SUNGARD DATA SYSTEMS INC
Form 10-Q/A
January 24, 2012
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United States

Securities and Exchange Commission

Washington, D.C. 20549

FORM 10-Q/A

(Mark One)

x **Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended September 30, 2011

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 numbers:

SunGard Capital Corp.	**000-53653**
SunGard Capital Corp. II	**000-53654**
SunGard Data Systems Inc.	**001-12989**

SunGard® Capital Corp.

SunGard® Capital Corp. II

SunGard® Data Systems Inc.

(Exact name of registrant as specified in its charter)

Delaware	**20-3059890**
Delaware	**20-3060101**
Delaware	**51-0267091**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

680 East Swedesford Road, Wayne, Pennsylvania 19087

(Address of principal executive offices, including zip code)

484-582-2000

(Registrants telephone number, including area code)

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.

SunGard Capital Corp.	Yes x	¨	No
SunGard Capital Corp. II	Yes x	¨	No
SunGard Data Systems Inc.	Yes x	¨	No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

SunGard Capital Corp.	Yes x	No ¨
SunGard Capital Corp. II	Yes x	No ¨

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SunGard Data Systems Inc.	Yes	x ¨	No

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

SunGard Capital Corp. Large accelerated filer ¨. Accelerated filer ¨. Non-accelerated filer x. Smaller reporting company ¨.

SunGard Capital Corp. II Large accelerated filer ¨. Accelerated filer ¨. Non-accelerated filer x. Smaller reporting company ¨.

SunGard Data Systems Inc. Large accelerated filer ¨. Accelerated filer ¨. Non-accelerated filer x. Smaller reporting company ¨.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

SunGard Capital Corp.	Yes	¨ x	No
SunGard Capital Corp. II	Yes	¨ x	No
SunGard Data Systems Inc.	Yes	¨ x	No

The number of shares of the registrants common stock outstanding as of September 30, 2011:

SunGard Capital Corp.	256,000,216 shares of Class A common stock and 28,444,390 shares of Class L common stock
SunGard Capital Corp. II	100 shares of common stock
SunGard Data Systems Inc.	100 shares of common stock

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SUNGARD CAPITAL CORP.

SUNGARD CAPITAL CORP. II

SUNGARD DATA SYSTEMS INC.

AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Explanatory Note

This Amendment to the Company s Quarterly Report on Form 10-Q (the Amendment) is a combined quarterly report being filed separately by three registrants: SunGard Capital Corp. (SCC), SunGard Capital Corp. II (SCCII) and SunGard Data Systems Inc. (SunGard). SCC and SCC II are collectively referred to as the Parent Companies. Unless the context indicates otherwise, any reference in this report to the Company, we, us and our refer to the Parent Companies together with their direct and indirect subsidiaries, including SunGard. Each registrant hereto is filing on its own behalf all of the information contained in this quarterly report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

This Amendment for the three and nine months ended September 30, 2011 is being filed (i) to restate certain amounts to correct our financial statements as explained further below (see also Item 1. Financial Statements Note 2. Restatement of Previously Issued Financial Statements for discussion of significant changes), (ii) to revise disclosures of the Company s Consolidated Financial Statements for the three and nine months ended September 30, 2011, (iii) to restate Notes 4, 9, 10 and 14 to the Company s Consolidated Financial Statements, and (iv) to amend Item 4. Controls and Procedures to disclose certain matters identified in connection with the Company s evaluation, under the supervision and with the participation of the Company s management, of the effectiveness of its disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. This Amendment continues to describe conditions as of the date of the original filing of the Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2011, and the Company has not updated the disclosures contained therein to reflect events occurring after the filing on November 14, 2011 of the Form 10-Q for the third quarter ended September 30, 2011, except for items relating specifically to the restatement and items relating specifically to disclosure controls and procedures. Therefore, this Amendment should be read together with other documents that the Company has filed with the SEC subsequent to the filing of the original Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2011. Information in such reports and documents updates and supercedes certain information contained in this Amendment.

Errors in the recording of deferred income taxes The Company determined that its financial statements for the quarter ended September 30, 2011, which were included in its quarterly report on Form 10-Q for the fiscal quarter ended September 30, 2011, should have reflected a $133 million deferred income tax provision in the reported third quarter 2011 results of discontinued operations related to the book-over-tax basis difference of its Higher Education (HE) subsidiary, which was sold in January 2012.

The adjustment has no impact on the amount of income tax the Company will pay in connection with the sale of its HE subsidiary nor does it change the amount of income tax the Company will ultimately recognize for accounting purposes. The error affects only the timing of when that income tax expense is recognized in the statement of operations. The adjustment will not impact revenue, income from continuing operations, cash and cash equivalents, cash flow, Adjusted EBITDA, cash income taxes (including taxes incurred from the sale of the Company s HE subsidiary) or any of the Company s debt covenants. The adjustment will change the loss from discontinued operations net of tax, net loss, current liabilities, total liabilities and accumulated deficit by $133 million. The change will decrease stockholder s equity by $133 million.

The Company discussed the error with its independent registered public accounting firm PricewaterhouseCoopers LLP and the Audit Committee of the Company s Board of Directors. On January 22, 2012, the Audit Committee concluded, based on management s recommendations and a discussion with PricewaterhouseCoopers LLP, that the unaudited interim consolidated financial statements as of and for the three-months and nine-months ended September 30, 2011 should be restated. The September 30, 2011 financial statements will be adjusted to reflect the recognition of deferred income taxes related to the book-over-tax basis difference of its HE subsidiary. The adjustment impacts the period ended September 30, 2011. Financial statements issued prior to the September 30, 2011 Form 10-Q are not impacted by this restatement. Refer to Note 2 of the Financial Statements for further information, including the specific financial statement line items impacted by the error.

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ITEM 1. FINANCIAL STATEMENTS

SunGard Capital Corp.

Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2010	September 30, 2011 Restated (see Note 2)
Assets		
Current:		
Cash and cash equivalents	$ 771	**$ 746**
Trade receivables, less allowance for doubtful accounts of $37 and $44	833	**689**
Earned but unbilled receivables	135	**154**
Prepaid expenses and other current assets	166	**163**
Clearing broker assets	230	**220**
Deferred income taxes	7	**2**
Assets held for sale	1,339	**1,321**
Total current assets	3,481	**3,295**
Property and equipment, less accumulated depreciation of $1,109 and $1,258	892	**877**
Software products, less accumulated amortization of $1,203 and $1,376	723	**586**
Customer base, less accumulated amortization of $1,049 and $1,213	1,806	**1,639**
Other intangible assets, less accumulated amortization of $23 and $22	187	**156**
Trade name, less accumulated amortization of $7 and $10	1,023	**1,020**
Goodwill	4,856	**4,853**
Total Assets	$ 12,968	**$ 12,426**
Liabilities and Equity		
Current:		
Short-term and current portion of long-term debt	$ 9	**$ 11**
Accounts payable	63	**40**
Accrued compensation and benefits	284	**293**
Accrued interest expense	103	**103**
Other accrued expenses	405	**347**
Clearing broker liabilities	210	**178**
Deferred revenue	887	**817**
Deferred income taxes		**127**
Liabilities related to assets held for sale	243	**254**
Total current liabilities	2,204	**2,170**
Long-term debt	8,046	**7,840**
Deferred income taxes	1,114	**1,040**

