(b) Such Selling Stockholder has duly executed and delivered a power of attorney and custody agreement (with respect to such Selling Stockholder, the "Power of Attorney and Custody Agreement", respectively), each in the form heretofore delivered to the Representatives, appointing Michael E. Henry and Terry W. Thompson, each with full power to act individually, as such Selling Stockholder's attorney-in-fact (the "Attorney-in-Fact") with authority to execute, deliver and perform this Agreement on behalf of such Selling Stockholder and appointing UMB Bank, N.A., as custodian thereunder (the "Custodian"). Certificates in negotiable form, endorsed in blank or accompanied by blank stock powers duly executed, with signatures appropriately guaranteed, representing the Securities to be sold by such Selling Stockholder hereunder have been deposited with the Custodian pursuant to the Power of Attorney and Custody Agreement for the purpose of delivery pursuant to this Agreement. Such Selling Stockholder has full power (partnership, trust and other, if applicable) to enter into the Power of Attorney and Custody Agreement and to perform its obligations under the Power of Attorney and Custody Agreement. The execution and delivery of the Power of Attorney and Custody Agreement have been duly authorized by all necessary partnership, trust or other action of such Selling Stockholder, if applicable; the Power of Attorney and Custody Agreement have been duly executed and

delivered by such Selling Stockholder and, assuming due authorization, execution and delivery by the Custodian, are the legal, valid, binding and enforceable instruments of such Selling Stockholder. Such Selling Stockholder agrees that the Securities represented by the certificates on deposit with the Custodian are subject to the interests of the Underwriters hereunder, that the arrangements made for such custody, the appointment of the Attorney-in-Fact and the right, power and authority of the Attorney-in-Fact to execute and deliver this Agreement, to agree on the price at which the Securities (including such Selling Stockholder's Securities) are to be sold to the Underwriters, and to carry out the terms of this Agreement, are to that extent irrevocable and that the obligations of such Selling Stockholder hereunder shall not be terminated, except as provided in this Agreement or the Power of Attorney and Custody Agreement, by any act of such Selling Stockholder, by operation of law or otherwise, whether in the case of any individual Selling Stockholder by the death or incapacity of such Selling Stockholder, in the case of a trust or estate by the death of the trustee or trustees or the executor or executors or the termination of such trust or estate, or in the case of a corporation or partnership Selling Stockholder, by its liquidation or dissolution or by the occurrence of any other event. If any individual Selling Stockholder, trustee or executor should die or become incapacitated or any such trust should be terminated, or if any corporate or partnership Selling Stockholder shall liquidate or dissolve, or if any other event should occur, before the delivery of such Securities hereunder, the certificates for such Securities deposited with the Custodian shall be delivered by the Custodian in accordance with the respective terms and conditions of this Agreement as if such death, incapacity, termination, liquidation or dissolution or other event had not occurred, regardless of whether or not the Custodian or the Attorney-in-Fact shall have received notice thereof.

(c) Such Selling Stockholder is the lawful owner of the Securities to be sold by such Selling Stockholder hereunder and upon sale and delivery of, and payment for, such Securities, as provided herein, such Selling Stockholder will convey good and marketable title to such Securities, free and clear of any security interests, liens, encumbrances, equities, claims or other defects.

(d) Such Selling Stockholder has not, directly or indirectly, (i) taken any action designed to cause or result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (ii) since the filing of the Registration Statement (A) sold, bid for, purchased, or paid anyone any compensation for soliciting purchases of, the Securities or (B) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company (except for the sale of Securities by the Selling Stockholders under this Agreement).

(e) Such Selling Stockholder has reviewed the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) and the Registration Statement, and the information regarding such Selling Stockholder and the Securities being sold by such Selling Stockholder set forth therein, including without limitation the information set forth under the caption "Principal and Selling Stockholders," is complete and accurate.

(f) The sale of Securities by such Selling Stockholder to the several Underwriters pursuant to this Agreement is not prompted by any adverse information concerning the Company

that is not set forth in the Registration Statement or the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(g) The sale of Securities to the Underwriters by such Selling Stockholder pursuant to this Agreement, the compliance by such Selling Stockholder with the other provisions of this Agreement, the Power of Attorney and Custody Agreement and the consummation of the other transactions herein contemplated herein and therein do not (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained, such as may be required under state securities or blue sky laws and, if the registration statement filed with respect to the Securities (as amended) is not effective under the Act as of the time of execution hereof, such as may be required (and shall be obtained as provided in this Agreement) under the Act, or (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under any indenture, mortgage, deed of trust, lease or other agreement or instrument to which such Selling Stockholder or any of its subsidiaries, if applicable, is a party or by which such Selling Stockholder or any of its subsidiaries, if applicable, or any of such Selling Stockholder's properties are bound, or the charter documents or by laws of such Selling Stockholder or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator applicable to such Selling Stockholder or any of its subsidiaries, if applicable.

(h) The Selling Stockholders have not distributed and, prior to the later of (i) the Closing Date and (ii) the completion of the distribution of the Securities, will not distribute any offering material in connection with the offering and sale of the Securities other than the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or other materials, if any permitted by the Act.

4. Purchase, Sale and Delivery of the Securities. (a) On the basis of the representations, warranties, agreements and covenants herein contained and subject to the terms and conditions herein set forth, the Company agrees to issue and sell and the Selling Stockholders agree to sell to each of the Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase from the Company and the Selling Stockholders, at a purchase price of \$_____ per share, the number of Firm Securities set forth opposite the name of such Underwriter in Schedule 1 hereto. One or more certificates in definitive form for the Firm Securities that the several Underwriters have agreed to purchase hereunder, and in such denomination or denominations and registered in such name or names as the Representatives request upon notice to the Company and the Selling Stockholders at least 48 hours prior to the Firm Closing Date, shall be delivered by or on behalf of the Company and the Selling Stockholders to the Representatives for the respective accounts of the Underwriters, against payment by or on behalf of the Underwriters of the purchase price therefor by wire transfer in same-day funds (the "Wired Funds") to the accounts designated by the Company and the Selling Stockholders. Such delivery of and payment for the Firm Securities shall be made at the offices of Brown & Wood LLP, One World Trade Center, New York, NY 10048 at 9:30 A.M., New York time, on _____, 2000, or at such other place, time or date as the Representatives and the Company may agree upon or as the Representatives may determine pursuant to Section 10 hereof, such time and date of delivery against payment being herein referred to as the "Firm Closing Date". The Company and the Selling Stockholders will make such certificate or certificates for the Firm Securities available for checking and packaging by the Representatives

at the offices in New York, New York of the Company's transfer agent or registrar or of Prudential Securities Incorporated at least 24 hours prior to the Firm Closing Date.

