UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to ________________

Commission file number 0-14112

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

Delaware	43-1128385
(State or Other Jurisdiction of Incorporation)	I.R.S. Employer Identification No.)

663 Highway 60, P. O. Box 807, Monett, MO 65708
(Address of Principal Executive Offices)
(Zip Code)

417-235-6652
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2 of the Exchange Act.)
Yes X No

APPLICABLE ONLY TO CORPORATE ISSUERS:
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of January 30, 2004, Registrant had 89,632,393 shares of common stock outstanding ($.01 par value).

JACK HENRY & ASSOCIATES, INC.
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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	December 31, 2003	June 30, 2003
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 108,536	$ 32,014
Investments, at amortized cost	999	998
Trade receivables	67,832	150,951
Income taxes receivable	611	-
Prepaid cost of product	17,122	18,483
Prepaid expenses and other	14,642	13,816
Deferred income taxes	850	1,000
Total	210,592	217,262
PROPERTY AND EQUIPMENT, net	206,421	196,046
OTHER ASSETS:		
Goodwill	44,543	44,543
Trade names	3,699	3,699
Customer relationships, net of amortization	56,939	59,358
Computer software, net of amortization	12,891	12,500
Prepaid cost of product	8,907	10,021
Other non-current assets	4,383	5,146
Total	131,362	135,267
Total assets	$ 548,375	$ 548,575
LIABILITES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 5,703	$ 9,617
Accrued expenses	10,378	17,250
Accrued income taxes	-	421
Deferred revenues	86,338	119,492
Total	102,419	146,780
DEFERRED REVENUES	11,544	12,732
DEFERRED INCOME TAXES	27,610	23,840
Total liabilities	141,573	183,352
STOCKHOLDERS' EQUITY		
Preferred stock - $1 par value; 500,000 shares authorized, none issued	-	-
Common stock - $0.01 par value: 250,000,000 shares authorized; Shares issued at 12/31/03 and 06/30/03 were 90,519,856	905	905
Additional paid-in capital	173,713	169,299
Retained earnings	247,793	233,396
Less treasury stock at cost 961,163 shares at 12/31/03, 2,363,121 shares at 06/30/03	(15,609)	(38,377)
Total stockholders' equity	406,802	365,223
Total liabilities and stockholders' equity	$ 548,375	$ 548,575

See notes to condensed consolidated financial statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2003	2002	2003	2002
REVENUE				
License	$ 12,400	$ 13,807	$ 25,360	$ 25,876
Support and service	76,717	64,252	149,241	124,136
Hardware	23,613	24,504	47,069	46,529
Total	112,730	102,563	221,670	196,541
COST OF SALES				
Cost of license	252	975	1,165	1,766
Cost of support and service	51,696	46,518	100,745	87,973
Cost of hardware	16,073	18,204	32,394	34,823
Total	68,021	65,697	134,304	124,562
GROSS PROFIT	44,709	36,866	87,366	71,979
OPERATING EXPENSES				
Selling and marketing	8,531	7,661	17,303	14,860
Research and development	5,912	3,962	11,231	7,513
General and administrative	7,673	7,012	14,678	13,748
Total	22,116	18,635	43,212	36,121
OPERATING INCOME	22,593	18,231	44,154	35,858
INTEREST INCOME (EXPENSE)				
Interest income	281	191	568	378
Interest expense	(3)	(32)	(29)	(55)
Total	278	159	539	323
INCOME BEFORE INCOME TAXES	22,871	18,390	44,693	36,181
PROVISION FOR INCOME TAXES	8,348	6,713	16,313	13,206
NET INCOME	$ 14,523	$ 11,677	$ 28,380	$ 22,975
Diluted net income per share	$ 0.16	$ 0.13	$ 0.31	$ 0.26
Diluted weighted average shares outstanding	92,000	88,812	91,534	89,196
Basic net income per share	$ 0.16	$ 0.13	$ 0.32	$ 0.26
Basic weighted average shares outstanding	89,231	87,680	88,873	87,882

See notes to condensed consolidated financial statements.

