

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

	<b>Six Months Ended June 30,</b>	
	<b>2003</b>	<b>2002</b>
<b>Revenues</b>		
Recurring revenue	\$ 79,655	\$ 80,628
Non-recurring revenue	65,903	45,847
<b>Total revenues</b>	<u>145,558</u>	<u>126,475</u>
<b>Cost of revenues</b>		
Recurring revenue	57,920	57,252
Non-recurring revenue	42,511	28,008
<b>Total cost of revenues</b>	<u>100,431</u>	<u>85,260</u>
<b>Gross profit</b>	45,127	41,215
<b>Operating expenses</b>		
Research and development	12,208	11,008
Selling, general and administrative	29,255	27,516
Amortization of acquisition intangibles	6,633	13,479
Restructuring and related impairment charges	-	244
<b>Total operating expenses</b>	<u>48,096</u>	<u>52,247</u>
<b>Loss from operations</b>	(2,969)	(11,032)
Interest income	618	676
Interest expense	<u>(1,032)</u>	<u>(708)</u>
<b>Loss before (provision for) benefit from income taxes</b>	(3,383)	(11,064)
(Provision for) benefit from income taxes	<u>(645)</u>	<u>2,780</u>
<b>Net loss</b>	<u>\$ (4,028)</u>	<u>\$ (8,284)</u>
<b>Net loss per share:</b>		
Basic and diluted	<u>\$ (0.09)</u>	<u>\$ (0.18)</u>
<b>Weighted average shares outstanding:</b>		
Basic and diluted	<u>45,944</u>	<u>45,007</u>
<b>Other financial data:</b>		
Pro forma net income (a)	\$ 2,661	\$ 3,930
EBITDA (b)	\$ 13,449	\$ 9,716
12-month backlog (c)	\$ 182,700	\$ 188,800
Total backlog (d)	\$ 613,900	\$ 636,000

See footnote definitions on following page.

(a) The Company defines pro forma net income as earnings before amortization of acquisition intangibles and deferred stock compensation, restructuring and related impairment charges, impairment of goodwill and identified intangibles charges, and related taxes.

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A 40% tax rate is then calculated on pre-tax pro forma net income. Other companies may calculate pro forma earnings differently. Pro forma earnings is a non-GAAP measure of profitability. Pro forma net income should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.

	<b>Three Months Ended June 30,</b>	
	<b>2003</b>	<b>2002</b>
Reconciliation of net loss to pro forma net income:		
Net loss	\$ (4,028)	\$ (8,284)
Amortization of intangible assets and deferred stock compensation	7,818	14,892
Restructuring and related impairment charges	-	244
Provision for (benefit from) income taxes	645	(2,780)
Pro forma pre tax income	4,435	4,072
Pro forma income tax provision	1,774	142
Pro forma net income	\$ 2,661	\$ 3,930
Pro forma net income per share:		
Basic	\$ 0.06	\$ 0.09
Diluted	\$ 0.06	\$ 0.08
Pro forma weighted average shares outstanding:		
Basic	45,944	45,007
Diluted	47,154	46,627

- (b) The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, and restructuring and related impairment charges, amortization of deferred stock compensation and impairment of goodwill and other intangible assets. Other companies may calculate EBITDA differently. EBITDA is a non-GAAP measure of profitability and is a widely accepted financial indicator of a company's ability to service debt. EBITDA should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity. Total depreciation, amortization and restructuring and related impairment charges for the six months ended June 30, 2003 and 2002, were \$16,418 and \$20,748, respectively.
- (c) The Company defines 12-month backlog as minimum recurring revenue and non-recurring software licenses from existing contracts to be recognized over the next 12 months.
- (d) The Company defines total backlog as total revenue not yet recognized from recurring revenue and non-recurring software licenses from existing contracts.