(b) For the purpose of covering any over-allotments in connection with the distribution and sale of the Firm Securities as contemplated by the Prospectus, the Selling Stockholders hereby grant to the several Underwriters options to purchase, severally and not jointly, the Option Securities. The purchase price to be paid for any Option Securities shall be the same price per share as the price per share for the Firm Securities set forth above in paragraph (a) of this Section 4, plus, if the purchase and sale of any Option Securities takes place after the Firm Closing Date and after the Firm Securities are trading "ex-dividend", an amount equal to the dividends payable on such Option Securities. The options granted hereby may be exercised as to all or any part of the Option Securities from time to time within (thirty) days after the date of the Prospectus (or, if such 30th day shall be a Saturday or Sunday or a holiday, on the next business day thereafter when the New York Stock Exchange is open for trading). The Underwriters shall not be under any obligation to purchase any of the Option Securities prior to the exercise of such options. The Representatives may from time to time exercise the options granted hereby by giving notice in writing or by telephone (confirmed in writing) to the Company and the Selling Stockholders setting forth the aggregate number of Option Securities as to which the several Underwriters are then exercising the options and the date and time for delivery of and payment for such Option Securities. Any such date of delivery shall be determined by the Representatives but shall not be earlier than two business days or later than five business days after such exercise of the options and, in any event, shall not be earlier than the Firm Closing Date. The time and date set forth in such notice, or such other time on such other date as the Representatives and Company and the Selling Stockholders may agree upon or as the Representatives may determine pursuant to Section 10 hereof, is herein called the "Option Closing Date" with respect to such Option Securities. Upon exercise of any option as provided herein, each of the Selling Stockholders shall become obligated to sell to the several Underwriters the percentage set forth opposite the name of such Selling Stockholder in Schedule 3 or Schedule 4, as the case may be, of the total number of the Option Securities being purchased by the Underwriters as adjusted by the Representatives in such manner as they deem advisable to avoid fractional shares, and, subject to the terms and conditions herein set forth, each of the Underwriters (severally and not jointly) shall become obligated to purchase from each of the Selling Stockholders, the same percentage of the total number of the Option Securities as to which the several Underwriters are then exercising the options as such Underwriter is obligated to purchase of the aggregate number of Firm Securities, as adjusted by the Representatives in such manner as they deem advisable to avoid fractional shares. If any option is exercised as to all or any portion of the Option Securities, one or more certificates in definitive form for such Option Securities, and payment therefor, shall be delivered on the related Option Closing Date in the manner, and upon the terms and conditions, set forth in paragraph (a) of this Section 4, except that reference therein to the Firm Securities and the Firm Closing Date shall be deemed, for purposes of this paragraph (b), to refer to such Option Securities and Option Closing Date, respectively.

(c) The Company and the Selling Stockholders hereby acknowledge that the wire transfer by or on behalf of the Underwriters of the purchase price for any Securities does not constitute closing of a purchase and sale of the Securities. Only execution and delivery of a receipt for Securities by the Underwriters indicates completion of the closing of a purchase of the Securities from the Company or the Selling Stockholders. Furthermore, in the event that the

Underwriters wire funds to the Company or the Selling Stockholders prior to the completion of the closing of a purchase of Shares, the Company and the Selling Stockholders hereby acknowledge that until the Underwriters execute and deliver a receipt for the Securities, by facsimile or otherwise, the Company and the Selling Stockholders will not be entitled to the Wired Funds and shall return the Wired Funds to the Underwriters as soon as practicable (by wire transfer of same-day funds) upon demand. In the event that the closing of a purchase of Securities is not completed and the Wired Funds are not returned by the Company or the Selling Stockholders to the Underwriters on the same day the Wired Funds were received by the Company or the Selling Stockholders, the Company and the Selling Stockholders agree to pay to the Underwriters in respect of each day the Wired Funds are not returned by it, in same-day funds, interest on the amount of such Wired Funds in an amount representing the Underwriters' cost of financing as reasonably determined by Prudential Securities Incorporated.

(d) It is understood that any of you, individually and not as one of the Representatives, may (but shall not be obligated to) make payment on behalf of any Underwriter or Underwriters for any of the Securities to be purchased by such Underwriter or Underwriters. No such payment shall relieve such Underwriter or Underwriters from any of its or their obligations hereunder.

5. Offering by the Underwriters. Upon your authorization of the release of the Firm Securities, the several Underwriters propose to offer the Firm Securities for sale to the public upon the terms set forth in the Prospectus.

6. Covenants of the Company and the Selling Stockholders. The Company and, as applicable, the Selling Stockholders, jointly and severally, covenant and agree with each of the Underwriters that:

(a) The Company will use its best efforts to cause the Registration Statement, if not effective at the time of execution of this Agreement, and any amendments thereto to become effective as promptly as possible. If required, the Company will file the Prospectus or any Term Sheet that constitutes a part thereof and any amendment or supplement thereto with the Commission in the manner and within the time period required by Rules 434 and 424(b) under the Act. During any time when a prospectus relating to the Securities is required to be delivered under the Act, the Company (i) will comply with all requirements imposed upon it by the Act and the rules and regulations of the Commission thereunder to the extent necessary to permit the continuance of sales of or dealings in the Securities in accordance with the provisions hereof and of the Prospectus, as then amended or supplemented, and (ii) will not file with the Commission the prospectus, Term Sheet or the amendment referred to in the second sentence of Section 2(a) hereof, any amendment or supplement to such Prospectus, Term Sheet or any amendment to the Registration Statement or any Rule 462(b) Registration Statement of which the Representatives previously have been advised and furnished with a copy for a reasonable period of time prior to the proposed filing and as to which filing the Representatives shall not have given their consent. The Company will prepare and file with the Commission, in accordance with the rules and regulations of the Commission, promptly upon request by the Representatives or counsel for the Underwriters, any amendments to the Registration Statement or amendments or supplements to the Prospectus that may be necessary or advisable in connection with the distribution of the Securities by the several Underwriters, and will use its best efforts to cause any such amendment

to the Registration Statement to be declared effective by the Commission as promptly as possible. The Company will advise the Representatives, promptly after receiving notice thereof, of the time when the Registration Statement or any amendment thereto has been filed or declared effective or the Prospectus or any amendment or supplement thereto has been filed and will provide evidence satisfactory to the Representatives of each such filing or effectiveness.

(b) The Company will advise the Representatives, promptly after receiving notice or obtaining knowledge thereof, of (i) the issuance by the Commission of any stop order suspending the effectiveness of the Original Registration Statement or any Rule 462(b) Registration Statement or any amendment thereto or any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, (ii) the suspension of the qualification of the Securities for offering or sale in any jurisdiction, (iii) the institution, threatening or contemplation of any proceeding for any such purpose or (iv) any request made by the Commission for amending the Original Registration Statement or any Rule 462(b) Registration Statement, for amending or supplementing the Prospectus or for additional information. The Company will use its best efforts to prevent the issuance of any such stop order and, if any such stop order is issued, to obtain the withdrawal thereof as promptly as possible.

(c) The Company will arrange for the qualification of the Securities for offering and sale under the securities or blue sky laws of such jurisdictions as the Representatives may designate and will continue such qualifications in effect for as long as may be necessary to complete the distribution of the Securities; provided, however, that in connection therewith the Company shall not be required to qualify as a foreign corporation or to execute a general consent to service of process in any jurisdiction.

