

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

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
Revenues:				
Transaction and support	\$ 7,230	\$ 5,321	\$ 20,285	\$ 15,600
Enterprise software	772	1,103	2,653	3,022
Professional services	1,217	525	3,380	1,202
Total revenues	<u>9,219</u>	<u>6,949</u>	<u>26,318</u>	<u>19,824</u>
Cost of revenues:				
Transaction and support	2,522	1,930	6,418	6,081
Enterprise software	187	128	387	389
Professional services	550	230	1,507	597
Total cost of revenues	<u>3,259</u>	<u>2,288</u>	<u>8,312</u>	<u>7,067</u>
Gross profit	5,960	4,661	18,006	12,757
Operating expenses:				
Product development	1,596	1,929	4,926	5,792
Sales and marketing	2,526	2,754	7,570	8,787
General and administrative	1,404	1,195	4,150	3,883
Restructuring charge	-	240	-	145
Total operating expense	<u>5,526</u>	<u>6,118</u>	<u>16,646</u>	<u>18,607</u>
Income (loss) from operations	434	(1,457)	1,360	(5,850)
Loss on investment in joint venture	-	(89)	-	(175)
Interest income, net	183	154	481	527
Income (loss) before taxes	<u>617</u>	<u>(1,392)</u>	<u>1,841</u>	<u>(5,498)</u>
Income tax provision	19	-	55	-
Net income (loss)	<u>\$ 598</u>	<u>\$ (1,392)</u>	<u>\$ 1,786</u>	<u>\$ (5,498)</u>
Basic net income (loss) per share	<u>\$ 0.02</u>	<u>\$ (0.04)</u>	<u>\$ 0.05</u>	<u>\$ (0.17)</u>
Diluted net income (loss) per share	<u>\$ 0.02</u>	<u>\$ (0.04)</u>	<u>\$ 0.05</u>	<u>\$ (0.17)</u>
Weighted average number of shares used in computing basic net income (loss) per share	<u>33,608</u>	<u>32,873</u>	<u>33,490</u>	<u>32,787</u>
Weighted average number of shares used in computing diluted net income (loss) per share	<u>35,698</u>	<u>32,873</u>	<u>35,871</u>	<u>32,787</u>

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

	<u>September 30, 2004</u>	<u>December 31, 2003</u>
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 43,886	\$ 44,361
Accounts receivable, net	6,003	4,828
Prepaid expenses and other current assets	2,231	3,052
Total current assets	<u>52,120</u>	<u>52,241</u>
Property and equipment, net	1,888	2,195
Other noncurrent assets	349	371
Total assets	<u>\$ 54,357</u>	<u>\$ 54,807</u>
 <b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 467	\$ 500
Other accrued liabilities	7,620	8,279
Deferred revenue	1,983	1,833
Total current liabilities	<u>10,070</u>	<u>10,612</u>
Total stockholders' equity	<u>44,287</u>	<u>44,195</u>
Total liabilities and stockholders' equity	<u>\$ 54,357</u>	<u>\$ 54,807</u>