

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

	<b>Three Months Ended September 30,</b>	
	<b>2004</b>	<b>2003</b>
<b>Revenue</b>		
Recurring revenue	\$ 36,657	\$ 40,496
Non-recurring revenue	30,350	35,522
<b>Total revenue</b>	<u>67,007</u>	<u>76,018</u>
<b>Cost of revenue</b>		
Recurring revenue	23,551	28,862
Non-recurring revenue	12,809	24,889
<b>Total cost of revenue</b>	<u>36,360</u>	<u>53,751</u>
<b>Gross profit</b>	30,647	22,267
<b>Operating expenses</b>		
Research and development	7,473	6,334
Selling, general and administrative	15,637	11,172
Amortization of other intangible assets	976	3,324
<b>Total operating expenses</b>	<u>24,086</u>	<u>20,830</u>
<b>Income from operations</b>	6,561	1,437
Interest income	145	155
Interest expense	(311)	(483)
<b>Income before provision for income taxes</b>	6,395	1,109
Provision for income taxes	(420)	(479)
<b>Net income</b>	<u>\$ 5,975</u>	<u>\$ 630</u>
<b>Net income per share:</b>		
Basic	<u>\$ 0.13</u>	<u>\$ 0.01</u>
Diluted	<u>\$ 0.12</u>	<u>\$ 0.01</u>
<b>Weighted average shares outstanding:</b>		
Basic	<u>47,067</u>	<u>46,307</u>
Diluted	<u>48,396</u>	<u>47,955</u>
<b>Other financial data:</b>		
EBITDA (a)	\$ 13,051	\$ 9,776
12-month backlog (b)	\$ 171,200	\$ 174,500
Total backlog (b)	\$ 586,600	\$ 594,100

See footnote definitions on following page.

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- (a) The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, and loss on contracts. 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. EBITDA is an important metric used by management in evaluating the financial performance of the company.

	<b>Three Months Ended September 30,</b>	
	<b>2004</b>	<b>2003</b>
A reconciliation of net income to EBITDA is as follows:		
Net income	\$ 5,975	\$ 630
Amortization of deferred stock compensation	153	436
Operating depreciation and amortization	5,361	4,579
Amortization of other intangible assets	976	3,324
Interest, net	166	328
Tax provision	420	479
	7,076	9,146
EBITDA	\$ 13,051	\$ 9,776

- (b) Total backlog is defined as the revenue we expect to generate in future periods from existing customer contracts. Our 12-month backlog is defined as the revenue we expect to generate from existing customer contracts over the next 12 months. Most of the revenue in our backlog is derived from multi-year recurring revenue contracts (including software hosting, business process outsourcing, IT outsourcing and software maintenance). We classify revenue from software license and consulting contracts as non-recurring. Such revenue is included in the backlog when the software license or consulting contract is more than 12 months long.

**The TriZetto Group, Inc.**  
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**EBITDA Presentation**  
**(unaudited and in thousands)**

	<b>Three Months Ended September 30,</b>	
	<b>2004</b>	<b>2003</b>
<b>Revenue</b>		
Recurring revenue	\$ 36,657	\$ 40,496
Non-recurring revenue	30,350	35,522
<b>Total revenue</b>	<u>67,007</u>	<u>76,018</u>
<b>Cost of revenue</b>		
Recurring revenue	21,114	26,057
Non-recurring revenue	11,750	24,046
<b>Total cost of revenue</b>	<u>32,864</u>	<u>50,103</u>
<b>Gross profit</b>	34,143	25,915
<b>Operating expenses</b>		
Research and development	6,601	6,019
Selling, general and administrative	14,491	10,120
	<u>21,092</u>	<u>16,139</u>
<b>EBITDA</b>	13,051	9,776
Amortization of deferred stock compensation	153	436
Operating depreciation and amortization	5,361	4,579
Amortization of other intangible assets	976	3,324
	<u>6,490</u>	<u>8,339</u>
<b>Income from operations</b>	6,561	1,437
Interest income	145	155
Interest expense	<u>(311)</u>	<u>(483)</u>
<b>Income before provision for income taxes</b>	6,395	1,109
Provision for income taxes	<u>(420)</u>	<u>(479)</u>
<b>Net income</b>	<u>\$ 5,975</u>	<u>\$ 630</u>

**The TriZetto Group, Inc.**  
**Condensed Consolidated Statements of Operations**  
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	<b>Nine Months Ended September 30,</b>	
	<b>2004</b>	<b>2003</b>
<b>Revenues</b>		
Recurring revenue	\$ 120,562	\$ 120,451
Non-recurring revenue	79,712	103,217
<b>Total revenues</b>	<u>200,274</u>	<u>223,668</u>
<b>Cost of revenues</b>		
Recurring revenue	84,788	87,082
Non-recurring revenue	43,167	69,192
	<u>127,955</u>	<u>156,274</u>
Recurring revenue - loss on contracts	(5,885)	-
Non-recurring revenue - loss on contracts	4,987	-
	<u>(898)</u>	<u>-</u>
<b>Total cost of revenues</b>	<u>127,057</u>	<u>156,274</u>
<b>Gross profit</b>	73,217	67,394
<b>Operating expenses</b>		
Research and development	22,461	18,542
Selling, general and administrative	44,141	40,427
Amortization of other intangible assets	3,087	9,957
<b>Total operating expenses</b>	<u>69,689</u>	<u>68,926</u>
<b>Income (loss) from operations</b>	3,528	(1,532)
Interest income	406	773
Interest expense	(1,047)	(1,515)
<b>Income (loss) before provision for income taxes</b>	2,887	(2,274)
Provision for income taxes	(820)	(1,124)
<b>Net income (loss)</b>	<u>\$ 2,067</u>	<u>\$ (3,398)</u>
<b>Net income (loss) per share:</b>		
Basic	<u>\$ 0.04</u>	<u>\$ (0.07)</u>
Diluted	<u>\$ 0.04</u>	<u>\$ (0.07)</u>
<b>Weighted average shares outstanding:</b>		
Basic	<u>46,897</u>	<u>46,066</u>
Diluted	<u>48,212</u>	<u>46,066</u>
<b>Other financial data:</b>		
EBITDA (a)	\$ 21,584	\$ 23,225
12-month backlog (b)	\$ 171,200	\$ 174,500
Total backlog (b)	\$ 586,600	\$ 594,100