(d) If, at any time prior to the later of (i) the final date when a prospectus relating to the Securities is required to be delivered under the Act or (ii) the Option Closing Date, any event occurs as a result of which the Prospectus, as then amended or supplemented, would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if for any other reason it is necessary at any time to amend or supplement the Prospectus to comply with the Act or the rules or regulations of the Commission thereunder, the Company will promptly notify the Representatives thereof and, subject to Section 6(a) hereof, will prepare and file with the Commission, at the Company's expense, an amendment to the Registration Statement or an amendment or supplement to the Prospectus that corrects such statement or omission or effects such compliance.

(e) The Company will, without charge, provide (i) to the Representatives and to counsel for the Underwriters a conformed copy of the registration statement originally filed with respect to the Securities and each amendment thereto (in each case including exhibits thereto) or any Rule 462(b) Registration Statement, certified by the Secretary or an Assistant Secretary of the Company to be true and complete copies thereof as filed with the Commission by electronic transmission, (ii) to each other Underwriter, a conformed copy of such registration statement or any Rule 462(b) Registration Statement and each amendment thereto (in each case without exhibits thereto) and (iii) so long as a prospectus relating to the Securities is required to be delivered under the Act, as many copies of each Preliminary Prospectus or the Prospectus or any amendment or supplement thereto as the Representatives may reasonably request; without

limiting the application of clause (iii) of this sentence, the Company, not later than (A) 6:00 P.M., New York City time, on the date of determination of the public offering price, if such determination occurred at or prior to 10:00 A.M., New York City time, on such date or (B) 2:00 P.M., New York City time, on the business day following the date of determination of the public offering price, if such determination occurred after 10:00 A.M., New York City time, on such date, will deliver to the Underwriters, without charge, as many copies of the Prospectus and any amendment or supplement thereto as the Representatives may reasonably request for purposes of confirming orders that are expected to settle on the Firm Closing Date.

(f) The Company, as soon as practicable, will make generally available to its stockholders and to the Representatives a consolidated earnings statement of the Company and its Subsidiaries that satisfies the provisions of Section 11(a) of the Act and Rule 158 thereunder.

(g) The Company will apply the net proceeds from the sale of the Securities as set forth under "Use of Proceeds" in the Prospectus.

(h) None of the Company and the Selling Stockholders will, directly or indirectly, without the prior written consent of Prudential Securities Incorporated on behalf of the Underwriters, offer, sell, offer to sell, contract to sell, pledge, grant any option to purchase or otherwise sell or dispose (or announce any offer, sale, offer of sale, contract of sale, pledge, grant of any option to purchase or other sale or disposition) of any shares of Common Stock or any securities convertible into, or exchangeable or exercisable for, shares of Common Stock for a period of 90 days after the date hereof, except pursuant to this Agreement and except for issuances pursuant to the exercise of employee stock options outstanding on the date hereof, pursuant to the Company's dividend reinvestment plan or pursuant to the terms of the Company's Employee Stock Purchase Plan referred to in the Prospectus.

(i) None of the Company and the Selling Stockholders will, directly or indirectly, (i) take any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (ii) (A) sell, bid for, purchase, or pay anyone any compensation for soliciting purchases of, the Securities or (B) pay or agree to pay to any person any compensation for soliciting another to purchase any other securities of the Company (except for the sale of Securities by the Selling Stockholders under this Agreement).

(j) The Company will obtain the agreements described in Section 8(h) hereof prior to the Firm Closing Date.

(k) If at any time during the 25-day period after the Registration Statement becomes effective or the period prior to the Option Closing Date, any rumor, publication or event relating to or affecting the Company shall occur as a result of which in your opinion the market price of the Common Stock has been or is likely to be materially affected (regardless of whether such rumor, publication or event necessitates a supplement to or amendment of the Prospectus), the Company will, after notice from you advising the Company to the effect set forth above, forthwith prepare, consult with you concerning the substance of, and disseminate a press release or other public statement, reasonably satisfactory to you, responding to or commenting on such rumor, publication or event.

(l) If the Company elects to rely on Rule 462(b), the Company shall both file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) and pay the applicable fees in accordance with Rule 111 promulgated under the Act by the earlier of (i) 10:00 P.M. Eastern time on the date of this Agreement and (ii) the time confirmations are sent or given, as specified by Rule 462(b)(2).

(m) The Company will cause the Securities to be included for quotation on the Nasdaq National Market prior to the Firm Closing Date.

(n) Each of the Selling Stockholders will provide a duly completed Form W-9, signed by such Selling Stockholder or the general partner or trustee of such Selling Stockholder, if applicable.

7. Expenses. (a) The Company will pay all costs and expenses incident to the performance of its obligations under this Agreement, whether or not the transactions contemplated herein are consummated or this Agreement is terminated pursuant to Section 13 hereof, including all costs and expenses incident to (i) the printing or other production of documents with respect to the transactions, including any costs of printing the registration statement originally filed with respect to the Securities and any amendment thereto, any Rule 462(b) Registration Statement, any Preliminary Prospectus and the Prospectus and any amendment or supplement thereto, this Agreement and any blue sky memoranda, (ii) all arrangements relating to the delivery to the Underwriters of copies of the foregoing documents, (iii) the fees and disbursements of the counsel, the accountants and any other experts or advisors retained by the Company, (iv) preparation, issuance and delivery to the Underwriters of any certificates evidencing the Securities, including transfer agent's and registrar's fees, (v) the qualification of the Securities under state securities and blue sky laws, including filing fees and fees and disbursements of counsel for the Underwriters relating thereto, (vi) the filing fees of the Commission and the National Association of Securities Dealers, Inc. relating to the Securities, (vii) any quotation of the Securities on the Nasdaq National Market, (viii) any meetings with prospective investors in the Securities (other than as shall have been specifically approved by the Representatives to be paid for by the Underwriters) and (ix) advertising relating to the offering of the Securities (other than as shall have been specifically approved by the Representatives to be paid for by the Underwriters). If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 8 hereof is not satisfied, because this Agreement is terminated pursuant to Section 13 hereof or because of any failure, refusal or inability on the part of the Company to perform all obligations and satisfy all conditions on its part to be performed or satisfied hereunder other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters severally upon demand for all out-of-pocket expenses (including counsel fees and disbursements) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities. The Company shall not in any event be liable to any of the Underwriters for the loss of anticipated profits from the transactions covered by this Agreement.

(b) The Selling Stockholders will pay all expenses incident to the performance of their obligations under, and the consummation of the transactions contemplated by, this Agreement to the extent, if any, not paid by the Company, including (i) any stamp duties, capital duties and stock transfer taxes, if any, payable upon the sale of the Securities to the

Underwriters, and their transfer between the Underwriters pursuant to an agreement between such U.S. Underwriters, and (ii) the fees and disbursements of their counsel and accountants, if any, not paid or payable by the Company.