Total liabilities	11,364	**11,050**
Commitments and contingencies		
Noncontrolling interest in preferred stock of SCCII subject to a put option	54	**31**
Class L common stock subject to a put option	87	**54**
Class A common stock subject to a put option	11	**7**
Stockholders equity:		
Class L common stock, convertible, par value $.001 per share; cumulative 13.5% per annum, compounded quarterly; aggregate liquidation preference of $4,699 million and $5,206 million; 50,000,000 shares authorized, 28,670,331 and 28,787,402 shares issued		
Class A common stock, par value $.001 per share; 550,000,000 shares authorized, 258,037,523 and 259,091,380 shares issued		
Capital in excess of par value	2,703	**2,753**
Treasury stock, 326,329 and 343,012 shares of Class L common stock; and 2,940,981 and 3,091,164 shares of Class A common stock	(34)	**(36)**
Accumulated deficit	(2,970)	**(3,379)**
Accumulated other comprehensive income (loss)	(29)	**(28)**
Total SunGard Capital Corp. stockholders equity (deficit)	(330)	**(690)**
Noncontrolling interest in preferred stock of SCCII	1,782	**1,974**
Total equity	1,452	**1,284**
Total Liabilities and Equity	$ 12,968	**$ 12,426**

The accompanying notes are an integral part of these consolidated financial statements.

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SunGard Capital Corp.

Consolidated Statements of Operations

(In millions)

(Unaudited)

	Three Months Ended September 30, 2010	Three Months Ended September 30, **2011 Restated (see Note 2)**	Nine Months Ended September 30, 2010	Nine Months Ended September 30, **2011 Restated (see Note 2)**
Revenue:				
Services	$ 1,004	**$ 1,043**	$ 3,012	**$ 3,060**
License and resale fees	47	**50**	178	**192**
Total products and services	1,051	**1,093**	3,190	**3,252**
Reimbursed expenses	28	**17**	91	**77**
	1,079	**1,110**	3,281	**3,329**
Costs and expenses:				
Cost of sales and direct operating	500	**510**	1,549	**1,544**
Sales, marketing and administration	245	**291**	753	**832**
Product development	62	**74**	194	**228**
Depreciation and amortization	70	**67**	209	**204**
Amortization of acquisition-related intangible assets	115	**107**	338	**334**
Goodwill impairment charge	205		205	
	1,197	**1,049**	3,248	**3,142**
Operating income (loss)	(118)	**61**	33	**187**
Interest income		**1**	1	**3**
Interest expense and amortization of deferred financing fees	(160)	**(129)**	(479)	**(396)**
Other income (expense)	(9)	**(1)**	5	**(2)**
Income (loss) from continuing operations before income taxes	(287)	**(68)**	(440)	**(208)**
Benefit from (provision for) income taxes	26	**27**	79	**58**
Income (loss) from continuing operations	(261)	**(41)**	(361)	**(150)**
Income (loss) from discontinued operations, net of tax	(117)	**(106)**	(92)	**(93)**
Net income (loss)	(378)	**(147)**	(453)	**(243)**
Income attributable to the noncontrolling interest (including $1 million, $-, $4 million and $2 million in temporary equity)	(51)	**(57)**	(147)	**(166)**
Net income (loss) attributable to SunGard Capital Corp.	$ (429)	**$ (204)**	$ (600)	**$ (409)**

The accompanying notes are an integral part of these consolidated financial statements.

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SunGard Capital Corp.

Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Nine Months Ended September 30, 2010	2011 Restated (see Note 2)
Cash flow from operations:		
Net loss	$ (453)	**$ (243)**
Income (loss) from discontinued operations	(92)	**(93)**
Income (loss) from continuing operations	(361)	**(150)**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	548	**538**
Goodwill impairment charge	205	
Deferred income tax provision (benefit)	(92)	**(84)**
Stock compensation expense	23	**23**
Amortization of deferred financing costs and debt discount	33	**29**
Other noncash items	(1)	**3**
Accounts receivable and other current assets	175	**134**
Accounts payable and accrued expenses	(101)	**(47)**
Clearing broker assets and liabilities, net	(1)	**(22)**
Deferred revenue	(84)	**(70)**
Cash flow from (used in) continuing operations	344	**354**
Cash flow from (used in) discontinued operations	91	**73**
Cash flow from (used in) operations	435	**427**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired	(62)	**(35)**
Cash paid for property and equipment and software	(212)	**(183)**
Other investing activities	6	**(2)**
Cash provided by (used in) continuing operations	(268)	**(220)**
Cash provided by (used in) discontinued operations	(10)	**(7)**
Cash provided by (used in) investment activities	(278)	**(227)**
Financing activities:		
Cash received from issuance of common stock	1	**1**
Cash received from issuance of preferred stock		**1**
Cash received from borrowings, net of fees	22	**1**
Cash used to repay debt	(51)	**(218)**
Cash used to purchase treasury stock	(3)	**(3)**
Other financing activities	(1)	**(9)**

Cash provided by (used in) continuing operations		(32)		**(227)**
Cash provided by (used in) discontinued operations				
Cash provided by (used in) financing activities		(32)		**(227)**
Effect of exchange rate changes on cash		(2)		**(2)**
Increase (decrease) in cash and cash equivalents		123		**(29)**
Beginning cash and cash equivalents includes cash of discontinued operations: (2010: $26; 2011: $7)		664		**778**
Ending cash and cash equivalents includes cash of discontinued operations: (2010: $44; 2011: $3)	$	787	**$**	**749**

The accompanying notes are an integral part of these consolidated financial statements.

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SunGard Capital Corp. II

Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2010	**September 30, 2011 Restated (see Note 2)**
Assets		
Current:		
Cash and cash equivalents	$ 771	**$ 746**
Trade receivables, less allowance for doubtful accounts of $37 and $44	833	**689**
Earned but unbilled receivables	135	**154**
Prepaid expenses and other current assets	166	**163**
Clearing broker assets	230	**220**
Deferred income taxes	7	**2**
Assets held for sale	1,339	**1,321**
Total current assets	3,481	**3,295**
Property and equipment, less accumulated depreciation of $1,109 and $1,258	892	**877**
Software products, less accumulated amortization of $1,203 and $1,376	723	**586**
Customer base, less accumulated amortization of $1,049 and $1,213	1,806	**1,639**
Other intangible assets, less accumulated amortization of $23 and $22	187	**156**
Trade name, less accumulated amortization of $7 and $10	1,023	**1,020**
Goodwill	4,856	**4,853**
Total Assets	$ 12,968	**$ 12,426**
Liabilities and Stockholders Equity		
Current:		
Short-term and current portion of long-term debt	$ 9	**$ 11**
Accounts payable	63	**40**
Accrued compensation and benefits	284	**293**
Accrued interest expense	103	**103**
Other accrued expenses	406	**347**
Clearing broker liabilities	210	**178**
Deferred revenue	887	**817**
Deferred income taxes		**127**
Liabilities related to assets held for sale	243	**254**
Total current liabilities	2,205	**2,170**
Long-term debt	8,046	**7,840**
Deferred income taxes	1,113	**1,040**
Total liabilities	11,364	**11,050**

