

CyberSource Corporation
GAAP Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	March 31,	
	<u>2006</u>	<u>2005</u>
Revenues:		
Transaction and support	\$ 13,595	\$ 9,260
Enterprise software	783	1,135
Professional services	1,206	765
Total revenues	<u>15,584</u>	<u>11,160</u>
Cost of revenues:		
Transaction and support	6,438	3,522
Enterprise software	58	131
Professional services	649	389
Total cost of revenues	<u>7,145</u>	<u>4,042</u>
Gross profit	8,439	7,118
Operating expenses:		
Product development	2,114	1,966
Sales and marketing	3,405	2,944
General and administrative	1,937	1,414
Total operating expense	<u>7,456</u>	<u>6,324</u>
Income from operations	983	794
Interest income	482	245
Income before taxes	<u>1,465</u>	<u>1,039</u>
Income tax provision	590	21
Net income	<u>\$ 875</u>	<u>\$ 1,018</u>
Basic net income per share	<u>\$ 0.03</u>	<u>\$ 0.03</u>
Diluted net income per share	<u>\$ 0.02</u>	<u>\$ 0.03</u>
Weighted average number of shares used in computing basic net income per share	<u>34,223</u>	<u>33,318</u>
Weighted average number of shares used in computing diluted net income per share	<u>36,880</u>	<u>35,426</u>

CyberSource Corporation
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	<u>March 31,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 48,791	\$ 47,001
Accounts receivable, net	8,878	8,592
Prepaid expenses and other current assets	2,055	2,843
Deferred income taxes	2,635	3,192
Total current assets	<u>62,359</u>	<u>61,628</u>
Property and equipment, net	2,579	2,542
Intangible assets	1,893	--
Other noncurrent assets	1,437	1,157
Total assets	<u>\$ 68,268</u>	<u>\$ 65,327</u>
 Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 468	\$ 519
Other accrued liabilities	5,157	5,944
Deferred revenue	2,042	1,931
Total current liabilities	<u>7,667</u>	<u>8,394</u>
Total stockholders' equity	60,601	56,933
Total liabilities and stockholders' equity	<u>\$ 68,268</u>	<u>\$ 65,327</u>

CyberSource Corporation
Non-GAAP Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	March 31,	
	<u>2006</u>	<u>2005</u>
Revenues:		
Transaction and support	\$ 13,595	\$ 9,260
Enterprise software	783	1,135
Professional services	1,206	765
Total revenues	<u>15,584</u>	<u>11,160</u>
Cost of revenues:		
Transaction and support	6,149	3,422
Enterprise software	55	131
Professional services	649	389
Total cost of revenues	<u>6,853</u>	<u>3,942</u>
Gross profit	8,731	7,218
Operating expenses:		
Product development	1,924	1,933
Sales and marketing	3,169	2,910
General and administrative	1,637	1,399
Total operating expense	<u>6,730</u>	<u>6,242</u>
Income from operations	2,001	976
Interest income	482	245
Income before taxes	<u>2,483</u>	<u>1,221</u>
Income tax provision	33	21
Net income	<u>\$ 2,450</u>	<u>\$ 1,200</u>
Non-GAAP basic net income per share	<u>\$ 0.07</u>	<u>\$ 0.04</u>
Non-GAAP diluted net income per share	<u>\$ 0.07</u>	<u>\$ 0.03</u>
Weighted average number of shares used in computing basic net income per share	<u>34,223</u>	<u>33,318</u>
Weighted average number of shares used in computing diluted net income per share	<u>36,880</u>	<u>35,426</u>

The non-GAAP results provide information reflecting the elimination of certain non-cash items including FAS123R expense for the three months ended March 31, 2006, the non-cash portion of the income tax provision for the three months ended March 31, 2006, and the elimination of depreciation and amortization for the three months ended March 31, 2006 and 2005.

CyberSource Corporation
Reconciliation of GAAP Net Income to Non-GAAP Net Income
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2006	2005
GAAP net income	\$ 875	\$ 1,018
Add: FAS123R expense	739	-
Add: non-cash tax provision	557	-
Add: depreciation expense	272	182
Add: amortization of intangible assets	7	-
Non-GAAP net income	<u>\$ 2,450</u>	<u>\$ 1,200</u>