8. Conditions of the Underwriters' Obligations. The obligations of the several Underwriters to purchase and pay for the Firm Securities shall be subject, in the Representatives' sole discretion, to the accuracy of the representations and warranties of the Company and the Selling Stockholders contained herein as of the date hereof and as of the Firm Closing Date, as if made on and as of the Firm Closing Date, to the accuracy of the statements of the Company's officers or of the Selling Stockholders or their representative made pursuant to the provisions hereof, to the performance by the Company and the Selling Stockholders of their covenants and agreements hereunder and to the following additional conditions:

(a) If the Original Registration Statement or any amendment thereto filed prior to the Firm Closing Date has not been declared effective as of the time of execution hereof, the Original Registration Statement or such amendment and, if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have been declared effective not later than the earlier of (i) 11:00 A.M., New York time, on the date on which the amendment to the registration statement originally filed with respect to the Securities or to the Registration Statement, as the case may be, containing information regarding the initial public offering price of the Securities has been filed with the Commission and (ii) the time confirmations are sent or given as specified by Rule 462(b)(2), or with respect to the Original Registration Statement, or such later time and date as shall have been consented to by the Representatives; if required, the Prospectus or any Term Sheet that constitutes a part thereof and any amendment or supplement thereto shall have been filed with the Commission in the manner and within the time period required by Rules 434 and 424(b) under the Act; no stop order suspending the effectiveness of the Registration Statement or any amendment thereto shall have been issued, and no proceedings for that purpose shall have been instituted or threatened or, to the knowledge of the Company or the Representatives, shall be contemplated by the Commission; and the Company shall have complied with any request of the Commission for additional information (to be included in the Registration Statement or the Prospectus or otherwise).

(b) The Representatives shall have received an opinion, dated the Firm Closing Date, of Shughart Thomson & Kilroy P.C., counsel for the Company, to the effect that:

(i) the Company and each of its Subsidiaries have been duly organized and are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation and are duly qualified to transact business as foreign corporations and are in good standing under the laws of all other jurisdictions where the ownership or leasing of their respective properties or the conduct of their respective businesses requires such qualification, except where the failure to be so qualified does not amount to a material liability or disability to the Company and the Subsidiaries, taken as a whole;

(ii) the Company and each of the Subsidiaries have corporate power to own or lease their respective properties and conduct their respective businesses as described in the Registration Statement and the Prospectus, and the Company has corporate power to

enter into this Agreement and to carry out all the terms and provisions hereof to be carried out by it;

(iii) the issued shares of capital stock of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable and, except as otherwise set forth in the Prospectus, are owned beneficially by the Company free and clear of any perfected security interests or, to the best knowledge of such counsel, any other security interests, liens, encumbrances, equities or claims;

(iv) the Company has an authorized, issued and outstanding capitalization as set forth in the Prospectus; to the best knowledge of such counsel, all of the issued shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable, have been issued in compliance with all applicable federal and state securities laws and were not issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities; the Firm Securities being issued and sold by the Company have been duly authorized by all necessary corporate action of the Company and, when issued and delivered to and paid for by the Underwriters pursuant to this Agreement, will be validly issued, fully paid and nonassessable; the Securities being issued and sold by the Company have been duly included for trading on the Nasdaq National Market; no holders of outstanding shares of capital stock of the Company are entitled as such to any preemptive or other rights to subscribe for any of the Securities; and no holders of securities of the Company are entitled to have such securities registered under the Registration Statement except those that have waived such registration rights;

(v) the statements set forth under the heading "Description of Capital Stock" in the Prospectus, insofar as such statements purport to summarize certain provisions of the capital stock of the Company, provide a fair summary of such provisions; and the statements set forth under the headings "Business--Legal Proceedings" and "Business--Government Regulation" in the Prospectus, insofar as such statements constitute a summary of the legal matters, documents or proceedings referred to therein, provide a fair summary of such legal matters, documents and proceedings;

(vi) to the best knowledge of such counsel, neither the Company nor any of its Subsidiaries is subject to any current claim or notice of infringement or other violation of any copyrights, patents, trademarks or service marks of others; to the best knowledge of such counsel, (i) there are no legal or governmental proceedings pending relating to any copyrights, trademarks or service marks owned or used by the Company or any of its Subsidiaries and (ii) no such proceedings are currently threatened by governmental authorities or others; each of the Company's trademarks, service marks, trademarks applications and service marks applications included in the list previously provided to Underwriters' counsel (the "Trademarks") have been filed by the Company with the United States Patent and Trademark Office (the "PTO") in accordance with the rules and regulations of the PTO; each of the Company's copyrights included in the list previously provided to Underwriters' counsel (the "Copyrights") has been deposited with the Library of Congress in accordance with federal copyright law; and such counsel has no knowledge of any facts that would preclude the Company from having clear title to the Trademarks and the Copyrights.

(vii) the execution and delivery of this Agreement have been duly authorized by all necessary corporate action of the Company and this Agreement has been duly executed and delivered by the Company;

(viii) (A) to the best knowledge of such counsel no legal or governmental proceedings are pending to which the Company or any of the Subsidiaries is a party or to which the property of the Company or any of the Subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not described therein and no such proceedings have been threatened against the Company or any of the Subsidiaries or with respect to any of their respective properties and (B) no contract or other document is required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement that is not described therein or filed as required;

(ix) the issuance, offering and sale of the Securities to the Underwriters by the Company pursuant to this Agreement, the compliance by the Company with the other provisions of this Agreement and the consummation of the other transactions herein contemplated do not (A) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained and such as may be required under state securities or blue sky laws, or (B) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument, known to such counsel, to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries or any of their respective properties are bound, or the charter documents or by-laws of the Company or any of the Subsidiaries, or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator known to such counsel and applicable to the Company or Subsidiaries;

(x) the Registration Statement is effective under the Act; any required filing of the Prospectus, or any Term Sheet that constitutes a part thereof, pursuant to Rules 434 and 424(b) has been made in the manner and within the time period required by Rules 434 and 424(b); and no stop order suspending the effectiveness of the Registration Statement or any amendment thereto has been issued, and no proceedings for that purpose have been instituted or threatened or, to the best knowledge of such counsel, are contemplated by the Commission; and

(xi) the Registration Statement originally filed with respect to the Securities and each amendment thereto, any Rule 462(b) Registration Statement and the Prospectus (in each case, other than the financial statements and other financial information contained therein, as to which such counsel need express no opinion) comply as to form in all material respects with the applicable requirements of the Act and the rules and regulations of the Commission thereunder.

(xii) if the Company elects to rely on Rule 434, the Prospectus is not "materially different", as such term is used in Rule 434, from the prospectus included in

the Registration Statement at the time of its effectiveness or an effective post-effective amendment thereto (including such information that is permitted to be omitted pursuant to Rule 430A).

Such counsel shall also state that they have no reason to believe that the Registration Statement, as of its effective date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus, as of its date or the date of such opinion, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for financial statements and other financial data included therein or omitted therefrom, as to which we need make no statement).

In rendering any such opinion, such counsel may rely, as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials.