Commitments and contingencies		
Preferred stock subject to a put option	37	**24**
Stockholders equity:		
Preferred stock, par value $.001 per share; cumulative 11.5% per annum, compounded quarterly; aggregate liquidation preference of $1,818 million and $1,987 million; 14,999,000 shares authorized, 9,924,392 and 9,964,925 issued		
Common stock, par value $.001 per share; 1,000 shares authorized, 100 shares issued and outstanding		
Capital in excess of par value	3,747	**3,775**
Treasury stock, 112,987 and 118,762 shares	(14)	**(15)**
Accumulated deficit	(2,137)	**(2,380)**
Accumulated other comprehensive income (loss)	(29)	**(28)**
Total stockholders equity	1,567	**1,352**
Total Liabilities and Stockholders Equity	$ 12,968	**$ 12,426**

The accompanying notes are an integral part of these consolidated financial statements.

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SunGard Capital Corp. II

Consolidated Statements of Operations

(In millions)

(Unaudited)

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2011 Restated (see Note 2)	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011 Restated (see Note 2)
Revenue:				
Services	$ 1,004	**$ 1,043**	$ 3,012	**$ 3,060**
License and resale fees	47	**50**	178	**192**
Total products and services	1,051	**1,093**	3,190	**3,252**
Reimbursed expenses	28	**17**	91	**77**
	1,079	**1,110**	3,281	**3,329**
Costs and expenses:				
Cost of sales and direct operating	500	**510**	1,549	**1,544**
Sales, marketing and administration	245	**291**	753	**832**
Product development	62	**74**	194	**228**
Depreciation and amortization	70	**67**	209	**204**
Amortization of acquisition-related intangible assets	115	**107**	338	**334**
Goodwill impairment charge	205		205	
	1,197	**1,049**	3,248	**3,142**
Operating income (loss)	(118)	**61**	33	**187**
Interest income		**1**	1	**3**
Interest expense and amortization of deferred financing fees	(160)	**(129)**	(479)	**(396)**
Other income (expense)	(9)	**(1)**	5	**(2)**
Income (loss) from continuing operations before income taxes	(287)	**(68)**	(440)	**(208)**
Benefit from (provision for) income taxes	26	**27**	79	**58**
Income (loss) from continuing operations	(261)	**(41)**	(361)	**(150)**
Income (loss) from discontinued operations, net of tax	(117)	**(106)**	(92)	**(93)**
Net income (loss)	$ (378)	**$ (147)**	$ (453)	**$ (243)**

The accompanying notes are an integral part of these consolidated financial statements.

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SunGard Capital Corp. II

Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Nine Months Ended September 30,	
	2010	**2011 Restated (see Note 2)**
Cash flow from operations:		
Net income (loss)	$ (453)	**$ (243)**
Income (loss) from discontinued operations	(92)	**(93)**
Income (Loss) from continuing operations	(361)	**(150)**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	548	**538**
Goodwill impairment charge	205	
Deferred income tax provision (benefit)	(92)	**(85)**
Stock compensation expense	23	**23**
Amortization of deferred financing costs and debt discount	33	**29**
Other noncash items	(1)	**3**
Accounts receivable and other current assets	175	**134**
Accounts payable and accrued expenses	(101)	**(46)**
Clearing broker assets and liabilities, net	(1)	**(22)**
Deferred revenue	(84)	**(70)**
Cash flow from (used in) continuing operations	344	**354**
Cash flow from (used in) discontinued operations	91	**73**
Cash flow from (used in) operations	435	**427**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired	(62)	**(35)**
Cash paid for property and equipment and software	(212)	**(183)**
Other investing activities	6	**(2)**
Cash provided by (used in) continuing operations	(268)	**(220)**
Cash provided by (used in) discontinued operations	(10)	**(7)**
Cash provided by (used in) investment activities	(278)	**(227)**
Financing activities:		
Cash received from issuance of preferred stock		**1**
Cash received from borrowings, net of fees	22	**1**
Cash used to repay debt	(51)	**(218)**
Cash used to purchase treasury stock	(1)	**(1)**
Other financing activities	(2)	**(10)**

Cash provided by (used in) continuing operations	(32)	**(227)**
Cash provided by (used in) discontinued operations		
Cash provided by (used in) financing activities	(32)	**(227)**
Effect of exchange rate changes on cash	(2)	**(2)**
Increase (decrease) in cash and cash equivalents	123	**(29)**
Beginning cash and cash equivalents includes cash of discontinued operations: (2010: $26; 2011: $7)	664	**778**
Ending cash and cash equivalents includes cash of discontinued operations: (2010: $44; 2011: $3)	$ 787	**$ 749**

The accompanying notes are an integral part of these consolidated financial statements.

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SunGard Data Systems Inc.

Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2010		**September 30, 2011 Restated (see Note 2)**	
Assets				
Current:				
Cash and cash equivalents	$	771	**$**	**746**
Trade receivables, less allowance for doubtful accounts of $37 and $44		833		**689**
Earned but unbilled receivables		135		**154**
Prepaid expenses and other current assets		166		**163**
Clearing broker assets		230		**220**
Deferred income taxes		7		**2**
Assets held for sale		1,339		**1,321**
Total current assets		3,481		**3,295**
Property and equipment, less accumulated depreciation of $1,109 and $1,258		892		**877**
Software products, less accumulated amortization of $1,203 and $1,376		723		**586**
Customer base, less accumulated amortization of $1,049 and $1,213		1,806		**1,639**
Other intangible assets, less accumulated amortization of $23 and $22		187		**156**
Trade name, less accumulated amortization of $7 and $10		1,023		**1,020**
Goodwill		4,856		**4,853**
Total Assets	$	12,968	**$**	**12,426**
Liabilities and Stockholder s Equity				
Current:				
Short-term and current portion of long-term debt	$	9	**$**	**11**
Accounts payable		63		**40**
Accrued compensation and benefits		284		**293**
Accrued interest expense		103		**103**
Other accrued expenses		407		**349**
Clearing broker liabilities		210		**178**
Deferred revenue		887		**817**
Deferred income taxes				**127**
Liabilities related to assets held for sale		243		**254**
Total current liabilities		2,206		**2,172**
Long-term debt		8,046		**7,840**
Deferred income taxes		1,109		**1,035**
Total liabilities		11,361		**11,047**

Commitments and contingencies				
Stockholder s equity:				
Common stock, par value $.01 per share; 100 shares authorized, issued and outstanding				
Capital in excess of par value		3,773		**3,787**
Accumulated deficit		(2,137)		**(2,380)**
Accumulated other comprehensive income (loss)		(29)		**(28)**
Total stockholder s equity		1,607		**1,379**
Total Liabilities and Stockholder s Equity	$	12,968	**$**	**12,426**

The accompanying notes are an integral part of these consolidated financial statements.