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

	<b>Six Months Ended June 30,</b>	
	<b>2003</b>	<b>2002</b>
<b>Revenues</b>		
Recurring revenue	\$ 79,655	\$ 80,628
Non-recurring revenue	65,903	45,847
<b>Total revenues</b>	<u>145,558</u>	<u>126,475</u>
<b>Cost of revenues</b>		
Recurring revenue	52,475	52,937
Non-recurring revenue	41,002	27,358
<b>Total cost of revenues</b>	<u>93,477</u>	<u>80,295</u>
<b>Gross profit</b>	52,081	46,180
<b>Operating expenses</b>		
Research and development	11,500	10,902
Selling, general and administrative	27,132	25,562
	<u>38,632</u>	<u>36,464</u>
<b>EBITDA</b>	13,449	9,716
Operating depreciation and amortization	8,600	5,612
Amortization of deferred stock compensation	1,185	1,413
Amortization of acquisition intangibles	6,633	13,479
Restructuring and related impairment charges	-	244
	<u>16,418</u>	<u>20,748</u>
<b>Loss from operations</b>	(2,969)	(11,032)
Interest income	618	676
Interest expense	(1,032)	(708)
<b>Loss before (provision for) benefit from income taxes</b>	(3,383)	(11,064)
(Provision for) benefit from income taxes	(645)	2,780
<b>Net loss</b>	<u>\$ (4,028)</u>	<u>\$ (8,284)</u>

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

	<b>June 30, 2003</b>	<b>December 31, 2002</b>
<b>Assets</b>		
Current assets:		
Cash, restricted cash and investments	\$ 82,641	\$ 81,117
Accounts receivable, net	43,963	32,847
Prepaid expenses and other current assets	8,310	9,511
Total current assets	134,914	123,475
Property and equipment, net	45,056	42,307
Other assets	22,529	18,237
Goodwill and other intangible assets, net	47,894	53,977
<b>Total assets</b>	<b>\$ 250,393</b>	<b>\$ 237,996</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 14,927	\$ 10,757
Short-term note payables and capital lease obligations	23,454	17,921
Other accrued liabilities	59,608	52,466
Total current liabilities	97,989	81,144
Other long-term obligations	17,147	19,438
Total liabilities	115,136	100,582
Total stockholders' equity	135,257	137,414
<b>Total liabilities and stockholders' equity</b>	<b>\$ 250,393</b>	<b>\$ 237,996</b>

**The TriZetto Group, Inc.**  
**Guidance - Q3 2003 and FY 2003**  
(amounts in millions except for EPS)

	<b>Guidance</b> <b>Q3 2003</b>	<b>Guidance</b> <b>FY 2003</b>
<b>Recurring revenue</b>	56%-58%	55%-57%
<b>Non recurring revenue</b>	42%-44%	43%-45%
<b>Total Revenue</b>	<b>\$78-\$81</b>	<b>\$300-\$315</b>
<b>Gross margin</b>	39%	38%
<b>SG&amp;A</b>	18% - 19%	18%-19%
<b>R&amp;D</b>	7%-8%	7%-8%
<b>EBITDA</b>	9.7 - 10.1	34 - 36
<b>Amort. Deferred Stock Comp</b>	0.6	2.6
<b>D&amp;A- Operations</b>	5.0	20.4
<b>Amort. Acq. Intangibles</b>	3.3	10.7
<b>Net Income/(Loss)</b>	<b>\$0.0 - \$0.4</b>	<b>(\$1.7) - \$.4</b>
<b>EPS</b>	<b>\$.00 - \$.01</b>	<b>(\$0.03) - \$.01</b>
<b>Pro forma net income</b>	<b>\$2.5 - \$2.9</b>	<b>\$7.5 - \$9.5</b>
<b>Pro forma EPS</b>	<b>\$.05 - \$.06</b>	<b>\$.15 - \$.19</b>
<b>Basic Weighted Shares o/s</b>	50,033	49,480
<b>Fully Diluted Weighted Shares o/s</b>	51,023	50,479
<b>Reconciliation of net loss to pro forma net income:</b>		
<b>Net income/(loss)</b>	\$0.0 - \$0.4	(\$1.7) - \$.4
Amortization of acquisition intangibles & deferred stock compensation	3.895	13.340
Provision for (benefit from) income taxes	0.400	1.600
Pro forma pre tax income	\$4.2 - \$4.8	\$13 - \$15
Pro forma income tax provision (40%)	1.7 - 1.9	5 - 6
<b>Pro forma net income</b>	<b>\$2.5 - \$2.9</b>	<b>\$7.5 - \$9.5</b>

The Company defines pro forma net income as earnings before amortization of acquisition intangibles and deferred stock compensation, restructuring and related impairment charges, impairment of goodwill and identified intangibles charges, and related taxes. Other companies may calculate pro forma earnings differently. Pro forma earnings is a non-GAAP measure of profitability. Pro forma net income should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.

The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, and restructuring and related impairment charges, amortization of deferred stock compensation and impairment of goodwill and other intangible assets. Other companies may calculate EBITDA differently. EBITDA is a non-GAAP measure of profitability and is a widely accepted financial indicator of a company's ability to service debt. EBITDA should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.