JACK HENRY AND ASSOCIATES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Six Months Ended December 31, 2003	Six Months Ended December 31, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 28,380	$ 22,975
Adjustments to reconcile net income from operations to cash from operating activities:		
Depreciation	13,362	11,917
Amortization	3,164	3,126
Deferred income taxes	3,920	3,600
Other, net	163	(27)
Changes in:		
Trade receivables	83,118	57,486
Prepaid expenses and other	1,752	(18)
Accounts payable	(3,914)	867
Accrued expenses	(6,872)	(623)
Income taxes (including tax benefit of $4,413 and $105 from the exercise of stock options, respectively)	3,380	972
Deferred revenues	(34,343)	(30,941)
Net cash from operating activities	92,110	69,334
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(24,926)	(26,303)
Purchase of investments	(1,995)	(1,993)
Proceeds from sale of investments	2,633	2,000
Proceeds from sale of equipment	960	-
Purchase of customer contracts	-	(304)
Payment for acquisition, net	-	(4,151)
Computer software developed	(1,143)	(2,726)
Other, net	96	25
Net cash from investing activities	(24,375)	(33,452)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock upon exercise of stock options	14,665	470
Proceeds from sale of common stock, net	352	402
Dividends paid	(6,230)	(6,145)
Purchase of treasury stock	-	(18,165)
Net cash from financing activities	8,787	(23,438)
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 76,522	$ 12,444
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	$ 32,014	$ 17,765
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 108,536	$ 30,209

See notes to condensed consolidated financial statements

Net cash paid for income taxes was $8,513 and $8,635 for the six months ended December 31, 2003 and 2002, respectively.

The Company paid interest of $29 and $55 for the six months ended December 31, 2003 and 2002, respectively.

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

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 leading provider of integrated computer systems that has developed and acquired several banking and credit union 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 installation services for a financial institution to install a JHA software system. JHA also provides continuing support and services to customers using the systems either in-house or outsourced.

CONSOLIDATION

The condensed 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.

STOCK OPTIONS

As permitted under Statement of Financial Accounting Standards ("SFAS") No. 123, Accounting for Stock-Based Compensation, the Company has elected to follow Accounting Principles Board Opinion ("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 to be presented as if the Company had accounted for its stock based awards to employees under the fair value method of SFAS No. 123. The 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 is as follows:

	(In thousands, except per share data) Three Months Ended December 31,		Six Months Ended December 31,	
	2003	2002	2003	2002
Net income, as reported	$ 14,523	$ 11,677	$ 28,380	$ 22,975
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	308	555	6,808	1,157
Pro forma net income	$ 14,215	$ 11,122	$ 21,572	$ 21,818
Diluted net income per share				
As reported	$ 0.16	$ 0.13	$ 0.31	$ 0.26
Pro forma	$ 0.15	$ 0.13	$ 0.24	$ 0.24
Basic net income per share				
As reported	$ 0.16	$ 0.13	$ 0.32	$ 0.26
Pro forma	$ 0.16	$ 0.13	$ 0.24	$ 0.25

COMPREHENSIVE INCOME

Comprehensive income for each of the three and six-month periods ended December 31, 2003 and 2002, equals the Company's net income.

INTERIM FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission and in accordance with accounting principles generally accepted in the United States of America applicable to interim condensed consolidated financial statements, and do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete consolidated financial statements. The condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes, which are included in its Form 10-K for the year ended June 30, 2003. The accounting policies followed by the Company are set forth in Note 1 to the Company's consolidated financial statements included in its Annual Report on Form 10-K ("Form 10-K") for the fiscal year ended June 30, 2003.

In the opinion of management of the Company, the accompanying condensed consolidated financial statements reflect all adjustments necessary (consisting solely of normal recurring adjustments) to present fairly the financial position of the Company as of December 31, 2003, the results of its operations and its cash flows for the three and six-month periods ended December 31, 2003 and 2002.

The results of operations for the period ended December 31, 2003 are not necessarily indicative of the results to be expected for the entire year.

RECLASSIFICATION

Where appropriate, prior period financial information has been reclassified to conform with the current period's presentation.

