

GLOBAL IMAGING SYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Amounts in thousands except per-share amounts)

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|------------------------------------|------------------|-----------------------------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Revenues: | | | | |
| Equipment and supplies sales | \$190,325 | \$173,321 | \$567,825 | \$508,731 |
| Service and rentals | 66,519 | 60,201 | 194,159 | 170,327 |
| Total revenues | 256,844 | 233,522 | 761,984 | 679,058 |
| Costs and operating expenses: | | | | |
| Cost of equipment and supplies sales | 119,889 | 111,384 | 361,650 | 325,217 |
| Service and rental costs | 34,909 | 30,676 | 101,334 | 87,346 |
| Selling, general and administrative expenses | 71,917 | 63,952 | 212,876 | 186,678 |
| Intangible asset amortization | 458 | 300 | 1,347 | 1,051 |
| Total costs and operating expenses | 227,173 | 206,312 | 677,207 | 600,292 |
| Income from operations | 29,671 | 27,210 | 84,777 | 78,766 |
| Loss on early extinguishment of debt | — | — | — | 1,655 |
| Interest expense | 3,631 | 3,129 | 10,402 | 8,623 |
| Income before income taxes | 26,040 | 24,081 | 74,375 | 68,488 |
| Income taxes | 9,947 | 9,151 | 28,364 | 26,070 |
| Net income | \$ 16,093 | \$ 14,930 | \$ 46,011 | \$ 42,418 |
| Net income per common share: | | | | |
| Basic | \$ 0.70 | \$ 0.64 | \$ 1.99 | \$ 1.86 |
| Diluted(a) | \$ 0.64 | \$ 0.59 | \$ 1.82 | \$ 1.69 |
| Weighted average number of shares outstanding: | | | | |
| Basic | 23,071 | 23,168 | 23,077 | 22,851 |
| Diluted | 25,968 | 26,187 | 25,972 | 25,878 |

- (a) The calculation of diluted earnings per common share for the three and nine months ended December 31, 2005 and 2004 assumes the conversion of convertible notes issued in May 2003 resulting in 2,407 additional shares for all periods presented. For purposes of diluted earnings per common share, net income for the three months ended December 31, 2005 and 2004 includes the addback of \$442, representing interest and financing fee expense, net of taxes, associated with the convertible notes. For the nine months ended December 31, 2005 and 2004, net income includes the addback of \$1,326 and \$1,328, respectively.

| Reconciliation of Net Income to EBITDA and Adjusted EBITDA: | | | | |
|--|------------------|------------------|------------------|------------------|
| Net income | \$ 16,093 | \$ 14,930 | \$ 46,011 | \$ 42,418 |
| Income taxes | 9,947 | 9,151 | 28,364 | 26,070 |
| Interest expense | 3,631 | 3,129 | 10,402 | 8,623 |
| Amortization | 458 | 300 | 1,347 | 1,051 |
| Depreciation | 4,163 | 3,931 | 12,254 | 11,369 |
| EBITDA | 34,292 | 31,441 | 98,378 | 89,531 |
| Loss on early extinguishment of debt | — | — | — | 1,655 |
| Adjusted EBITDA | \$ 34,292 | \$ 31,441 | \$ 98,378 | \$ 91,186 |

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GLOBAL IMAGING SYSTEMS, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
 (In thousands)

| | December 31, 2005 | March 31, 2005 |
|---|----------------------|-------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 21,272 | \$ 25,365 |
| Accounts receivable, net | 127,153 | 115,905 |
| Inventories, net | 100,759 | 93,376 |
| Other current assets | 15,153 | 12,870 |
| | <u>264,337</u> | <u>247,516</u> |
| Total current assets | 264,337 | 247,516 |
| Rental equipment, net | 16,260 | 16,475 |
| Property and equipment, net | 15,506 | 12,577 |
| Goodwill and other assets | 551,358 | 540,349 |
| | <u>847,461</u> | <u>\$816,917</u> |
| Total assets | \$ 847,461 | \$816,917 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 84,738 | \$ 99,002 |
| Current maturities of long-term debt | 2,152 | 2,235 |
| Deferred revenue | 28,175 | 27,217 |
| Income taxes payable | 9,027 | 3,707 |
| | <u>124,092</u> | <u>132,161</u> |
| Total current liabilities | 124,092 | 132,161 |
| Deferred income taxes | 38,980 | 34,466 |
| Long-term debt, less current maturities | 261,239 | 262,847 |
| Other long-term liabilities | 976 | — |
| | <u>425,287</u> | <u>429,474</u> |
| Total liabilities | 425,287 | 429,474 |
| Total stockholders' equity | 422,174 | 387,443 |
| | <u>\$ 847,461</u> | <u>\$816,917</u> |
| Total liabilities and stockholders' equity | \$ 847,461 | \$816,917 |

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GLOBAL IMAGING SYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

| | Nine Months Ended December 31, | |
|---|-----------------------------------|-----------|
| | 2005 | 2004 |
| OPERATING ACTIVITIES: | | |
| Net income | \$ 46,011 | \$ 42,418 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 12,254 | 11,369 |
| Amortization | 1,347 | 1,051 |
| Amortization of financing fees | 823 | 766 |
| Tax benefit of stock option exercises and vested restricted stock | 1,978 | 3,926 |
| Loss on early extinguishment of debt | — | 1,655 |
| Deferred income tax expense | 5,631 | 3,262 |
| Unearned stock-based compensation expense | 1,261 | 353 |
| Changes in operating assets and liabilities, net of amounts acquired in purchase business combinations: | | |
| Accounts receivable | (9,822) | (8,318) |
| Inventories | (6,289) | (3,056) |
| Other current assets | (1,888) | 14 |
| Other assets | 807 | (959) |
| Accounts payable and accrued liabilities | (16,075) | (16,578) |
| Deferred revenue | (371) | (1,574) |
| Income taxes payable | 5,320 | 3,494 |
| Other long-term liabilities | 976 | — |
| Net cash provided by operating activities | 41,963 | 37,823 |
| INVESTING ACTIVITIES: | | |
| Proceeds from related party notes receivable | — | 400 |
| Purchases of property, equipment and rental equipment, net of proceeds from disposals | (14,761) | (11,486) |
| Purchases of businesses, net of cash acquired | (13,879) | (147,591) |
| Net cash used in investing activities | (28,640) | (158,677) |
| FINANCING ACTIVITIES: | | |
| Payments on long-term debt | (1,691) | (1,057) |
| Proceeds from issuance of long-term debt | — | 70,000 |
| Financing fees paid | (19) | (1,419) |
| Purchases of treasury stock | (20,000) | — |
| Stock options exercised | 4,294 | 6,889 |
| Net cash (used in) provided by financing activities | (17,416) | 74,413 |
| Net decrease in cash and cash equivalents | (4,093) | (46,441) |
| Cash and cash equivalents, beginning of period | 25,365 | 47,266 |
| Cash and cash equivalents, end of period | \$ 21,272 | \$ 825 |
| Non-cash investing activities: | | |
| Stock issued for business purchases | \$ 920 | \$ 31,409 |