References to the Registration Statement and the Prospectus in this paragraph (b) shall include any amendment or supplement thereto at the date of such opinion.

(c) The Selling Stockholders shall have furnished to the Representatives the opinion of Shughart Thomson & Kilroy P.C., counsel for the Selling Stockholders, dated the Closing Date, to the effect that:

(i) such Selling Stockholder has full partnership, trust or other power (if applicable) to enter into this Agreement, and the Power of Attorney and Custody Agreement and to sell, transfer and deliver the Securities being sold by such Selling Stockholder hereunder in the manner provided in this Agreement and to perform its obligations under the Power of Attorney and Custody Agreement; the execution and delivery of this Agreement and the Power of Attorney and Custody Agreement have been duly authorized by all necessary partnership, trust or other action of each Selling Stockholder, if applicable; this Agreement and the Power of Attorney and the Custody Agreement have been duly executed and delivered by each Selling Stockholder; assuming due authorization, execution and delivery by the Custodian the Power of Attorney and Custody Agreement are the legal, valid, binding and enforceable instruments of such Selling Stockholder, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(ii) the delivery by each Selling Stockholder to the several Underwriters of certificates for the Securities being sold hereunder by such Selling Stockholder against payment therefor as provided herein, will convey good and marketable title to such Securities to the several Underwriters, free and clear of all security interests, liens, and encumbrances and, to the best knowledge of such counsel, equities, claims or other defects;

(iii) the sale of the Securities to the Underwriters by such Selling Stockholder pursuant to this Agreement, the compliance by such Selling Stockholder with the other provisions of this Agreement and the Power of Attorney and Custody Agreement and the consummation of the other transactions herein contemplated do not (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained and such as may be required under state securities or blue sky laws, or (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under any indenture, mortgage, deed of trust, lease or other agreement or instrument to which such Selling Stockholder or any of its subsidiaries, if applicable, is a party or by which such Selling Stockholder or any of its subsidiaries, if applicable, or any of such Selling Stockholder's properties are bound, or the trust instruments or partnership documents of such Selling Stockholder or any of its subsidiaries, if applicable, or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator applicable to such Selling Stockholder or any of its subsidiaries, if applicable.

In rendering such opinion, such counsel may rely, as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials.

References to the Registration Statement and the Prospectus in this paragraph (c) shall include any amendment or supplement thereto at the date of such opinion.

Nothing has come to our attention that would lead us to believe that the information with respect to each Selling Stockholder or the Securities being sold by such Selling Stockholder to the several Underwriters pursuant to the Underwriting Agreement included in the Registration Statement or any amendment thereto (except for financial statements and other financial data included therein or omitted therefrom, as to which we need make no statement), at the time such Registration Statement or any such amendment became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the information with respect to each Selling Stockholder or the Securities being sold by such Selling Stockholder to the Underwriters pursuant to the Underwriting Agreement included in the Prospectus or any amendment or supplement thereto (except for financial statements and other financial data included therein or omitted therefrom, as to which we make no statement), at the time the Prospectus was issued, at the time any such amended or supplemented prospectus was issued or at the Closing Time, including or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Representatives shall have received an opinion, dated the Firm Closing Date, of Brown & Wood LLP, counsel for the Underwriters, with respect to the issuance and sale of the Firm Securities, the Registration Statement and the Prospectus, and such other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to pass upon such matters.

(e) The Representatives shall have received from Deloitte & Touche LLP a letter or letters dated, respectively, the date hereof and the Firm Closing Date, in form and substance satisfactory to the Representatives, to the effect that:

(i) they are independent accountants within the meaning of the Act and the applicable rules and regulations thereunder with respect to each of the Company and its consolidated subsidiaries, BFS and Symitar.

(ii) in their opinion, the audited consolidated financial statements included in the Registration Statement and the Prospectus comply in form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations;

(iii) on the basis of their limited review in accordance with standards established by the American Institute of Certified Public Accountants of any interim unaudited consolidated condensed financial statements of the Company and its consolidated subsidiaries as indicated in their report included in the Registration Statement and the Prospectus, carrying out certain specified procedures (which do not constitute an examination made in accordance with generally accepted auditing standards) that would not necessarily reveal matters of significance with respect to the comments set forth in this paragraph (iii), a reading of the minute books of the stockholders, the board of directors and any committees thereof of the Company and each of its consolidated subsidiaries, and inquiries of certain officials of the Company and its consolidated subsidiaries who have responsibility for financial and accounting matters, nothing came to their attention that caused them to believe that:

(A) the unaudited consolidated condensed financial statements of the Company and its consolidated subsidiaries included in the Registration Statement and the Prospectus do not comply in form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations thereunder or are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements included in the Registration Statement and the Prospectus;

(B) at a specific date not more than five business days prior to the date of such letter, there were any changes in the capital stock or long-term debt of the Company and its consolidated subsidiaries or any decreases in net current assets or stockholders' equity of the Company and its consolidated subsidiaries, in each case compared with amounts shown on the March 31, 2000 unaudited consolidated condensed balance sheet included in the Registration Statement and the Prospectus, or for the period from April 1, 2000 to such specified date there were any decreases, as compared with June 30, 2000, in revenues, income from continuing operations before taxes income from continuing operations or income from continuing operations per diluted share of the Company and its consolidated subsidiaries, except in all instances for changes, decreases or increases set forth in such letter; and

(iv) they have carried out certain specified procedures, not constituting an audit, with respect to certain amounts, percentages and financial information that are derived from the general accounting records of the Company and its consolidated subsidiaries and are included in the Registration Statement and the Prospectus and in Exhibit 11 to the Registration Statement, and have compared such amounts, percentages and financial information with such records of the Company and its consolidated subsidiaries and with information derived from such records and have found them to be in agreement, excluding any questions of legal interpretation; and

(v) on the basis of a reading of the unaudited pro forma consolidated condensed financial statements included in the Registration Statement and the Prospectus, carrying out certain specified procedures that would not necessarily reveal matters of significance with respect to the comments set forth in this paragraph (v), inquiries of certain officials of the Company and its consolidated subsidiaries who have responsibility for financial and accounting matters and proving the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the unaudited pro forma consolidated condensed financial statements, nothing came to their attention that caused them to believe that the unaudited pro forma consolidated condensed financial statements do not comply in form in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X or that the pro forma adjustments have not been properly applied to the historical amounts in the compilation of such statements.

In the event that the letters referred to above set forth any such changes, decreases or increases, it shall be a further condition to the obligations of the Underwriters that (A) such letters shall be accompanied by a written explanation of the Company as to the significance thereof, unless the Representatives deem such explanation unnecessary, and (B) such changes, decreases or increases do not, in the sole judgment of the Representatives, make it impractical or inadvisable to proceed with the purchase and delivery of the Securities as contemplated by the Registration Statement, as amended as of the date hereof.

References to the Registration Statement and the Prospectus in this paragraph (e) with respect to either letter referred to above shall include any amendment or supplement thereto at the date of such letter.