NOTE 2. RECENT ACCOUNTING PRONOUNCEMENTS

Effective November 22, 2002, the EITF reached a consensus regarding EITF Issue No. 02-16, Accounting by a Customer, Including a Reseller, for Cash Consideration Received from a Vendor. This consensus requires that payments from a vendor be classified as a reduction to the price of the vendor's goods and taken as a reduction to cost of sales unless the payments are (1) a reimbursement for costs incurred to sell the product or (2) a payment for assets or services provided. The consensus also requires that payments from a vendor be recognized as a reduction to cost of sales on a rational and systematic basis. This consensus is effective for fiscal years beginning after December 15, 2002 (July 1, 2003 for JHA). The adoption of this consensus on July 1, 2003 did not have a material impact on its consolidated financial position or results of operations.

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46"), Consolidation of Variable Interest Entities, ("VIE") which addresses consolidation by business enterprises of variable interest entities that either: (1) do not have sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support, or (2) the equity investors lack an essential characteristic of a controlling financial interest. The FIN 46 transition requirements for VIEs existing before January 31, 2003, were delayed, effective October 9, 2003, with the issuance of FASB Staff Position 46-6. The Company early adopted the transition provisions of FIN 46 on July 1, 2003, without any impact on its financial position or results of operations, because the Company does not have any VIEs.

In May 2003, the FASB issued SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 requires classification of a financial instrument that is within its scope as a liability, or an asset in some circumstances. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and was therefore effective for the Company on July 1, 2003. The adoption of this standard did not have a material impact on the Company's financial statements.

NOTE 3. SHARES USED IN COMPUTING NET INCOME PER SHARE

	(In Thousands)			
	Three Months Ended December 31,		Six Months Ended December 31,	
	2003	2002	2003	2002
Weighted average number of common				

shares outstanding - basic	89,231	87,680	88,873	87,882
Common stock equivalents	2,769	1,132	2,661	1,314
Weighted average number of common and common equivalent shares outstanding - diluted	92,000	88,812	91,534	89,196

Per share information is based on the weighted average number of common shares outstanding for the periods ended December 31, 2003 and 2002. Stock options have been included in the calculation of income per share to the extent they are dilutive.

Non-dilutive stock options to purchase approximately 1,720,000 and 1,759,000 shares and 6,173,000 and 6,028,000 shares for the three and six-month periods ended December 31, 2003, and 2002, respectively, were not included in the computation of diluted income per common share.

NOTE 4. BUSINESS SEGMENT INFORMATION

The Company is a leading provider of integrated computer systems that perform data processing (available for in-house or outsourced) for banks and credit unions. The Company's operations are classified into two business segments: bank systems and services and credit union systems and services. The Company evaluates the performance of its segments and allocates resources to them based on various factors, including prospects for growth, return on investment and return on revenue.

(In Thousands)

	Three Months Ended December 31, 2003			Three Months Ended December 31, 2002		
	Bank	Credit Union	Total	Bank	Credit Union	Total
REVENUE						
License	$ 8,657	$ 3,743	$ 12,400	$ 9,442	$ 4,365	$ 13,807
Support and service	65,901	10,816	76,717	57,643	6,609	64,252
Hardware	19,668	3,945	23,613	20,684	3,820	24,504
Total	94,226	18,504	112,730	87,769	14,794	102,563
COST OF SALES						
Cost of license	165	87	252	363	612	975
Cost of support and service	42,661	9,035	51,696	38,630	7,888	46,518
Cost of hardware	13,377	2,696	16,073	15,447	2,757	18,204
Total	56,203	11,818	68,021	54,440	11,257	65,697
GROSS PROFIT	$ 38,023	$ 6,686	$ 44,709	$ 33,329	$ 3,537	$ 36,866

(In Thousands)

	Six Months Ended December 31, 2003			Six Months Ended December 31, 2002		
	Bank	Credit Union	Total	Bank	Credit Union	Total
REVENUE						
License	$ 17,488	$ 7,872	$ 25,360	$ 16,416	$ 9,460	$ 25,876
Support and service	129,048	20,193	149,241	112,362	11,774	124,136
Hardware	39,254	7,815	47,069	39,693	6,836	46,529
Total	185,790	35,880	221,670	168,471	28,070	196,541
COST OF SALES						
Cost of license	640	525	1,165	949	817	1,766
Cost of support and service	83,477	17,268	100,745	73,443	14,530	87,973
Cost of hardware	27,084	5,310	32,394	29,817	5,006	34,823
Total	111,201	23,103	134,304	104,209	20,353	124,562
GROSS PROFIT	$ 74,589	$ 12,777	$ 87,366	$ 64,262	$ 7,717	$ 71,979