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SunGard Data Systems Inc.

Consolidated Statements of Operations

(In millions)

(Unaudited)

	Three Months Ended September 30, 2010	Three Months Ended September 30, **2011 Restated (see Note 2)**	Nine Months Ended September 30, 2010	Nine Months Ended September 30, **2011 Restated (see Note 2)**
Revenue:				
Services	$ 1,004	**$ 1,043**	$ 3,012	**$ 3,060**
License and resale fees	47	**50**	178	**192**
Total products and services	1,051	**1,093**	3,190	**3,252**
Reimbursed expenses	28	**17**	91	**77**
	1,079	**1,110**	3,281	**3,329**
Costs and expenses:				
Cost of sales and direct operating	500	**510**	1,549	**1,544**
Sales, marketing and administration	245	**291**	753	**832**
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Depreciation and amortization	70	**67**	209	**204**
Amortization of acquisition-related intangible assets	115	**107**	338	**334**
Goodwill impairment charge	205		205	
	1,197	**1,049**	3,248	**3,142**
Operating income (loss)	(118)	**61**	33	**187**
Interest income		**1**	1	**3**
Interest expense and amortization of deferred financing fees	(160)	**(129)**	(479)	**(396)**
Other income (expense)	(9)	**(1)**	5	**(2)**
Income (loss) from continuing operations before income taxes	(287)	**(68)**	(440)	**(208)**
Benefit from (provision for) income taxes	26	**27**	79	**58**
Income (loss) from continuing operations	(261)	**(41)**	(361)	**(150)**
Income (loss) from discontinued operations, net of tax	(117)	**(106)**	(92)	**(93)**
Net income (loss)	$ (378)	**$ (147)**	$ (453)	**$ (243)**

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SunGard Data Systems Inc.

Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Nine Months Ended September 30, 2010	**2011 Restated (see Note 2)**
Cash flow from operations:		
Net income (loss)	$ (453)	**$ (243)**
Income (loss) from discontinued operations	(92)	**(93)**
Income (loss) from continuing operations	(361)	**(150)**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	548	**538**
Goodwill impairment charge	205	
Deferred income tax provision (benefit)	(93)	**(85)**
Stock compensation expense	23	**23**
Amortization of deferred financing costs and debt discount	33	**29**
Other noncash items	(1)	**3**
Accounts receivable and other current assets	175	**134**
Accounts payable and accrued expenses	(99)	**(46)**
Clearing broker assets and liabilities, net	(1)	**(22)**
Deferred revenue	(84)	**(70)**
Cash flow from (used in) continuing operations	345	**354**
Cash flow from (used in) discontinued operations	91	**73**
Cash flow from (used in) operations	436	**427**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired	(62)	**(35)**
Cash paid for property and equipment and software	(212)	**(183)**
Other investing activities	6	**(2)**
Cash provided by (used in) continuing operations	(268)	**(220)**
Cash provided by (used in) discontinued operations	(10)	**(7)**
Cash provided by (used in) investment activities	(278)	**(227)**
Financing activities:		
Cash received from borrowings, net of fees	22	**1**
Cash used to repay debt	(51)	**(218)**
Other financing activities	(4)	**(10)**
Cash provided by (used in) continuing operations	(33)	**(227)**

Cash provided by (used in) discontinued operations		
Cash provided by (used in) financing activities	(33)	**(227)**
Effect of exchange rate changes on cash	(2)	**(2)**
Increase (decrease) in cash and cash equivalents	123	**(29)**
Beginning cash and cash equivalents includes cash of discontinued operations: (2010: $26; 2011: $7)	664	**778**
Ending cash and cash equivalents includes cash of discontinued operations: (2010: $44; 2011: $3)	$ 787	**$ 749**

The accompanying notes are an integral part of these consolidated financial statements.

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SUNGARD CAPITAL CORP.

SUNGARD CAPITAL CORP. II

SUNGARD DATA SYSTEMS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation:

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

SunGard is a wholly owned subsidiary of SunGard Holdco LLC, which is wholly owned by SunGard Holding Corp., which is wholly owned by SunGard Capital Corp. II (SCCII), which is a subsidiary of SunGard Capital Corp. (SCC). All four of these companies were formed for the purpose of facilitating the LBO and are collectively referred to as the Holding Companies. SCC, SCCII and SunGard are separate reporting companies and, together with their direct and indirect subsidiaries, are collectively referred to as the Company.

The Company has three reportable segments: Financial Systems (FS), Availability Services (AS) and Other, which is comprised of K-12 Education (K-12) and Public Sector (PS). On August 5, 2011, the Company announced an agreement to sell its Higher Education (HE) business (excluding K-12). The balances at December 31, 2010 and September 30, 2011 and for the three and nine months ended September 30, 2010 and 2011 have been revised to include HE in discontinued operations. The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated.

The accompanying interim consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), consistent in all material respects with those applied in the Company s Annual Report on Form 10-K for the year ended December 31, 2010. Interim financial reporting does not include all of the information and footnotes required by GAAP for annual financial statements. The interim financial information is unaudited, but, in the opinion of management, includes all adjustments, consisting only of normal recurring adjustments necessary to provide a fair statement of results for the interim periods presented. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2011.

In May 2011, the Financial Accounting Standard Board (FASB) revised the fair value measurement and disclosure requirements so that the requirements under GAAP and International Financial Reporting Standards (IFRS) are the same. The guidance clarifies the FASB s intent about the application of existing fair value measurements and requires enhanced disclosures, most significantly related to unobservable inputs used in a fair value measurement that is categorized within Level 3 of the fair value hierarchy. The guidance is effective prospectively during interim and annual periods beginning after December 15, 2011. The Company does not anticipate that this adoption will have a significant impact on its financial position or results of operations.

In June 2011, the FASB amended guidance relating to the presentation requirements of comprehensive income within an entity s financial statements. Under the guidance, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income in a single continuous statement or in two separate but consecutive statements. The amended guidance eliminates the previously available option of presenting the components of other comprehensive income as part of the statement of changes in equity. In addition, an entity is required to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement where the components of net income and the components of other comprehensive income are presented. The amendment is effective for fiscal years beginning after December 15, 2011 and will be applied retrospectively. In October 2011, the FASB decided that the specific requirement to present items that are reclassified from other comprehensive income to net income alongside their respective components of net income and other comprehensive income will be deferred. Therefore, those requirements will not be effective for fiscal years and interim periods within those years beginning after December 31, 2011.

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

Note 2. Restatement of Previously Reported Consolidated Financial Statements:

The Company determined that it should have recorded a $133 million deferred tax liability in connection with the classification of the Higher Education subsidiary as a discontinued operation in the third quarter of 2011 related to the book-over-tax basis difference in this subsidiary. This subsidiary was sold in the first quarter of 2012. The Audit Committee concluded, based on recommendations from the Company, that the unaudited interim consolidated financial statements as of and for the period ended September 30, 2011 should be restated. The nature and scope of the error and the impact such error had to the consolidated financial statements and related footnotes are summarized below.

