

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Revenues:				
Transaction and support	\$ 5,135	\$ 4,928	\$ 10,279	\$ 9,982
Enterprise software	978	1,020	1,919	2,029
Professional services	389	963	677	1,711
Total revenues	<u>6,502</u>	<u>6,911</u>	<u>12,875</u>	<u>13,722</u>
Cost of revenues:				
Transaction and support	2,055	2,511	4,151	5,205
Enterprise software	129	142	261	251
Professional services	180	497	367	938
Total cost of revenues	<u>2,364</u>	<u>3,150</u>	<u>4,779</u>	<u>6,394</u>
Gross profit	4,138	3,761	8,096	7,328
Operating expenses:				
Product development	1,992	1,958	3,863	4,273
Sales and marketing	3,092	3,663	6,033	7,439
General and administrative	1,297	1,329	2,688	3,003
Restructuring charge	(95)	-	(95)	-
Total operating expense	<u>6,286</u>	<u>6,950</u>	<u>12,489</u>	<u>14,715</u>
Loss from operations	(2,148)	(3,189)	(4,393)	(7,387)
Loss on investment in joint venture	(43)	(73)	(86)	(162)
Interest income, net	177	300	373	631
Net loss	<u>\$ (2,014)</u>	<u>\$ (2,962)</u>	<u>\$ (4,106)</u>	<u>\$ (6,918)</u>
Basic and diluted net loss per share	<u>\$ (0.06)</u>	<u>\$ (0.09)</u>	<u>\$ (0.13)</u>	<u>\$ (0.21)</u>
Weighted average number of shares used in computing basic and diluted net loss per share	<u>32,717</u>	<u>33,014</u>	<u>32,743</u>	<u>32,976</u>

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

	June 30, 2003	December 31, 2002
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 45,681	\$ 49,275
Accounts receivable, net	3,632	4,066
Prepaid expenses and other current assets	1,909	1,950
Total current assets	51,222	55,291
Property and equipment, net	3,268	5,416
Other noncurrent assets	1,069	1,100
Total assets	\$ 55,559	\$ 61,807
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 342	\$ 461
Other accrued liabilities	8,669	10,085
Deferred revenue	1,541	1,875
Current obligations under capital leases	--	18
Total current liabilities	10,552	12,439
Total stockholders' equity	45,007	49,368
Total liabilities and stockholders' equity	\$ 55,559	\$ 61,807