(f) The Representatives shall have received a certificate, dated the Firm Closing Date, of the principal executive officer and the principal financial officer of the Company to the effect that:

(i) the representations and warranties of the Company in this Agreement are true and correct as if made on and as of the Firm Closing Date; the Registration Statement, as amended as of the Firm Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, and the Prospectus, as amended or supplemented as of the Firm Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Company has

performed all covenants and agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Firm Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement or any amendment thereto has been issued, and no proceedings for that purpose have been instituted or threatened or, to the best of the Company's knowledge, are contemplated by the Commission; and

(iii) subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, neither the Company nor any of its Subsidiaries has sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding, and there has not been any material adverse change, or any development involving a prospective material adverse change, in the condition (financial or otherwise), management, business prospects, net worth or results of operations of the Company or any of its Subsidiaries, except in each case as described in or contemplated by the Prospectus (exclusive of any amendment or supplement thereto).

(g) The Representatives shall have received a certificate from each Selling Stockholder, signed by such Selling Stockholder or the general partner of such Selling Stockholder, if applicable, dated the Closing Date, to the effect that:

(i) the representations and warranties of such Selling Stockholder in this Agreement are true and correct as if made on and as of the Closing Date;

(ii) the Registration Statement, as amended as of the Closing Date, does not include any untrue statement of a material fact with respect to such Selling Stockholder or omit to state any material fact necessary to make the statements therein with respect to such Selling Stockholder not misleading, and the Prospectus, as amended or supplemented as of the Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(iii) such Selling Stockholder has performed all covenants and agreements on its part to be performed or satisfied at or prior to the Closing Date.

(h) The Representatives shall have received from each person who is a director or officer of the Company an agreement to the effect that such person will not, directly or indirectly, without the prior written consent of Prudential Securities Incorporated, on behalf of the Underwriters, offer, sell, offer to sell, contract to sell, pledge, grant any option to purchase or otherwise sell or dispose (or announce any offer, sale, offer of sale, contract of sale, pledge, grant of any option to purchase or other sale or disposition) of any shares of Common Stock or any securities convertible into, or exchangeable or exercisable for, shares of Common Stock for a period of 90 days after the date of this Agreement.

(i) The Representatives shall have received from each Selling Stockholder a duly completed Form W-9, signed by such Selling Stockholder or the general partner or trustee of such Selling Stockholder, if applicable.

(j) On or before the Firm Closing Date, the Representatives and counsel for the Underwriters shall have received such further certificates, documents or other information as they may have reasonably requested from the Company.

(k) Prior to the commencement of the offering of the Securities, the Securities shall have been included for trading on the Nasdaq National Market.

All opinions, certificates, letters and documents delivered pursuant to this Agreement will comply with the provisions hereof only if they are reasonably satisfactory in all material respects to the Representatives and counsel for the Underwriters. The Company shall furnish to the Representatives such conformed copies of such opinions, certificates, letters and documents in such quantities as the Representatives and counsel for the Underwriters shall reasonably request.

The respective obligations of the several Underwriters to purchase and pay for any Option Securities shall be subject, in their discretion, to each of the foregoing conditions to purchase the Firm Securities, except that all references to the Firm Securities and the Firm Closing Date shall be deemed to refer to such Option Securities and the related Option Closing Date, respectively.

9. Indemnification and Contribution. (a) The Company, and each Executive Selling Stockholder and, solely in connection with statements with respect to, or made by such Other Selling Stockholder, each Other Selling Stockholder, jointly and severally agree to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or such controlling person may become subject under the Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon:

(i) any untrue statement or alleged untrue statement made by the Company or such Selling Stockholder in Section 2 of this Agreement,

(ii) any untrue statement or alleged untrue statement of any material fact contained in (A) the Registration Statement or any amendment thereto or any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto or (B) any application or other document, or any amendment or supplement thereto, executed by the Company or such Selling Stockholder or based upon written information furnished by or on behalf of the Company or such Selling Stockholder filed in any jurisdiction in order to qualify the Securities under the securities or blue sky laws thereof or filed with the Commission or any securities association or securities exchange (each an "Application"),

(iii) the omission or alleged omission to state in the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment

or supplement thereto, or any Application a material fact required to be stated therein or necessary to make the statements therein not misleading or

(iv) any untrue statement or alleged untrue statement of any material fact contained in any audio or visual materials provided by the Company or based upon written information furnished by or on behalf of the Company including, without limitation, slides, videos, films, tape recordings, used in connection with the marketing of the Securities, including, without limitation, statements communicated to the securities analysts employed by the Underwriters;

and will reimburse, as incurred, each Underwriter and each such controlling person for any legal or other expenses reasonably incurred by such Underwriter or such controlling person in connection with investigating, defending against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action; provided, however, that the Company and such Selling Stockholder will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or any Application in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein; and provided, further, that the Company and such Selling Stockholder will not be liable to any Underwriter or any person controlling such Underwriter with respect to any such untrue statement or omission made in any Preliminary Prospectus that is corrected in the Prospectus (or any amendment or supplement thereto) if the person asserting any such loss, claim, damage or liability purchased Securities from such Underwriter but was not sent or given a copy of the Prospectus (as amended or supplemented), other than the documents incorporated by reference therein, at or prior to the written confirmation of the sale of such Securities to such person in any case where such delivery of the Prospectus (as amended or supplemented) is required by the Act, unless such failure to deliver the Prospectus (as amended or supplemented) was a result of noncompliance by the Company with Section 6(d) and (e) of this Agreement. This indemnity agreement will be in addition to any liability which the Company and such Selling Stockholder may otherwise have. Neither the Company nor any Selling Stockholder will, without the prior written consent of the Underwriter or Underwriters purchasing, in the aggregate, more than fifty percent (50%) of the Securities, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not any such Underwriter or any person who controls any such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act is a party to such claim, action, suit or proceeding), unless such settlement, compromise or consent includes an unconditional release of all of the Underwriters and such controlling persons from all liability arising out of such claim, action, suit or proceeding.

(b) Each Underwriter, severally and not jointly, indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement, each Selling Stockholder and each person, if any, who controls the Company or such Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act against any losses, claims, damages or liabilities to which the Company, any such director or

officer of the Company, such Selling Stockholder or any such controlling person of the Company or such Selling Stockholder may become subject under the Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or any Application or (ii) the omission or the alleged omission to state therein a material fact required to be stated in the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or any Application or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein; and, subject to the limitation set forth immediately preceding this clause, will reimburse, as incurred, any legal or other expenses reasonably incurred by the Company, any such director, officer or controlling person or such Selling Stockholder in connection with investigating or defending any such loss, claim, damage, liability or any action in respect thereof. This indemnity agreement will be in addition to any liability which such Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 9 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 9, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 9. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be one or more legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnifying party shall not have the right to direct the defense of such action on behalf of such indemnified party or parties and such indemnified party or parties shall have the right to select separate counsel to defend such action on behalf of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and approval by such indemnified party of counsel appointed to defend such action, the indemnifying party will not be liable to such indemnified party under this Section 9 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that in connection with such action the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, designated by the Representatives in the case of paragraph (a) of this Section 9, representing the indemnified parties under such paragraph (a) who are parties to such action or actions) or (ii) the indemnifying party does not promptly retain

counsel satisfactory to the indemnified party or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. After such notice from the indemnifying party to such indemnified party, the indemnifying party will not be liable for the costs and expenses of any settlement of such action effected by such indemnified party without the consent of the indemnifying party.