The amounts in the tables below are applicable to each of SCC, SCCII and SDS unless parenthetically otherwise noted.

SunGard Capital Corp.

SunGard Capital Corp. II

SunGard Data Systems Inc.

Consolidated Balance Sheet

September 30, 2011

(In millions except share and per-share amounts)

(Unaudited)

Line-item Impacted	As originally Reported	Net Change	As Restated
Assets:			
Deferred income taxes (current)	$ 8	$ (6)	$ 2
Current assets	3,301	(6)	3,295
Total assets	12,432	(6)	12,426
Liabilities and Equity:			
Deferred income taxes (current)	$ 0	$ 127	$ 127
Current liabilities (SCC & SCCII)	2,043	127	2,170
Current liabilities (SDS)	2,045	127	2,172
Total liabilities (SCC & SCCII)	10,923	127	11,050
Total liabilities (SDS)	10,920	127	11,047
Accumulated deficit (SCC)	(3,246)	(133)	(3,379)
Accumulated deficit (SCCII & SDS)	(2,247)	(133)	(2,380)
Total SunGard Capital Corp. stockholders equity (deficit) (SCC)	(557)	(133)	(690)
Total equity (SCC)	1,417	(133)	1,284
Total stockholders equity (SCCII)	1,485	(133)	1,352
Total stockholder s equity (SDS)	1,512	(133)	1,379
Total liabilities and Equity	12,432	(6)	12,426

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SunGard Capital Corp.

SunGard Capital Corp. II

SunGard Data Systems Inc.

Consolidated Statements of Operations

(In millions)

(Unaudited)

	Three Months Ended September 30, 2011		
Line-item Impacted	**As originally Reported**	**Net Change**	**As Restated**
Income (loss) from discontinued operations, net of tax	$ 27	$ (133)	$ (106)
Net income (loss)	(14)	(133)	(147)
Net income (loss) attibutable to SunGard Capital Corp. (SCC)	(71)	(133)	(204)

	Nine Months Ended September 30, 2011		
Line-item Impacted	**As originally Reported**	**Net Change**	**As Restated**
Income (loss) from discontinued operations, net of tax	$ 40	$ (133)	$ (93)
Net income (loss)	(110)	(133)	(243)
Net income (loss) attibutable to SunGard Capital Corp. (SCC)	(276)	(133)	(409)

SunGard Capital Corp.

SunGard Capital Corp. II

SunGard Data Systems Inc.

Consolidated Statement of Cash Flows

Nine Months Ended September 30, 2011

(In millions)

(Unaudited)

Line-item Impacted	**As originally Reported**	**Net Change**	**As Restated**
Net loss	$ (110)	$ (133)	$ (243)
Income (loss) from discontinued operations, net of tax	40	(133)	(93)

3. Revision:

During the second quarter of 2011, the Company identified a classification error within its consolidated statements of operations. The misclassification resulted in overstating the product development expense line item on the statement of operations. Generally, the offsetting understatement was to cost of sales and direct operating expenses. The error in classification had no impact on total reported expenses for any period and therefore had no impact on operating or net

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income. The Company assessed the materiality of this item on previously reported periods and concluded the misclassification error was not material and did not warrant restatement of previously issued financial statements. Accordingly, product development expense for the three- and nine-month periods ended September 30, 2010 has been revised from $85 million to $62 million and from $265 million to $194 million, respectively, to correct the immaterial misclassification. In future filings, any comparative period presentations will be revised when those periods are presented.

4. Acquisitions and Discontinued Operations (as restated):

Acquisitions

The Company seeks to acquire businesses that broaden its existing product lines and service offerings by adding complementary products and service offerings and by expanding its geographic reach. During the nine months ended September 30, 2011, the Company completed five acquisitions in its FS segment. Cash paid, net of cash acquired and subject to certain adjustments, was $35 million. The impact of these five acquisitions individually and in the aggregate was not material to the consolidated financial statements.

Discontinued Operations

In December 2010, the Company sold its PS UK business. Also, as previously disclosed, the Company announced that SCC, SunGard, private equity firm Hellman & Friedman Capital Partners VI, L.P. (Hellman & Friedman) and certain of their respective affiliates had entered into an Agreement and Plan of Merger dated as of August 4, 2011, and that SunGard, SunGard Higher Education Inc. and certain affiliates of Hellman & Friedman had entered into an Asset Purchase Agreement dated as of August 4, 2011 (together, the Transaction Agreements) to sell SunGard s HE business (excluding K-12). The HE business will be combined under a new holding company with Datatel, an existing Hellman & Friedman portfolio company. SunGard intends to use the transaction proceeds of $1.775 billion, less applicable taxes and fees, to repay a portion of its existing indebtedness. The results for the discontinued operations for the three and nine months ended September 30, 2010 and 2011 were as follows (in millions):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2010	**2011**		2010	**2011**	
		As originally reported	**As restated**		**As originally reported**	**As restated**
Revenue	$ 162	**$ 116**	**$ 116**	$ 508	**$ 373**	**$ 373**
Operating Income (loss)	(100)	**26**	**26**	(52)	**70**	**70**
Income (loss) before income taxes	(100)	**26**	**26**	(52)	**70**	**70**
Benefit from (provision for) income taxes	(17)	**1**	**(132)**	(40)	**(30)**	**(163)**
Income (loss) from discontinued operations, net	($ 117)	**$ 27**	**$ (106)**	($ 92)	**$ 40**	**$ (93)**

The Company recorded $123 million of goodwill impairment charges, of which $91 million was related to Public Sector UK, during the three and nine months ended September 30, 2010 that are reflected in income (loss) from discontinued operations, net.

Included in the three months ended September 30, 2010 for HE was revenue of $121 million and an operating loss of $13 million, which includes a goodwill impairment charge of $32 million related to HE managed services. Included in the nine months ended September 30, 2010 for HE was revenue of $372 million and operating income of $32 million, which includes the goodwill impairment charge of $32 million noted above.

Included in the benefit from (provision for) income taxes caption for the three and nine months ended September 30, 2011 is $133 million related to recording deferred taxes on the book-over-tax basis difference described in Note 2.

