

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

	Nine Months Ended September 30,	
	2005	2004
Revenue		
Recurring revenue	\$ 118,584	\$ 120,562
Non-recurring revenue	98,795	79,712
Total revenue	<u>217,379</u>	<u>200,274</u>
Cost of revenue		
Recurring revenue	71,939	84,537
Non-recurring revenue	49,387	43,019
	<u>121,326</u>	<u>127,556</u>
Recurring revenue - loss on contracts	(2,877)	(5,886)
Non-recurring revenue - loss on contracts	-	4,988
	<u>(2,877)</u>	<u>(898)</u>
Total cost of revenue	118,449	126,658
Gross profit	98,930	73,616
Operating expenses		
Research and development	24,663	22,343
Selling, general and administrative	55,462	44,658
Amortization of other intangible assets	2,596	3,087
Total operating expenses	<u>82,721</u>	<u>70,088</u>
Income from operations	16,209	3,528
Interest income	632	406
Interest expense	(743)	(1,047)
Income before provision for income taxes	16,098	2,887
Provision for income taxes	(341)	(820)
Net income	<u>\$ 15,757</u>	<u>\$ 2,067</u>
Net income per share:		
Basic	<u>\$ 0.37</u>	<u>\$ 0.04</u>
Diluted	<u>\$ 0.35</u>	<u>\$ 0.04</u>
Weighted average shares outstanding:		
Basic	<u>42,093</u>	<u>46,897</u>
Diluted	<u>45,475</u>	<u>48,212</u>
Other financial data (1):		
Adjusted EBITDA	\$ 35,387	\$ 21,584
12-month backlog	\$ 194,500	\$ 171,200
Total backlog	\$ 663,100	\$ 586,600

(1) See accompanying notes for a definition of 12-month and total backlog, and for a definition of Adjusted EBITDA and a reconciliation of Net income to Adjusted EBITDA

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

	September 30, 2005	December 31, 2004
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 56,916	\$ 70,489
Short-term investments	-	1,203
Restricted cash	914	1,455
Accounts receivable, net	46,996	52,483
Prepaid expenses and other current assets	8,352	7,964
Total current assets	113,178	133,594
Property and equipment, net	23,586	31,466
Capitalized software products, net	28,587	27,902
Goodwill	39,455	39,201
Other intangible assets, net	2,501	5,097
Other assets	6,391	2,624
Total assets	\$ 213,698	\$ 239,884
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term notes payable	\$ 2,465	\$ 39,600
Capital lease obligations	2,545	4,186
Accounts payable	10,668	13,019
Accrued liabilities	27,707	37,585
Deferred revenue	30,459	39,520
Total current liabilities	73,844	133,910
Long-term line of credit	27,000	12,000
Capital lease obligations	1,015	1,838
Deferred revenue	2,839	1,882
Other long-term obligations	1,480	3,321
Total liabilities	106,178	152,951
Common stock	43	42
Additional paid-in capital	374,768	369,669
Deferred stock compensation	(3,143)	(2,873)
Accumulated deficit	(264,148)	(279,905)
Total stockholders' equity	107,520	86,933
Total liabilities and stockholders' equity	\$ 213,698	\$ 239,884

The TriZetto Group, Inc.
Condensed Consolidated Statements of Operations
Adjusted EBITDA Presentation (1)
(unaudited and in thousands)

	Three Months Ended September 30,	
	2005	2004
Revenue		
Recurring revenue	\$ 39,445	\$ 36,657
Non-recurring revenue	33,608	30,350
Total revenue	<u>73,053</u>	<u>67,007</u>
Cost of revenue		
Recurring revenue	21,174	20,862
Non-recurring revenue	13,817	11,603
Total cost of revenue	<u>34,991</u>	<u>32,465</u>
Gross profit	38,062	34,542
Operating expenses		
Research and development	7,613	6,482
Sales and marketing	5,465	4,656
General and administrative	11,695	10,353
	<u>24,773</u>	<u>21,491</u>
Adjusted EBITDA	13,289	13,051
Operating depreciation and amortization	5,895	5,361
Amortization of other intangible assets	856	976
Amortization of deferred stock compensation	408	153
Loss on contracts, net	-	-
Restructuring, impairment and other	-	-
	<u>7,159</u>	<u>6,490</u>
Income from operations	6,130	6,561
Interest income	261	145
Interest expense	(206)	(311)
Income before benefit from (provision for) income taxes	6,185	6,395
Benefit from (provision for) income taxes	295	(420)
Net income	<u>\$ 6,480</u>	<u>\$ 5,975</u>

(1) See accompanying notes for a definition of Adjusted EBITDA and a reconciliation of Net income to Adjusted EBITDA

The TriZetto Group, Inc.
Condensed Consolidated Statements of Operations
Adjusted EBITDA Presentation (1)
(unaudited and in thousands)

	Nine Months Ended September 30,	
	2005	2004
Revenue		
Recurring revenue	\$ 118,584	\$ 120,562
Non-recurring revenue	98,795	79,712
Total revenue	<u>217,379</u>	<u>200,274</u>
Cost of revenue		
Recurring revenue	63,990	77,202
Non-recurring revenue	43,167	40,093
Total cost of revenue	<u>107,157</u>	<u>117,295</u>
Gross profit	110,222	82,979
Operating expenses		
Research and development	24,226	19,937
Sales and marketing	17,221	13,340
General and administrative	33,388	28,118
	<u>74,835</u>	<u>61,395</u>
Adjusted EBITDA	35,387	21,584
Operating depreciation and amortization	17,396	15,497
Amortization of other intangible assets	2,596	3,087
Amortization of deferred stock compensation	952	370
Loss on contracts, net	(2,877)	(898)
Restructuring, impairment and other	1,111	-
	<u>19,178</u>	<u>18,056</u>
Income from operations	16,209	3,528
Interest income	632	406
Interest expense	(743)	(1,047)
Income before provision for income taxes	16,098	2,887
Provision for income taxes	(341)	(820)
Net income	<u>\$ 15,757</u>	<u>\$ 2,067</u>

(1) See accompanying notes for a definition of Adjusted EBITDA and a reconciliation of Net income to Adjusted EBITDA