	(In Thousands) December 31, 2003	June 30, 2003
Property and equipment, net		
Bank systems and services	$ 189,879	$ 192,846
Credit union systems and services	16,542	3,200
Total	$ 206,421	$ 196,046
Identified intangible assets, net		
Bank systems and services	$ 48,901	$ 50,205
Credit union systems and services	24,628	25,352
Total	$ 73,529	$ 75,557
Goodwill, net		
Bank systems and services	$ 27,314	$ 27,314
Credit union systems and services	17,229	17,229
Total	$ 44,543	$ 44,543

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Background and Overview

We provide a suite of integrated computer solutions for in-house and outsourced data processing to commercial banks, credit unions and other financial institutions. We have developed and acquired suites of banking and credit union 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 support and services after the systems are installed. For our customers who prefer not to make an up-front capital investment in software and the related hardware, we provide the same full range of products and services on an outsourced basis through our seven data centers and fifteen item processing centers located throughout the United States.

A detailed discussion of the major components of the results of operations for the three and six-month periods ended December 31, 2003 compared to the same periods in the previous year follows:

REVENUE - Revenue increased 10% to $112.7 million for the three months ended December 31, 2003 from $102.6 million for the same period last year. License revenue decreased 10% to $12.4 million, which represented 11% of total revenue, compared to $13.8 million in the first quarter a year ago or 13% of total revenue. Support and service revenue increased 19% to $76.7 million, which represented 68% of total revenue for the three months ended December 31, 2003 compared to $64.3 million, or 63% of total revenue, in the same period in the previous year. Hardware revenue decreased 4% to $23.6 million, which represented 21% of total revenue from $24.5 million or 24% of total revenue for the second quarter in the previous year.

For the first half of fiscal 2004, revenue grew 13% from $196.5 million last year to $221.7 million. License revenue decreased 2% from $25.9 million for the first six months in fiscal 2003 to $25.4 million in the first six months in fiscal 2004. Support and service revenue grew 20% to $149.2 million in the first half of fiscal 2004 from $124.1 million for the first half of fiscal 2003. Hardware sales increased 1% to $47.1 million for the current six months from $46.5 million for the six months ended December 31, 2002.

There was strong growth in all components that make up support and service revenue for the three and six-months ended December 31, 2003. The support and service revenue growth of $12.5 million for the three months ended December 31, 2003 compared to the same period last year represents $0.7 million growth in installation services, $2.6 million growth in ATM and debit card processing services, $3.5 million growth in outsourcing services and $5.7 million increase for in-house support revenue.

For the first half of fiscal 2004, support and service revenue increased by $25.1 million, consisting of a $3.6 million increase in installation services, a $4.4 million increase in ATM and debit card processing services, $5.3 million increase in outsourcing services and $11.8 million increase for in-house support revenue.

The support and service revenue growth is primarily due to in-house support relating to the software installations performed during the previous 12 months. Outsourcing services for banks and credit unions, along with ATM and debit card transaction processing services, continue to drive revenue growth at a strong pace. License revenue and hardware revenue continue to come in with slight fluctuations compared to prior periods as expected, due to the slow recovery of larger capital outlays for new core software sales.

Our backlog increased 16% at December 31, 2003 to $182.5 million ($60.0 in-house and $122.5 outsourcing) from $158.0 million ($57.6 in-house and $100.4 outsourcing) at December 31, 2002. Backlog increased 3% from September 30, 2003, from $176.5 million ($60.2 in-house and $116.3 outsourcing).

COST OF SALES - Cost of sales increased 4% for the three months ended December 31, 2003, from $65.7 million for the three months ended December 31, 2002 to $68.0 million for the three months ended December 31, 2003. Cost of license decreased to $0.3 million for the three months ended December 31, 2003, from $1.0 million at December 31, 2002. Cost of support and service increased 11% to $51.7 million in the current three-month period compared to $46.5 million for the three months ended December 31, 2002. Cost of hardware decreased 12% from $18.2 million for the second quarter of fiscal 2003 to $16.1 million for the second quarter of fiscal 2004.