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Assets held for sale and liabilities related to assets held for sale represents SunGard s HE business and consists of the following (in millions) at December 31, 2010 and September 30, 2011, respectively:

	December 31, 2010	**September 30, 2011**
Cash	$ 7	**$ 3**
Accounts receivable, less allowance for doubtful accounts of $4 and $7	62	**71**
Earned but unbilled receivables	32	**30**
Prepaid expenses and other current assets	11	**10**
Deferred income taxes	3	**2**
Property and equipment, less accumulated depreciation of $26 and $27	27	**28**
Software products, less accumulated amortization of $98 and $110	86	**77**
Customer base, less accumulated amortization of $110 and $121	193	**182**
Goodwill	918	**918**
Assets held for sale	$ 1,339	**$ 1,321**
Accounts payable	$ 1	**$ 1**
Accrued compensation and benefits	18	**15**
Other accrued expenses	16	**11**
Deferred revenue	110	**116**
Deferred income taxes	98	**111**
Liabilities related to assets held for sale	$ 243	**$ 254**

5. Trade Name and Goodwill:

Trade Name

The trade name intangible asset primarily represents the fair value of the SunGard trade name at August 11, 2005, the date of the LBO, and is an indefinite-lived asset not subject to amortization. The Company performed its annual impairment test of the SunGard trade name in the third quarter and based on the results of this test, the fair value of the trade name exceeded its carrying value, resulting in no impairment of the trade name. As a result of the expected sale of the Higher Education business, future cash flows which drive the value of the trade name were significantly decreased and the estimated fair value of the trade name when compared to its carrying value was lower in the current year impairment test compared to prior years. A one-percent decrease in the assumed royalty rate or a one-percent increase in the discount rate assumption would have resulted in an impairment of the Trade Name asset. To the extent that additional businesses are divested in the future, the cash flows supporting the trade name will continue to decline and impairment charges may result.

Goodwill

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

Estimating the fair value of a reporting unit requires various assumptions including projections of future cash flows, perpetual growth rates and discount rates. The assumptions about future cash flows and growth rates are based on management s assessment of a number of factors including the reporting unit s recent performance against budget, performance in the market that the reporting unit serves, as well as industry and general economic data from third party sources. Discount rate assumptions reflect an assessment of the risk inherent in those future cash flows. Changes to the underlying businesses could affect the future cash flows, which in turn could affect the fair value of the reporting unit. For the July 1, 2011 impairment test, the discount rates and perpetual growth rates used were between 10% and 12% and 3% and 4%, respectively.

Based on the results of the step one tests, the Company determined that the fair values of each of its reporting units exceeded carrying value and a step two test was not required for any of the 13 reporting units.

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The Company has three reporting units, whose goodwill balances in the aggregate total $1.2 billion as of September 30, 2011, where the excess of the estimated fair value over carrying value of the reporting unit was less than 15% of the carrying value. A one percentage point decrease in the perpetual growth rate and a one percentage point increase in the discount rate would cause each of these reporting units to fail the step one test and require a step two analysis, and some or all of this goodwill could be impaired. Furthermore, if any of these units fail to achieve expected performance levels in the next twelve months or experience a downturn in the business below current expectations, goodwill could be impaired.

The Company s remaining 10 reporting units each had estimated fair values in excess of 20% more than the carrying value of the reporting unit.

The following table summarizes changes in goodwill by reportable segment (in millions):

	Cost				Cumulative Impairment			
	FS	**AS**	**Other**	**Subtotal**	**AS**	**Other**	**Subtotal**	**Total**
Balance at December 31, 2010	$ 3,450	$ 2,203	$ 534	$ 6,187	$ (1,126)	$ (205)	$ (1,331)	$ 4,856
2011 acquisitions	6			6				6
Adjustments related to the LBO and prior year acquisitions	(4)	(2)	(1)	(7)				(7)
Effect of foreign currency translation	(1)	(1)		(2)				(2)
Balance at September 30, 2011	$ 3,451	$ 2,200	$ 533	$ 6,184	$ (1,126)	$ (205)	$ (1,331)	$ 4,853

6. Clearing Broker Assets and Liabilities:

Clearing broker assets and liabilities are comprised of the following (in millions):

	December 31, 2010	**September 30, 2011**
Segregated customer cash and treasury bills	$ 57	**$ 33**
Securities borrowed	154	**146**
Receivables from customers and other	19	**41**
Clearing broker assets	$ 230	**$ 220**
Payables to customers	$ 19	**$ 15**
Securities loaned	137	**135**
Payable to brokers and dealers	54	**28**
Clearing broker liabilities	$ 210	**$ 178**

Segregated customer cash and treasury bills are held by the Company on behalf of customers. Securities borrowed and loaned are collateralized financing transactions which are cash deposits made to or received from other broker/dealers. Receivables from and payables to customers represent amounts due or payable on cash and margin transactions.

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7. Debt and Derivatives:

On January 31, 2011, SunGard entered into the First Refinancing Amendment to its Amended and Restated Senior Secured Credit Agreement, dated as of June 9, 2009 (Credit Agreement) to, among other things, (a) eliminate the LIBOR and base rate floors and (b) reduce the Eurocurrency rate spread from 3.75% to 3.50% and the base rate spread from 2.75% to 2.50% with no impact on maturity.

On March 11, 2011, SunGard entered into the Second Refinancing and Incremental Amendment to its Credit Agreement to, among other things, obtain new revolving credit commitments in an aggregate amount equal to $300 million that will terminate on May 11, 2013, thereby increasing the Company s revolving credit commitments by $50 million, to $880 million, all of which now have been extended to (or expire on) May 11, 2013.

The Company uses interest rate swap agreements to manage the amount of its floating rate debt in order to reduce its exposure to variable rate interest payments associated with the senior secured credit facilities. Each of these swap agreements is designated as a cash flow hedge. SunGard pays a stream of fixed interest payments for the term of the swap, and in turn, receives variable interest payments based on LIBOR. The net receipt or payment from the interest rate swap agreements is included in interest expense. The Company does not enter into interest rate swaps for speculative or trading purposes. A summary of the Company s interest rate swaps follows:

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

The fair values of interest rate swaps designated as cash flow hedging instruments, included in other accrued expenses on the consolidated balance sheets, are $38 million and $18 million as of December 31, 2010 and September 30, 2011, respectively.

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The table below summarizes the impact of the effective portion of interest rate swaps on the balance sheets and statements of operations for the three and nine months ended September 30, 2010 and 2011 (in millions):

	Classification	Three Months Ended September 30, 2010	Three Months Ended September 30, **2011**	Nine Months Ended September 30, 2010	Nine Months Ended September 30, **2011**
Gain (loss) recognized in Accumulated Other Comprehensive Loss (OCI)	OCI	$ (16)	**$ (1)**	$ (53)	**$ (8)**
Loss reclassified from accumulated OCI into income	Interest expense and amortization of deferred financing fees	21	**7**	63	**27**

The Company has no ineffectiveness related to its swap agreements.

The Company expects to reclassify in the next twelve months approximately $16 million from OCI into earnings related to the Company s interest rate swaps based on the borrowing rates at September 30, 2011.

8. Fair Value Measurements:

The following table summarizes assets and liabilities measured at fair value on a recurring basis at September 30, 2011 (in millions):

	Fair Value Measures Using Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents - money market funds	$ 249	$	$	$ 249
Liabilities				
Interest rate swap agreements and other	$	$ 19	$	$ 19

The following table summarizes assets and liabilities measured at fair value on a recurring basis at December 31, 2010 (in millions):

	Fair Value Measures Using Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents - money market funds	$ 210	$	$	$ 210
Clearing broker assets - U.S. treasury bills	2			2
	$ 212	$	$	$ 212
Liabilities				
Interest rate swap agreements and other	$	$ 34	$	$ 34

A Level 1 fair value measure is based upon quoted prices in active markets for identical assets or liabilities. A Level 2 fair value measure is based upon quoted prices for similar assets and liabilities in active markets or inputs that are observable. A Level 3 fair value measure is based upon inputs that are unobservable (for example, cash flow modeling inputs based on assumptions).

