

**The TriZetto Group, Inc.**  
**Consolidated Statements of Operations**  
(unaudited and in thousands, except per share amounts)

	<b>Three Months Ended September 30,</b>	
	<b>2003</b>	<b>2002</b>
<b>Revenues</b>		
Recurring revenue	\$ 40,496	\$ 40,291
Non-recurring revenue	35,522	28,311
<b>Total revenues</b>	<u>76,018</u>	<u>68,602</u>
<b>Cost of revenues</b>		
Recurring revenue	28,862	27,636
Non-recurring revenue	24,889	17,817
<b>Total cost of revenues</b>	<u>53,751</u>	<u>45,453</u>
<b>Gross profit</b>	22,267	23,149
<b>Operating expenses</b>		
Research and development	6,334	5,432
Selling, general and administrative	11,172	13,748
Amortization of goodwill and other intangible assets	3,324	7,361
Restructuring and related impairment charges	-	235
<b>Total operating expenses</b>	<u>20,830</u>	<u>26,776</u>
<b>Income (loss) from operations</b>	1,437	(3,627)
Interest income	155	577
Interest expense	<u>(483)</u>	<u>(383)</u>
<b>Income (loss) before provision for income taxes</b>	1,109	(3,433)
Provision for income taxes	<u>(479)</u>	<u>(54)</u>
<b>Net income (loss)</b>	<u>\$ 630</u>	<u>\$ (3,487)</u>
<b>Net loss per share:</b>		
Basic and diluted	<u>\$ 0.01</u>	<u>\$ (0.08)</u>
<b>Weighted average shares outstanding:</b>		
Basic and diluted	<u>46,307</u>	<u>45,430</u>
<b>Other financial data:</b>		
Pro forma net income (a)	\$ 2,921	\$ 4,530
EBITDA (b)	\$ 9,776	\$ 7,650
12-month backlog (c)	\$ 175,000	\$ 185,000
Total backlog (d)	\$ 594,000	\$ 593,000

See footnote definitions on following page.

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**(unaudited and in thousands, except per share amounts)**

- (a) The Company defines pro forma net income as earnings before amortization of acquisition intangibles and deferred stock compensation, restructuring and related impairment charges, impairment of goodwill and identified intangibles charges, and related taxes. A 40% tax rate is then calculated on pre-tax pro forma net income. Other companies may calculate pro forma earnings differently. Pro forma earnings is a non-GAAP measure of profitability. Pro forma net income should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.

	<b>Three Months Ended September 30,</b>	
	<b>2003</b>	<b>2002</b>
Reconciliation of net income (loss) to pro forma net income:		
Net income (loss)	\$ 630	\$ (3,487)
Amortization of intangible assets and deferred stock compensation	3,760	7,799
Restructuring and related impairment charges	-	235
Provision for income taxes	479	54
Pro forma pre tax income	4,869	4,601
Pro forma income tax provision	1,948	71
Pro forma net income	\$ 2,921	\$ 4,530
Pro forma net income per share:		
Basic	\$ 0.06	\$ 0.10
Diluted	\$ 0.06	\$ 0.10
Pro forma weighted average shares outstanding:		
Basic	46,307	45,430
Diluted	47,955	46,616

- (b) The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, and restructuring and related impairment charges, amortization of deferred stock compensation and impairment of goodwill and other intangible assets. Other companies may calculate EBITDA differently. EBITDA is a non-GAAP measure of profitability and is a widely accepted financial indicator of a company's ability to service debt. EBITDA should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity. Total depreciation, amortization and restructuring and related impairment charges for the three months ended September 30, 2003 and 2002, were \$8,339 and \$11,277, respectively.
- (c) The Company defines 12-month backlog as minimum recurring revenue and non-recurring software licenses from existing contracts to be recognized over the next 12 months.
- (d) The Company defines total backlog as total revenue not yet recognized from recurring revenue and non-recurring software licenses from existing contracts.