(d) In circumstances in which the indemnity agreement provided for in the preceding paragraphs of this Section 9 is unavailable or insufficient, for any reason, to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof), each indemnifying party, in order to provide for just and equitable contribution, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect (i) the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the offering of the Securities or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, not only such relative benefits but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions or alleged statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholders or the Underwriters, the parties' relative intents, knowledge, access to information and opportunity to correct or prevent such statement or omission, and any other equitable considerations appropriate in the circumstances. The Company, the Selling Stockholders and the Underwriters agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to above in this paragraph (d). Notwithstanding any other provision of this paragraph (d), no Underwriter shall be obligated to make contributions hereunder that in the aggregate exceed the total public offering price of the Securities purchased by such Underwriter under this Agreement, less the aggregate amount of any damages that such Underwriter has otherwise been required to pay in respect of the same or any substantially similar claim, and no person guilty of fraudulent misrepresentation (within the meaning of Section 11 (f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute hereunder are several in proportion to their respective underwriting obligations and not joint, and contributions among Underwriters shall be governed by the provisions of the Prudential Securities Incorporated Master Agreement Among Underwriters. For purposes of this paragraph (d), each person, if any, who controls an Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement and each person, if any, who controls the Company or any Selling Stockholder within the meaning of Section 15 of the Act or

Section 20 of the Exchange Act, shall have the same rights to contribution as the Company or such Selling Stockholder, as the case may be.

(e) The liability of each Selling Stockholder under this Section 9 shall not exceed an amount equal to the net proceeds received by such Selling Stockholder from the sale of the Securities by such Selling Stockholder to the Underwriters hereunder.

10. Default of Underwriters. If one or more Underwriters default in their obligations to purchase Firm Securities or Option Securities hereunder and the aggregate number of such Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase is ten percent or less of the aggregate number of Firm Securities or Option Securities to be purchased by all of the Underwriters at such time hereunder, the other Underwriters may make arrangements satisfactory to the Representatives for the purchase of such Securities by other persons (who may include one or more of the non-defaulting Underwriters, including the Representatives), but if no such arrangements are made by the Firm Closing Date or the related Option Closing Date, as the case may be, the other Underwriters shall be obligated severally in proportion to their respective commitments hereunder to purchase the Firm Securities or Option Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase. If one or more Underwriters so default with respect to an aggregate number of Securities that is more than ten percent of the aggregate number of Firm Securities or Option Securities, as the case may be, to be purchased by all of the Underwriters at such time hereunder, and if arrangements satisfactory to the Representatives are not made within 36 hours after such default for the purchase by other persons (who may include one or more of the non-defaulting Underwriters, including the Representatives) of the Securities with respect to which such default occurs, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company other than as provided in Section 12 hereof. In the event of any default by one or more Underwriters as described in this Section 10, the Representatives shall have the right to postpone the Firm Closing Date or the Option Closing Date, as the case may be, established as provided in Section 4 hereof for not more than seven business days in order that any necessary changes may be made in the arrangements or documents for the purchase and delivery of the Firm Securities or Option Securities, as the case may be. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section 10. Nothing herein shall relieve any defaulting Underwriter from liability for its default.

11. Default by the Selling Stockholders. If any Selling Stockholder shall fail at the Firm Closing Date to sell and deliver the number of Securities that such Selling Stockholder is obligated to sell hereunder, then the Company may sell and deliver such number of Securities to cure such default by such Selling Stockholder. If any Selling Stockholder shall fail at the Firm Closing Date to sell and deliver the number of Securities that such Selling Stockholder is obligated to sell and the Company does not cure such default, the Underwriters may, at the option of the Representatives, either (a) terminate this Agreement without any liability on the fault of any non-defaulting party except that the provisions of Sections 8 and 10 shall remain in full force and effect or (b) elect to purchase the Securities which the Selling Stockholders have agreed to sell. No action taken pursuant to this Section 11 shall relieve the Selling Stockholders so defaulting from liability, if any, in respect of such default.

In the event of a default by the Selling Stockholders as referred to in this Section 11, each of the Representatives shall have the right to postpone the Firm Closing Date or the Option Closing Date for a period not exceeding seven days in order to effect any required change in the Registration Statement or Prospectus or in any other documents or arrangements.

12. Survival. The respective representations, warranties, agreements, covenants, indemnities and other statements of the Company, its officers and the several Underwriters set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement shall remain in full force and effect, regardless of (i) any investigation made by or on behalf of the Company, any of its officers or directors, any Underwriter or any controlling person referred to in Section 9 hereof and (ii) delivery of and payment for the Securities. The respective agreements, covenants, indemnities and other statements set forth in Sections 7 and 9 hereof shall remain in full force and effect, regardless of any termination or cancellation of this Agreement.

13. Termination. (a) This Agreement may be terminated with respect to the Firm Securities or any Option Securities in the sole discretion of the Representatives by notice to the Company and the Selling Stockholders given prior to the Firm Closing Date or the related Option Closing Date, respectively, in the event that the Company shall have failed, refused or been unable to perform all obligations and satisfy all conditions on its part to be performed or satisfied hereunder at or prior thereto or, if at or prior to the Firm Closing Date or such Option Closing Date, respectively,

(i) the Company or any of its Subsidiaries shall have, in the sole judgment of the Representatives, sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding or there shall have been any material adverse change, or any development involving a prospective material adverse change (including without limitation a change in management or control of the Company), in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its Subsidiaries, except in each case as described in or contemplated by the Prospectus (exclusive of any amendment or supplement thereto);

(ii) trading in the Common Stock shall have been suspended by the Commission or the Nasdaq National Market or trading in securities generally on the New York Stock Exchange or Nasdaq National Market shall have been suspended or minimum or maximum prices shall have been established on such exchange or market system;

(iii) a banking moratorium shall have been declared by New York or United States authorities; or

(iv) there shall have been (A) an outbreak or escalation of hostilities between the United States and any foreign power, (B) an outbreak or escalation of any other insurrection or armed conflict involving the United States or (C) any other calamity or crisis or material adverse change in general economic, political or financial conditions having an effect on the U.S. financial markets that, in the sole judgment of the

Representatives, makes it impractical or inadvisable to proceed with the public offering or the delivery of the Securities as contemplated by the Registration Statement, as amended as of the date hereof.

(b) Termination of this Agreement pursuant to this Section 13 shall be without liability of any party to any other party except as provided in Section 12 hereof.