For the first half of fiscal 2004, cost of sales increased 8%, from $124.6 million for fiscal 2003 to $134.3 million for fiscal 2004. Cost of license decreased 34% from $1.8 million to $1.2 million for the six months ended December 31, 2003. Cost of support and service increased 15% to $100.7 million in the current six-month period compared to $88.0 million for the six months ended December 31, 2002. Cost of hardware decreased 7% from $34.8 million for the first half of fiscal 2003 to $32.4 million for the first half of fiscal 2004.

The decrease in the cost of license is due to a lower percentage of third party software delivered in the three and six months ended December 31, 2003, compared to the same periods in the prior year. Support and service depreciation expense increased 24% for the three and six-month periods ended December 31, 2003. The increase in depreciation is due to new buildings, plus other capital expenditures for infrastructure and equipment related to support and services. In the cost of support and service, employee related expenses increased 4% and 9% for the current three and six-month periods, compared to the fiscal 2003 periods, due to annual raises and a small increase in headcount. Hardware cost decreased primarily due to increased vendor incentives compared with the same periods last year.

GROSS PROFIT - Gross profit increased 21% to $44.7 million, reflecting a 40% gross margin in the second quarter of fiscal 2004, compared to $36.9 million, reflecting a 36% gross margin in the second quarter of fiscal 2003. Gross margin on license revenue increased to 98% for the current quarter compared to last year's second quarter with a 93% margin. The gross profit for support and service increased 41% from $17.7 million to $25.0 million for the second quarter ended December 31, 2003 compared to the same period last year. For the three months ended December 31, 2003, the gross margin for support and service was 33% compared to 28% for the same quarter in fiscal 2003. Hardware gross margin increased 20% from $6.3 million in the quarter ended December 31, 2002, to $7.5 million in the quarter ended December 31, 2003. Hardware gross margin increased from 26% in the second quarter of fiscal 2003 to 32% for the second quarter fiscal 2004.

Gross profit increased 21% to $87.4 million, reflecting a 39% gross margin for the first half of fiscal 2004, compared to $72.0 million, reflecting a 37% gross margin for the first half of fiscal 2003. Gross margin on license revenue increased to 95% for the current six months compared to 93% for the same period last year. The gross profit for support and service increased 34% from $36.2 million to $48.5 million for the six months ended December 31, 2003 compared to the same period last year. For the six months ended December 31, 2003, the gross margin for support and service was 32% compared to 29% for the same six months in fiscal 2003. Hardware gross profit increased 25% from $11.7 million in the first half of fiscal 2003 to $14.7 million in the first half of fiscal 2004. Hardware gross margin increased from 25% for the six months of fiscal 2003 to 31% for the six months of fiscal 2004.

Gross margins in all three revenue categories grew in the quarter and year-to-date. License revenue gross profit grew primarily because of reduced third party vendor costs. The gross profit and gross margin increase in support and service are due to revenue growth, with approximately 86% of support and service revenue in fiscal 2004 being recurring revenue, and the continuation of companywide cost control measures by management implemented throughout the year. The increase in hardware margin is primarily due to sales mix and an increase in incentives and rebates on specific hardware sold compared to last year, which is reflected in the cost of hardware.

OPERATING EXPENSES - Total operating expenses increased 19% to $22.1 million in the three months ended December 31, 2003 compared to $18.6 million for the three months ended December 31, 2002. The change represents a 49% increase in research and development expenses from $4.0 million in the quarter ended December 31, 2002, to $5.9 million for the second quarter in fiscal 2004. Selling and marketing expenses increased 11%, from $7.7 million, or 7% of total revenue, to $8.5 million, or 8% of total revenue, for the three-month period ended December 31, 2003. General and administrative expenses increased 9%, from $7.0 million to $7.7 million in the second quarter of fiscal 2004 as compared with the same three-month period last year.