**The TriZetto Group, Inc.**  
**Consolidated Statements of Operations**  
**EBITDA Presentation**  
(unaudited and in thousands, except per share amounts)

	<b>Three Months Ended September 30,</b>	
	<b>2003</b>	<b>2002</b>
<b>Revenues</b>		
Recurring revenue	\$ 40,496	\$ 40,291
Non-recurring revenue	35,522	28,311
<b>Total revenues</b>	<u>76,018</u>	<u>68,602</u>
<b>Cost of revenues</b>		
Recurring revenue	26,057	25,546
Non-recurring revenue	24,046	17,224
<b>Total cost of revenues</b>	<u>50,103</u>	<u>42,770</u>
<b>Gross profit</b>	25,915	25,832
<b>Operating expenses</b>		
Research and development	6,019	5,390
Selling, general and administrative	10,120	12,792
	<u>16,139</u>	<u>18,182</u>
<b>EBITDA</b>	9,776	7,650
Operating depreciation and amortization	4,579	3,243
Amortization of deferred stock compensation	436	438
Amortization of goodwill and other intangible assets	3,324	7,361
Restructuring and related impairment charges	-	235
	<u>8,339</u>	<u>11,277</u>
<b>Income (loss) from operations</b>	1,437	(3,627)
Interest income	155	577
Interest expense	(483)	(383)
<b>Income (loss) before provision for income taxes</b>	1,109	(3,433)
Provision for income taxes	(479)	(54)
<b>Net income (loss)</b>	<u>\$ 630</u>	<u>\$ (3,487)</u>

**The TriZetto Group, Inc.**  
**Consolidated Statements of Operations**  
(unaudited and in thousands, except per share amounts)

	Nine Months Ended September 30,	
	2003	2002
<b>Revenues</b>		
Recurring revenue	\$ 120,451	\$ 120,919
Non-recurring revenue	103,217	74,158
<b>Total revenues</b>	223,668 (a)	195,077
<b>Cost of revenues</b>		
Recurring revenue	87,082	84,888
Non-recurring revenue	69,192	45,825
<b>Total cost of revenues</b>	156,274	130,713
<b>Gross profit</b>	67,394	64,364
<b>Operating expenses</b>		
Research and development	18,542	16,440
Selling, general and administrative	40,427	41,264
Amortization of acquisition intangibles	9,957	20,840
Restructuring and related impairment charges	-	479
<b>Total operating expenses</b>	68,926	79,023
<b>Loss from operations</b>	(1,532)	(14,659)
Interest income	773	1,253
Interest expense	(1,515)	(1,091)
<b>Loss before (provision for) benefit from income taxes</b>	(2,274)	(14,497)
(Provision for) benefit from income taxes	(1,124)	2,726
<b>Net loss</b>	<u>\$ (3,398)</u>	<u>\$ (11,771)</u>
<b>Net loss per share:</b>		
Basic and diluted	<u>\$ (0.07)</u>	<u>\$ (0.26)</u>
<b>Weighted average shares outstanding:</b>		
Basic and diluted	<u>46,066</u>	<u>45,150</u>
<b>Other financial data:</b>		
Pro forma net income (b)	\$ 5,582	\$ 8,460
EBITDA (c)	\$ 23,225	\$ 17,366
12-month backlog (d)	\$ 175,000	\$ 185,000
Total backlog (e)	\$ 594,000	\$ 593,000

See footnote definitions on following page.

**The TriZetto Group, Inc.**  
**Consolidated Statements of Operations**  
**(unaudited and in thousands, except per share amounts)**

(a) In Q3, 2003, the company adopted EITF 01-14, Income Statement Characterization of Reimbursements Received for "Out-of-Pocket" Expenses Incurred. Accordingly, the year to date revenue includes \$900 from Q1 and \$1,200 from Q2 that were previously recorded as a reduction to expenses incurred. In other words, year to date revenues and cost of revenues have been increased by these amounts. Therefore, this change in accounting policy had no effect on EBITDA, earnings, or earnings per share for either Q3 or the nine months ending September 30, 2003.

(b) The Company defines pro forma net income as earnings before amortization of acquisition intangibles and deferred stock compensation, restructuring and related impairment charges, impairment of goodwill and identified intangibles charges, and related taxes. A 40% tax rate is then calculated on pre-tax pro forma net income. Other companies may calculate pro forma earnings differently. Pro forma earnings is a non-GAAP measure of profitability. Pro forma net income should not be considered in isolation or as an alternative to net income or to cash cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.

