

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

	<u>Three Months Ended</u> <u>June 30,</u>		<u>Six Months Ended June</u> <u>30,</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues:				
Transaction and support	\$ 6,582	\$ 5,135	\$ 13,055	\$ 10,279
Enterprise software	1,006	978	1,881	1,919
Professional services	1,035	389	2,163	677
Total revenues	<u>8,623</u>	<u>6,502</u>	<u>17,099</u>	<u>12,875</u>
Cost of revenues:				
Transaction and support	2,021	2,055	3,896	4,151
Enterprise software	103	129	200	261
Professional services	478	180	957	367
Total cost of revenues	<u>2,602</u>	<u>2,364</u>	<u>5,053</u>	<u>4,779</u>
Gross profit	6,021	4,138	12,046	8,096
Operating expenses:				
Product development	1,640	1,992	3,330	3,863
Sales and marketing	2,556	3,092	5,044	6,033
General and administrative	1,383	1,297	2,746	2,688
Restructuring charge	-	(95)	-	(95)
Total operating expense	<u>5,579</u>	<u>6,286</u>	<u>11,120</u>	<u>12,489</u>
Income (loss) from operations	442	(2,148)	926	(4,393)
Loss on investment in joint venture	-	(43)	-	(86)
Interest income, net	133	177	298	373
Income (loss) before taxes	575	(2,014)	1,224	(4,106)
Income tax provision	17	-	36	-
Net income (loss)	<u>\$ 558</u>	<u>\$ (2,014)</u>	<u>\$ 1,188</u>	<u>\$ (4,106)</u>
Basic net income (loss) per share	<u>\$ 0.02</u>	<u>\$ (0.06)</u>	<u>\$ 0.04</u>	<u>\$ (0.13)</u>
Diluted net income (loss) per share	<u>\$ 0.02</u>	<u>\$ (0.06)</u>	<u>\$ 0.03</u>	<u>\$ (0.13)</u>
Weighted average number of shares used in computing basic net income (loss) per share				
	<u>33,630</u>	<u>32,717</u>	<u>33,430</u>	<u>32,743</u>
Weighted average number of shares used in computing diluted net income (loss) per share				
	<u>37,030</u>	<u>32,717</u>	<u>36,238</u>	<u>32,743</u>

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

	<u>June 30, 2004</u>	<u>December 31, 2003</u>
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 47,422	\$ 44,361
Accounts receivable, net	5,201	4,828
Prepaid expenses and other current assets	2,307	3,052
Total current assets	<u>54,930</u>	<u>52,241</u>
Property and equipment, net	2,175	2,195
Other noncurrent assets	371	371
Total assets	<u>\$ 57,476</u>	<u>\$ 54,807</u>
 Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 378	\$ 500
Other accrued liabilities	7,992	8,279
Deferred revenue	1,832	1,833
Total current liabilities	<u>10,202</u>	<u>10,612</u>
Total stockholders' equity	<u>47,274</u>	<u>44,195</u>
Total liabilities and stockholders' equity	<u>\$ 57,476</u>	<u>\$ 54,807</u>