For the first half of fiscal 2004, operating expenses increased 20% to $43.2 million from $36.1 million in the same period for the prior year. Selling and marketing expenses increased 16%, from $14.9 million to $17.3 million. Research and development expenses increased 49% from $7.5 million for the six months ended December 31, 2002 to $11.2 million for the six months ended December 31, 2003. General and administrative expenses increased 7%, from $13.7 million to $14.7 million in the first half of fiscal 2004 as compared with the same six-month period in fiscal 2003.

For the three and six-months ended December 31, 2003, selling and marketing expenses increased primarily due to increased revenue and the associated selling costs. Research and development expenses increased in the three and six-month periods of fiscal 2004 due to ongoing development of new products and enhancements to existing products. Also in fiscal 2003, a larger percentage of employee-related expenses were capitalized due to major development projects, the majority of which were completed during fiscal 2003. General and administrative expenses increased primarily due to employee-related expenses.

INTEREST INCOME (EXPENSE) - Net interest income for the three and six-months ended December 31, 2003 reflects an increase of $120,000 and $217,000 when compared to the same period last year due to the higher cash and cash equivalents balance.

PROVISION FOR INCOME TAXES - The provision for income taxes was $8.3 million, or 36.5% of income before income taxes for the three months ended December 31, 2003 compared with $6.7 million or 36.5% of income before income taxes for the same period last year. For the first half of fiscal 2004, the provision for income taxes was $16.3 million, or 36.5% of income before income taxes, compared with $13.2 million or 36.5% of income before income taxes for the same six-month period last year.

NET INCOME - Net income for the second quarter was $14.5 million or $0.16 per diluted share compared to $11.7 million, or $0.13 per diluted share in the same period last year. For the six-months ended December 31, 2003, net income was $28.4 million or $0.31 per diluted share compared to $23.0 million, or $0.26 per diluted share for the six months ended December 31, 2002.

Business Segment Discussion

Revenues in the bank systems and services business segment increased 7% to $94.2 million in the three months ended December 31, 2003 from $87.8 million in the same period a year ago. Gross profit increased 14% from $33.3 million in the second quarter of the previous year to $38.0 million in the current second quarter. Gross margin increased from 38% to 40% for the current second quarter compared to the same quarter in the previous year.

License revenue for the bank systems and services business segment decreased 8% from $9.4 million in the three months ended December 31, 2002 to $8.7 million for the three months ended December 31, 2003, primarily due to the slow recovery of larger capital outlays for new core software sales and timing of shipments. Bank support and service revenue increased 14% to $65.9 million for the quarter ended December 31, 2003 from $57.6 million for the same period in the previous year. The support and service revenue increase of $8.3 million represents a decrease of $0.3 million for install revenue, $1.7 million growth in ATM and debit card processing, $3.3 million growth in outsourcing services and $3.6 million growth for in-house support revenue. Hardware revenue in the bank segment decreased 5% from $20.7 million to $19.7 million, which is in line with the decrease in license revenue.

For the first half of fiscal 2004, the bank systems and services business segment increased revenue by 10%, from $168.5 million to $185.8 million. Gross profit increased 16% from $64.3 million to $74.6 million for the six months ended December 31, 2003. Gross margin increased from 38% in the prior year to 40% for the current six months ended December 31, 2003.

In the six months ended December 31, 2003, bank license revenue increased 7% to $17.5 million from $16.4 million for the six months ended December 31, 2002. Bank support and service increased 15% to $129.0 million in the six months ended December 31, 2003, compared to $112.4 million in the six months ended December 31, 2002. The increase of $16.6 million represents $0.9 million growth for installation services, $3.0 million growth in ATM and debit card processing, $5.0 million growth in outsourcing services and $7.7 million growth for in-house support revenue. Bank hardware revenue for the six months ended December 31, 2003 decreased slightly by 1%, from $39.7 million for the prior six-month period, to $39.3 million for the current six-month period.

Bank systems and services business segment increased gross profit and gross margin for the second quarter and year to date of fiscal 2004, due to our revenue growth and continued leveraging of resources and infrastructure. In addition, lower-margin hardware sales continue to become a smaller percentage of total revenues.