See footnote definitions on following page.

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- (a) The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, and loss on contracts. 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. EBITDA is an important metric used by management in evaluating the financial performance of the company.

	<b>Nine Months Ended September 30,</b>	
	<b>2004</b>	<b>2003</b>
A reconciliation of net income (loss) to EBITDA is as follows:		
Net income (loss)	\$ 2,067	\$ (3,398)
Amortization of deferred stock compensation	370	1,621
Operating depreciation and amortization	15,497	13,179
Amortization of other intangible assets	3,087	9,957
Loss on contracts, net	(898)	-
Interest, net	641	742
Tax provision	820	1,124
	19,517	26,623
 EBITDA	 \$ 21,584	 \$ 23,225

- (b) Total backlog is defined as the revenue we expect to generate in future periods from existing customer contracts. Our 12-month backlog is defined as the revenue we expect to generate from existing customer contracts over the next 12 months. Most of the revenue in our backlog is derived from multi-year recurring revenue contracts (including software hosting, business process outsourcing, IT outsourcing and software maintenance). We classify revenue from software license and consulting contracts as non-recurring. Such revenue is included in the backlog when the software license or consulting contract is more than 12 months long.

**The TriZetto Group, Inc.**  
**Condensed Consolidated Statements of Operations**  
**EBITDA Presentation**  
**(unaudited and in thousands)**

	<b>Nine Months Ended September 30,</b>	
	<b>2004</b>	<b>2003</b>
<b>Revenues</b>		
Recurring revenue	\$ 120,562	\$ 120,451
Non-recurring revenue	79,712	103,217
<b>Total revenues</b>	<u>200,274</u>	<u>223,668</u>
<b>Cost of revenues</b>		
Recurring revenue	77,454	78,832
Non-recurring revenue	40,240	66,840
<b>Total cost of revenues</b>	<u>117,694</u>	<u>145,672</u>
<b>Gross profit</b>	82,580	77,996
<b>Operating expenses</b>		
Research and development	20,056	17,519
Selling, general and administrative	40,940	37,252
	<u>60,996</u>	<u>54,771</u>
<b>EBITDA</b>	21,584	23,225
Amortization of deferred stock compensation	370	1,621
Operating depreciation and amortization	15,497	13,179
Amortization of other intangible assets	3,087	9,957
Loss on contracts, net	(898)	-
	<u>18,056</u>	<u>24,757</u>
<b>Income (loss) from operations</b>	3,528	(1,532)
Interest income	406	773
Interest expense	(1,047)	(1,515)
	<u>(1,047)</u>	<u>(1,515)</u>
<b>Income (loss) before provision for income taxes</b>	2,887	(2,274)
Provision for income taxes	(820)	(1,124)
	<u>(820)</u>	<u>(1,124)</u>
<b>Net income (loss)</b>	<u>\$ 2,067</u>	<u>\$ (3,398)</u>

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

	<u>September 30, 2004</u>	<u>December 31, 2003</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 42,163	\$ 56,026
Short-term investments	10,343	18,843
Restricted cash	1,454	1,478
Accounts receivable, net	49,766	37,349
Prepaid expenses and other current assets	8,643	7,592
Total current assets	<u>112,369</u>	<u>121,288</u>
Property and equipment, net	32,394	41,124
Capitalized software products, net	27,792	25,479
Other intangible assets, net	7,454	6,040
Goodwill	37,646	37,579
Other assets	1,379	1,798
<b>Total assets</b>	<b><u>\$ 219,034</u></b>	<b><u>\$ 233,308</u></b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Short-term notes payable and line of credit	\$ 24,429	\$ 29,742
Capital lease obligations	4,721	5,178
Accounts payable	10,880	11,483
Accrued liabilities	29,334	33,379
Deferred revenue	24,598	23,422
Total current liabilities	<u>93,962</u>	<u>103,204</u>
Long-term notes payable	1,899	2,138
Capital lease obligations	2,579	5,017
Deferred revenue	332	832
Other long-term obligations	3,135	8,594
Total liabilities	<u>101,907</u>	<u>119,785</u>
Common stock	47	47
Additional paid-in capital	405,189	402,702
Deferred stock compensation	(1,813)	(863)
Accumulated deficit	(286,296)	(288,363)
Total stockholders' equity	<u>117,127</u>	<u>113,523</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 219,034</u></b>	<b><u>\$ 233,308</u></b>