Cash and cash equivalents money market funds and Clearing broker assets U.S. treasury bills are recognized and measured at fair value in the Company s financial statements. Clearing broker assets and liabilities securities owned and customer securities sold short, not yet purchased are recorded at closing exchange-quoted prices. Fair values of the interest rate swap agreements are calculated using a discounted cash flow model using observable applicable market swap rates and assumptions and are compared to market valuations obtained from brokers.

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The following table presents the carrying amount and estimated fair value of the Company s debt, including current portion and excluding the interest rate swaps, as of December 31, 2010 and September 30, 2011 (in millions):

	December 31, 2010		September 30, 2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Floating rate debt	$ 4,707	$ 4,644	**$ 4,497**	**$ 4,356**
Fixed rate debt	3,348	3,432	**3,354**	**3,288**

The fair value of the Company s floating rate and fixed rate long-term debt is primarily based on market rates.

9. Comprehensive Income (Loss) (as restated):

Comprehensive income (loss) consists of net income (loss) adjusted for other increases and decreases affecting stockholder s equity that are excluded from the determination of net income (loss). The calculation of comprehensive income (loss) follows (in millions):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2010	**2011**		2010	**2011**	
		as originally reported	**as restated**		**as originally reported**	**as restated**
Net income (loss)	$ (378)	**$ (14)**	**$ (147)**	$ (453)	**$ (110)**	**$ (243)**
Foreign currency translation gains (losses)	105	**(81)**	**(81)**	(34)	**(6)**	**(6)**
Unrealized gains (losses) on derivative instruments	6	**2**	**2**	9	**7**	**7**
Comprehensive income (loss)	$ (267)	**$ (93)**	**$ (226)**	$ (478)	**$ (109)**	**$ (242)**

10. Equity (as restated):

A rollforward of SCC s equity for 2011 follows (in millions):

	SunGard Capital Corp. stockholders				Noncontrolling interest		
	Class L - temporary equity	Class A - temporary equity	Permanent equity	Total	Temporary equity	Permanent equity	Total
Balance at December 31, 2010	$ 87	$ 11	$ (330)	$ (232)	$ 54	$ 1,782	$ 1,836
Net income (loss)			(409)(1)	(409)(1)	2	164	166
Foreign currency translation			(6)	(6)			
Net unrealized gain on derivative instruments			7	7			
Comprehensive income (loss)			(408)(2)	(408)(2)	2	164	166
Stock compensation expense			23	23			
Termination of put options due to employee terminations and other	(39)	(5)	45	1	(29)	28	(1)
Issuance of common and preferred stock	(1)		4	3	(1)	1	
Purchase of treasury stock			(2)	(2)		(1)	(1)
Transfer intrinsic value of vested restricted stock units	7	1	(13)	(5)	5		5
Other			(9)	(9)			
Balance at September 30, 2011	$ 54	$ 7	$ (690)(3)	$ (629)(4)	$ 31	$ 1,974	$ 2,005

Note: Restated balances were originally reported as follows:

(1) Net income (loss) $(276)
(2) Comprehensive income (loss) $(275)
(3) Balance at September 30, 2011 $(557)
(4) Balance at September 30, 2011 $(496)

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A rollforward of SCC s equity for 2010 follows (in millions):

	SunGard Capital Corp. stockholders				Noncontrolling interest		
	Class L - temporary equity	Class A - temporary equity	Permanent equity	Total	Temporary equity	Permanent equity	Total
Balance at December 31, 2009	$ 88	$ 11	$ 321	$ 420	$ 51	$ 1,593	$ 1,644
Net income (loss)			(600)	(600)	4	143	147
Foreign currency translation			(34)	(34)			
Net unrealized gain on derivative instruments			9	9			
Comprehensive income (loss)			(625)	(625)	4	143	147
Stock compensation expense			24	24			
Termination of put options due to employee terminations and other	(2)			(2)	(1)	1	
Purchase of treasury stock			(1)	(1)		(1)	(1)
Transfer intrinsic value of vested restricted stock units	6	1	(10)	(3)	3		3
Balance at September 30, 2010	$ 92	$ 12	$ (291)	$ (187)	$ 57	$ 1,736	$ 1,793

In the case of termination of employment resulting from disability or death, an employee or his/her estate may exercise a put option which would require the Company to repurchase vested shares at the current fair market value. These common or preferred shares must be classified as temporary equity (between liabilities and equity) on the balance sheet of SCC and SCCII. At vesting or exercise, grant-date intrinsic value or exercise value, respectively, is reclassified to temporary equity. On termination of employment, the value included in temporary equity is reclassified to permanent equity.

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11. Segment Information:

The Company has three reportable segments: FS, AS and Other (Other includes PS and K-12 which are combined for reporting purposes). The Company evaluates the performance of its segments based on operating results before interest, income taxes, amortization of acquisition-related intangible assets, stock compensation and certain other costs. The operating results apply to each of SCC, SCCII and SunGard unless otherwise noted. The operating results for each segment follow (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	**2011**	2010	**2011**
Revenue:				
Financial systems	$ 659	**$ 695**	$ 2,021	**$ 2,081**
Availability services	366	**364**	1,100	**1,094**
Other	54	**51**	160	**154**
	$ 1,079	**$ 1,110**	$ 3,281	**$ 3,329**
Depreciation and amortization:				
Financial systems	$ 22	**$ 20**	$ 61	**$ 62**
Availability services	46	**45**	143	**136**
Other	2	**2**	5	**6**
	$ 70	**$ 67**	$ 209	**$ 204**
Income (loss) from operations:				
Financial systems	$ 135	**$ 120**	$ 394	**$ 374**
Availability services	86	**80**	240	**234**
Other	16	**15**	42	**44**
Corporate and other items (1)	(344)	**(146)**	(611)	**(436)**
Other costs	(11)	**(8)**	(32)	**(29)**
	$ (118)	**$ 61**	$ 33	**$ 187**
Cash paid for property and equipment and software:				
Financial systems	$ 26	**$ 18**	$ 67	**$ 62**
Availability services	41	**34**	138	**114**
Other	2	**1**	6	**4**
Corporate administration			1	**3**
	$ 69	**$ 53**	$ 212	**$ 183**

(1) Includes corporate administrative expenses, stock compensation expense, management fees paid to the Sponsors, other items and amortization of acquisition-related intangible assets of $115 million and $107 million for the three months ended September 30, 2010 and 2011, respectively, and $338 million and $334 million for the nine months ended September 30, 2010 and 2011, respectively.

During the third quarter of 2011, the Company incurred severance charges of approximately $47 million. As of September 30, 2011, the Company had an accrued severance balance of $49 million, most of which is related to the third quarter 2011 actions. The Company expects the majority of the accrued severance will be paid out by the end of the first quarter of 2012.