Revenues in the credit union systems and services business segment increased 25% from $14.8 million in the second quarter in fiscal 2003 to $18.5 million for the second quarter in fiscal 2004. Gross profit increased 89% from $3.5 million in the second quarter of the previous year to $6.7 million in the current year second quarter. Gross margin increased from 24% in the second quarter of fiscal 2003 to 36% for the second quarter of fiscal 2004 primarily due to increased leveraging of resources and infrastructure. Also, gross margin has improved due to sales mix of higher margin services.

License revenue for the credit union systems and services business segment decreased 14% from $4.4 million in the three months ended December 31, 2002 to $3.7 million for the three months ended December 31, 2003. Credit union support and service revenue increased 64% to $10.8 million for the quarter ended December 31, 2003, from $6.6 million for the same period in the previous year. The support and service revenue increase of $4.2 million represents an increase of $0.9 million for installation services, $0.9 million growth in ATM and debit card processing, $0.2 million growth in outsourcing services and $2.2 million growth for in-house support revenue. Hardware revenue in the credit union segment increased 3% from $3.8 million to $3.9 million.

In the six months ended December 31, 2003, credit union license revenue decreased 17% to $7.9 million from $9.5 million for the six months ended December 31, 2002. Credit union support and service increased 72% to $20.2 million in the current year, compared to $11.8 million in the six months ended December 31, 2002. The increase of $8.4 million represents $2.6 million growth for installation services, $1.4 million growth in ATM and debit card processing, $0.3 million growth in outsourcing services and $4.1 million growth for in-house support revenue. Hardware revenue for the six months ended December 31, 2003 increased 14%, from $6.8 million for the prior six-month period to $7.8 million for the current six-month period.

For the first half of fiscal 2004, the credit union systems and services business segment increased revenue by 28%, from $28.1 million to $35.9 million. Gross profit increased 66% from $7.7 million to $12.8 million for the six months ended December 31, 2003. Gross margin increased from 27% for the first six months in the prior year to 36% for the first six months ended December 31, 2003.

Credit union systems and services business segment increased gross profit 89% for the second quarter of 2004 and 66% for the six months ended December 31, 2003, due to revenue growth outpacing the cost of sales, by leveraging resources and infrastructure, and by controlling overall costs. Significant increases in credit union support and service revenue is also attributable to additional credit union installations over the year, which have created the significant increases in recurring support revenue. Also, increased revenue is being generated by additional services to the credit union customer base such as ATM and debit card processing, outsourcing services and Centurion disaster recovery, all of which carry higher profit margins.

FINANCIAL CONDITION

Liquidity

The Company's cash and cash equivalents and investments increased to $109.5 million at December 31, 2003, from $33.0 million at June 30, 2003 primarily due to collection of annual in-house support fees billed at June 30, 2003. Cash provided by operations was $92.1 million for the six months ended December 31, 2003 as compared to $69.3 million for the six months ended December 31, 2002. The increase of $22.8 million is primarily due to collections related to the shift in the annual billing cycle for in-house support fees for acquired customers to our fiscal year end and increases in prepaid annual support fees related to software installed in prior periods.

Cash of $24.4 million was used in investing activities for the six months ended December 31, 2003. Capital expenditures of $24.9 million includes $12.3 million for the initial cash outlay for expansion of our new San Diego facility, expansion of existing facilities and additional equipment. Financing activities provided cash of $8.8 million during the six months ended December 31, 2003, mainly from the $14.7 million of proceeds from the issuance of stock for stock options exercised, less dividends paid during the six-month period ended December 31, 2003 which were $6.2 million.

The Company has available credit lines totaling $58.0 million at December 31, 2003.

Capital Requirements and Resources

The Company generally uses existing resources and funds generated from operations to meet its capital requirements. Capital expenditures totaling $24.9 million and $26.3 million for the six-month periods ended December 31, 2003 and 2002, respectively, were made for expansion of facilities and additional equipment. These additions were funded from cash generated by operations. Total consolidated capital expenditures of JHA are not expected to exceed $61 million for fiscal year 2004.

On September 21, 2001, the Company's Board of Directors approved a stock buyback of the Company's common stock of up to 3.0 million shares, and approved an increase on October 4, 2002 to 6.0 million shares. At June 30, 2003, 3,012,933 shares have been purchased for $49,218,870. At June 30, 2003, there were 2,363,121 shares remaining in treasury stock. In the three and six-months ended December 31, 2003, the Company issued 693,542 and 1,383,741 shares upon the exercise of stock options and 8,488 and 18,217 shares were purchased for the Employee Stock Purchase Plan, leaving a balance of 961,163 shares.