	<b>Nine Months Ended September 30,</b>	
	<b>2003</b>	<b>2002</b>
Reconciliation of net loss to pro forma net income:		
Net loss	\$ (3,398)	\$ (11,771)
Amortization of intangible assets and deferred stock compensation	11,578	22,691
Restructuring and related impairment charges	-	479
Provision for (benefit from) income taxes	1,124	(2,726)
Pro forma pre tax income	9,304	8,673
Pro forma income tax provision	3,722	213
Pro forma net income	\$ 5,582	\$ 8,460
 Pro forma net income per share:		
Basic	\$ 0.12	\$ 0.19
Diluted	\$ 0.12	\$ 0.18
 Pro forma weighted average shares outstanding:		
Basic	46,066	45,150
Diluted	47,261	46,652

(c) The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, and restructuring and related impairment charges, amortization of deferred stock compensation and impairment of goodwill and other intangible assets. Other companies may calculate EBITDA differently. EBITDA is a non-GAAP measure of profitability and is a widely accepted financial indicator of a company's ability to service debt. EBITDA should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity. Total depreciation, amortization and restructuring and related impairment charges for the nine months ended September 30, 2003 and 2002, were \$24,757 and \$32,025, respectively.

(d) The Company defines 12-month backlog as minimum recurring revenue and non-recurring software licenses from existing contracts to be recognized over the next 12 months.

(e) The Company defines total backlog as total revenue not yet recognized from recurring revenue and non-recurring software licenses from existing contracts.

**The TriZetto Group, Inc.**  
**Consolidated Statements of Operations**  
**EBITDA Presentation**  
(unaudited and in thousands, except per share amounts)

	<b>Nine Months Ended September 30,</b>	
	<b>2003</b>	<b>2002</b>
<b>Revenues</b>		
Recurring revenue	\$ 120,451	\$ 120,919
Non-recurring revenue	103,217	74,158
<b>Total revenues</b>	223,668 (a)	195,077
<b>Cost of revenues</b>		
Recurring revenue	78,832	78,483
Non-recurring revenue	66,840	44,582
<b>Total cost of revenues</b>	145,672	123,065
<b>Gross profit</b>	77,996	72,012
<b>Operating expenses</b>		
Research and development	17,519	16,292
Selling, general and administrative	37,252	38,354
	54,771	54,646
<b>EBITDA</b>	23,225	17,366
Operating depreciation and amortization	13,179	8,855
Amortization of deferred stock compensation	1,621	1,851
Amortization of acquisition intangibles	9,957	20,840
Restructuring and related impairment charges	-	479
	24,757	32,025
<b>Loss from operations</b>	(1,532)	(14,659)
Interest income	773	1,253
Interest expense	(1,515)	(1,091)
<b>Loss before (provision for) benefit from income taxes</b>	(2,274)	(14,497)
(Provision for) benefit from income taxes	(1,124)	2,726
<b>Net loss</b>	<u>\$ (3,398)</u>	<u>\$ (11,771)</u>

(a) See footnote (a) on previous page for explanation.

**The TriZetto Group, Inc.**  
**Condensed Consolidated Balance Sheets**  
(unaudited and in thousands)

	<u>September 30, 2003</u>	<u>December 31, 2002</u>
<b>Assets</b>		
Current assets:		
Cash, restricted cash and investments	\$ 81,185	\$ 81,117
Accounts receivable, net	32,381	32,847
Prepaid expenses and other current assets	7,542	9,511
Total current assets	<u>121,108</u>	<u>123,475</u>
Property and equipment, net	43,535	42,307
Other assets	25,220	18,237
Goodwill and other intangible assets, net	<u>44,570</u>	<u>53,977</u>
<b>Total assets</b>	<u><u>\$ 234,433</u></u>	<u><u>\$ 237,996</u></u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 12,809	\$ 10,757
Short-term note payables and capital lease obligations	27,095	17,921
Other accrued liabilities	43,665	52,466
Total current liabilities	<u>83,569</u>	<u>81,144</u>
Other long-term obligations	<u>14,303</u>	<u>19,438</u>
Total liabilities	97,872	100,582
Total stockholders' equity	<u>136,561</u>	<u>137,414</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 234,433</u></u>	<u><u>\$ 237,996</u></u>