Amortization of acquisition-related intangible assets by segment follows (in millions):

	Three Months Ended September 30, 2010	2011	Nine Months Ended September 30, 2010	2011
Amortization of acquisition-related intangible assets:				
Financial systems	$ 66(1)	**$ 59**	$ 193(1)	**$ 191(1)**
Availability services	43	**43**	128	**129**
Other	5	**5**	16	**14**
Corporate administration	1		1	
	$ 115	**$ 107**	$ 338	**$ 334**

(1) Amortization of acquisition-related intangible assets in 2010 includes impairment charges related to customer base and software, respectively, for a subsidiary in the FS segment of approximately $1 million and $2 million. Amortization of acquisition-related intangible assets in 2011 includes impairment charges related to

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customer base and software, respectively, for a subsidiary in the FS segment of approximately $3 million and $4 million.
The FS Segment is organized to align with customer-facing business areas. FS revenue by these business areas follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	**2011**	2010	**2011**
Capital Markets	$ 153	**$ 172**	$ 472	**$ 533**
Global Trading	150	**131**	496	**430**
Asset Management	86	**99**	257	**284**
Wealth Management	96	**97**	283	**275**
Banking	48	**54**	139	**158**
Corporate Liquidity	41	**50**	128	**141**
Insurance	43	**45**	125	**126**
Other	42	**47**	121	**134**
Total Financial Systems	$ 659	**$ 695**	$ 2,021	**$ 2,081**

12. Related Party Transactions:

In accordance with the Management Agreement between the Company and affiliates of the Sponsors, the Company recorded $4 million of management fees in sales, marketing and administration expenses during each of the three months ended September 30, 2010 and 2011. The Company recorded $11 million and $9 million of management fees in sales, marketing and administration expenses during the nine months ended September 30, 2010 and 2011, respectively. Management fees of $1 million is reported in discontinued operations in each of the nine months ended September 30, 2010 and 2011. At December 31, 2010 and September 30, 2011, $6 million and $4 million, respectively, was included in other accrued expenses.

13. Supplemental Cash Flow Information:

Supplemental cash flow information for the nine months ended September 30, 2010 and 2011 follows (in millions):

	Nine Months ended September 30,	
Supplemental information:	2010	**2011**
Acquired businesses:		
Property and equipment	$ 5	**$ 1**
Software products	16	**21**
Customer base	23	**12**
Goodwill	29	**6**
Other intangible assets	2	
Deferred income taxes	(3)	**(5)**
Purchase price obligations and debt assumed	(12)	**(1)**
Net current liabilities assumed	2	**1**
Cash paid for acquired businesses, net of cash acquired of $8 and $4, respectively	$ 62	**$ 35**

14. Supplemental Guarantor Condensed Consolidating Financial Statements (as restated):

SunGard s senior unsecured notes are jointly and severally, fully and unconditionally guaranteed on a senior unsecured basis and the senior subordinated notes are jointly and severally, fully and unconditionally guaranteed on an unsecured senior subordinated basis, in each case, subject to certain exceptions, by substantially all wholly owned, domestic subsidiaries of SunGard (collectively, the Guarantors). Each of the Guarantors is 100% owned, directly or indirectly, by SunGard. None of the other subsidiaries of SunGard, either direct or indirect, nor any of the Holding

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Companies guarantee the senior notes and senior subordinated notes (Non-Guarantors). The Guarantors and SunGard Holdco LLC also unconditionally guarantee the senior secured credit facilities. The Guarantors are subject to release under certain circumstances as described below.

The indentures evidencing the guarantees provide for a Guarantor to be automatically and unconditionally released and discharged from its guarantee obligations in certain circumstances, including upon the earliest to occur of:

The sale, exchange or transfer of the subsidiary s capital stock or all or substantially all of its assets;

Designation of the Guarantor as an unrestricted subsidiary for purposes of the indenture covenants;

Release or discharge of the Guarantor s guarantee of certain other indebtedness; or

Legal defeasance or covenant defeasance of the indenture obligations when provision has been made for them to be fully satisfied.

The following tables present the financial position, results of operations and cash flows of SunGard (referred to as Parent Company for purposes of this note only), the Guarantor subsidiaries, the Non-Guarantor subsidiaries and Eliminations as of December 31, 2010 and September 30, 2011, and for the three and nine month periods ended September 30, 2010 and 2011 to arrive at the information for SunGard on a consolidated basis. SCC and SCCII are neither parties nor guarantors to the debt issued as described in the notes to consolidated financial statements included in the Company s Form 10-K for the year ended December 31, 2010.

The adjustments identified in Note 2 have been reflected in the applicable line items for Parent Company and Consolidated in the tables below.

	Supplemental Condensed Consolidating Balance Sheet December 31, 2010				
	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
(in millions)					
Assets					
Current:					
Cash and cash equivalents	$ 179	$ 4	$ 588	$	$ 771
Intercompany balances	(6,865)	6,028	837		
Trade receivables, net	2	617	349		968
Prepaid expenses, taxes and other current assets	2,545	71	308	(2,521)	403
Assets held for sale		1,323	19	(3)	1,339
Total current assets	(4,139)	8,043	2,101	(2,524)	3,481
Property and equipment, net	1	576	315		892
Intangible assets, net	150	3,050	539		3,739
Intercompany balances	(4)		4		
Goodwill		3,739	1,117		4,856
Investment in subsidiaries	13,561	2,447		(16,008)	
Total Assets	$ 9,569	$ 17,855	$ 4,076	$ (18,532)	$ 12,968
Liabilities and Stockholder s Equity					
Current:					
Short-term and current portion of long-term debt	$	$ 2	$ 7	$	$ 9

Accounts payable and other current liabilities	204	3,343	928	(2,521)	1,954
Liabilities related to assets held for sale		231	12		243
Total current liabilities	204	3,576	947	(2,521)	2,206
Long-term debt	7,607	2	437		8,046
Intercompany debt	(195)	65	250	(120)	
Deferred income taxes	346	651	112		1,109
Total liabilities	7,962	4,294	1,746	(2,641)	11,361
Total stockholder s equity	1,607	13,561	2,330	(15,891)	1,607
Total Liabilities and Stockholder s Equity	$ 9,569	$ 17,855	$ 4,076	$ (18,532)	$ 12,968

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	Supplemental Condensed Consolidating Balance Sheet September 30, 2011				
	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
(in millions)					
Assets					
Current:					
Cash and cash equivalents	$ 312	$ (6)	$ 440	$	$ 746
Intercompany balances	(5,960)	5,252	708		
Trade receivables, net	1	588	254		843
Prepaid expenses, taxes and other current assets	1,523	76	415	(1,629)	385
Assets held for sale		1,310	15	(4)	1,321
Total current assets	(4,124)	7,220	1,832	(1,633)	3,295
Property and equipment, net		573	304		877
Intangible assets, net	129	2,785	487		3,401
Intercompany balances	250	5	(255)		
Goodwill		3,733	1,120		4,853
Investment in subsidiaries					