The Company paid a $0.035 per share cash dividend on December 2, 2003 to stockholders of record on November 18, 2003, which was funded from operations. In addition, the Company's Board of Directors, subsequent to December 31, 2003, declared a quarterly cash dividend of $0.04 per share on its common stock payable February 26, 2004 to stockholders of record on February 11, 2004. This dividend will be funded with cash generated from operations.

Critical Accounting Policies

The Company regularly reviews its selection and application of significant accounting policies and related financial disclosures. The application of these accounting policies requires that management make estimates and judgments. The estimates that affect the application of our most critical accounting policies and require our most significant judgments are outlined in Management's Discussion and Analysis of Financial Condition and Results of Operations - "Critical Accounting Policies" - contained in our annual report on Form 10-K for the year ended June 30, 2003.

Forward Looking Statements

The Management's Discussion and Analysis of Results of Operations and Financial Condition and other portions of this report contain forward-looking statements within the meaning of federal securities laws. Actual results are subject to risks and uncertainties, including both those specific to the Company and those specific to the industry, which could cause results to differ materially from those contemplated. The risks and uncertainties include, but are not limited to, the matters detailed at Risk Factors in its Annual Report on Form 10-K for the fiscal year ended June 30, 2003. Undue reliance should not be placed on the forward-looking statements. The Company does not undertake any obligation to publicly update any forward-looking statements.

CONCLUSION

JHA's results of operations and its financial position continued to be good with solid earnings, strong cash flow and no debt as of and for the six months ended December 31, 2003. This reflects the continuing attitude of cooperation and commitment by each employee, management's ongoing cost control efforts and our commitment to deliver top quality products and services to the markets we serve.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT 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 and interest risk on investments in U.S. government securities. 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 exposures will not have a material adverse effect on our consolidated financial position or results of operations.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was carried out under the supervision and with the participation of our management, including our Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operations of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. Based upon that evaluation as of the end of the period covered by this report, the CEO and CFO concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to us (including our consolidated subsidiaries) required to be included in our periodic SEC filings. There have not been any significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of evaluation.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

31.1 Certification of the Chief Executive Officer dated February 5, 2004.

31.2 Certification of the Chief Financial Officer dated February 5, 2004.

32.1 Written Statement of the Chief Executive Officer dated February 5, 2004.

32.2 Written Statement of the Chief Financial Officer dated February 5, 2004.

(b) Reports on Form 8-K

The following reports on Form 8-K were filed during the period covered by this report:

On October 15, 2003, the Company filed a report on Form 8-K which reported the fiscal 2004 first quarter results under Item 12.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on behalf of the undersigned thereunto duly authorized.

JACK HENRY & ASSOCIATES, INC.

Date: February 5, 2004 /s/ Michael E. Henry

Michael E. Henry
Chairman of the Board
Chief Executive Officer

Date: February 5, 2004 /s/ Kevin D. Williams

Kevin D. Williams
Treasurer and Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION

I, Michael E. Henry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jack Henry & Associates, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information ; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 5, 2004

/s/ Michael E. Henry

Michael E. Henry
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Kevin D. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jack Henry & Associates, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information ; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 5, 2004

/s/ Kevin D. Williams

Kevin D. Williams
Chief Financial Officer

EXHIBIT 32.1

Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Executive Officer of Jack Henry & Associates, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the three and six-months ended December 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 5, 2004

*/s/ Michael E. Henry

Michael E. Henry
Chief Executive Officer

* A signed original of this written statement required by Section 906 has been provided to Jack Henry & Associates, Inc. and will be retained by Jack Henry & Associates, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Written Statement of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Financial Officer of Jack Henry & Associates, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the three and six-months ended December 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 5, 2004

*/s/ Kevin D. Williams

Kevin D. Williams
Chief Financial Officer

* A signed original of this written statement required by Section 906 has been provided to Jack Henry & Associates, Inc. and will be retained by Jack Henry & Associates, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.