14. Information Supplied by Underwriters. The statements set forth in the last paragraph on the front cover page and under the heading "Underwriting" in any Preliminary Prospectus or the Prospectus (to the extent such statements relate to the Underwriters) constitute the only information furnished by any Underwriter through the Representatives to the Company for the purposes of Sections 2(b) and 9 hereof. The Underwriters confirm that such statements (to such extent) are correct.

15. Notices. All communications hereunder shall be in writing and, if sent to any of the Underwriters, shall be delivered or sent by mail, telex or facsimile transmission and confirmed in writing to Prudential Securities Incorporated, One New York Plaza, New York, New York 10292, Attention: Equity Transactions Group; and if sent to the Company or the Selling Stockholders, shall be delivered or sent by mail, telex or facsimile transmission and confirmed in writing to the Company or the Selling Stockholders, as the case may be, at 663 Highway 60, P.O. Box 807, Monett, Missouri 65708.

16. Successors. This Agreement shall inure to the benefit of and shall be binding upon the several Underwriters, the Company, the several Selling Stockholders and their respective successors and legal representatives, and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person except that (i) the indemnities of the Company and the Selling Stockholders contained in Section 9 of this Agreement shall also be for the benefit of any person or persons who control any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and (ii) the indemnities of the Underwriters contained in Section 9 of this Agreement shall also be for the benefit of the directors of the Company, the officers of the Company who have signed the Registration Statement and any person or persons who control the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and the several Selling Stockholders and the trustee or the general partner of a Selling Stockholder, if applicable. No purchaser of Securities from any Underwriter shall be deemed a successor because of such purchase.

17. Applicable Law. The validity and interpretation of this Agreement, and the terms and conditions set forth herein, shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any provisions relating to conflicts of laws.

18. Consent to Jurisdiction and Service of Process. All judicial proceedings arising out of or relating to this Agreement may be brought in any state or federal court of competent jurisdiction in the State of New York, and by execution and delivery of this Agreement, each Selling Stockholder accepts for itself and in connection with its properties, generally and

unconditionally, the nonexclusive jurisdiction of the aforesaid courts and waives any defense of forum non conveniens and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each such Selling Stockholder designates and appoints Michael E. Henry and Terry W. Thompson, each with full power to act individually, and such other persons as may hereafter be selected by such Selling Stockholder irrevocably agreeing in writing to so serve, as its agent to receive on its behalf service of all process in any such proceedings in any such court, such service being hereby acknowledged by such Selling Stockholder to be effective and binding service in every respect. A copy of any such process so served shall be mailed by registered mail to such Selling Stockholder at its address provided in Section 15 hereof; provided, however, that, unless otherwise provided by applicable law, any failure to mail such copy shall not affect the validity of service of such process. If any agent appointed by such Selling Stockholder refuses to accept service, such Selling Stockholder hereby agrees that service of process sufficient for personal jurisdiction in any action against such Selling Stockholder in the State of New York may be made by registered or certified mail, return receipt requested, to such Selling Stockholder at its address provided in Section 15 hereof, and such Selling Stockholder hereby acknowledges that such service shall be effective and binding in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of any Underwriter to bring proceedings against such Selling Stockholder in the courts of any other jurisdiction.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter shall constitute an agreement binding the Company and each of the several Underwriters.

Very truly yours,

JACK HENRY & ASSOCIATES, INC.

By:

 Michael E. Henry
 Chairman and Chief Executive Officer

THE SELLING STOCKHOLDERS

By:

 Michael E. Henry, as
 Attorney-in-Fact for each of the Selling
 Stockholders

By:

 Terry W. Thompson, as
 Attorney-in-Fact for each of the Selling
 Stockholders

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

PRUDENTIAL SECURITIES INCORPORATED
CIBC WORLD MARKETS CORP
ROBERT W. BAIRD & CO. INCORPORATED
GEORGE K. BAUM & CO. INCORPORATED
A.G. EDWARDS & SONS, INC.

By: PRUDENTIAL SECURITIES INCORPORATED

By: _____
Jean-Claude Canfin
Managing Director
For itself and on behalf of the Representatives.

SCHEDULE 1

UNDERWRITERS

Underwriter -----	Number of Firm Securities to Be Purchased -----
Prudential Securities Incorporated CIBC World Markets Corp Robert W. Baird & Co. Incorporated George K. Baum & Co. Incorporated A.G. Edwards & Sons, Inc.	
Total	----- 5,000,000

SCHEDULE 2
SUBSIDIARIES

Name -----	Jurisdiction of Incorporation -----
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SCHEDULE 3

EXECUTIVE SELLING STOCKHOLDERS

Name -----	Number of Firm Securities -----	Number of Maximum Option Securities -----	Percent of Option Securities -----
Jerry D. Hall John W. Henry JKHY Partners			

SCHEDULE 4

OTHER SELLING STOCKHOLDERS

Name	Number of Firm Securities	Number of Maximum Option Securities	Percent of Number of Option Securities
-----	-----	-----	-----
Eddina F. Mackey Trust			
Eddina F. Mackey Charitable Remainder Unitrust for the benefit of Michael E. Henry			
Eddina F. Mackey Charitable Remainder Unitrust for the benefit of Vicky Jo Henry			
Eddina F. Mackey Charitable Remainder Unitrust for the benefit of Donna E. Jensen			
Eddina F. Mackey Charitable Remainder Unitrust for the benefit of Darla S. Lawrence			
Eddina F. Mackey Charitable Remainder Unitrust for the benefit of Douglas M. Mackey			
The Pearl Foundation			
Total			

List of Subsidiaries:

Name - - - - -	State of Incorporation/Organization -----
Open Systems Group, Inc.	Delaware
Sys-Tech, Inc.	Delaware
Symitar, Inc.	California
Jack Henry Holdings, L.L.C.	Missouri
Jack Henry Services, L.P.	Texas
Jack Henry Software/CommLink, L.P.	Texas
Jack Henry Systems, L.P.	Texas

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of Jack Henry & Associates, Inc. and Subsidiaries on Form S-1 of our report dated August 23, 1999 (September 8, 1999 as to Note 13 and July 6, 2000 as to Note 14 and the effects of the stock split described in Note 1) (relating to the consolidated financial statements of Jack Henry & Associates, Inc. and Subsidiaries), appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/DELOITTE & TOUCHE LLP
St. Louis, Missouri
July 13, 2000

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of Jack Henry & Associates, Inc. and Subsidiaries on Form S-1 of our report dated December 22, 1999, (relating to the financial statements of BancTec Financial Systems, a unit of BancTec, Inc.) (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the fact that the financial statements of BancTec Financial Systems may not necessarily be indicative of the conditions that would have existed or the results of operations if BancTec Financial Systems had been operating as an unaffiliated company) appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

/S/DELOITTE & TOUCHE LLP
St. Louis, Missouri
July 13, 2000

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of Jack Henry & Associates, Inc. and Subsidiaries on Form S-1 of our report dated March 15, 2000 (relating to the financial statements of Symitar Systems, Inc.), appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ DELOITTE & TOUCHE LLP
San Diego, California
July 13, 2000