

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

	Three Months Ended March 31,	
	2003	2002
Revenues		
Recurring revenue	\$ 39,143	\$ 39,784
Non-recurring revenue	29,891	19,910
Total revenues	<u>69,034</u>	<u>59,694</u>
Cost of revenues		
Recurring revenue	28,430	28,205
Non-recurring revenue	19,512	12,194
Total cost of revenues	<u>47,942</u>	<u>40,399</u>
Gross profit	21,092	19,295
Operating expenses		
Research and development	5,922	5,431
Selling, general and administrative	14,002	13,264
Amortization of goodwill and other intangible assets	3,309	6,482
Restructuring and related impairment charges	-	79
Total operating expenses	<u>23,233</u>	<u>25,256</u>
Loss from operations	(2,141)	(5,961)
Interest income	317	325
Interest expense	(545)	(368)
Loss before (provision for) benefit from income taxes	(2,369)	(6,004)
(Provision for) benefit from income taxes	(300)	1,390
Net loss	<u>\$ (2,669)</u>	<u>\$ (4,614)</u>
Net loss per share:		
Basic and diluted	<u>\$ (0.06)</u>	<u>\$ (0.10)</u>
Weighted average shares outstanding:		
Basic and diluted	<u>45,886</u>	<u>44,919</u>
Other financial data:		
Pro forma net income (a)	\$ 918	\$ 1,323
EBITDA (b)	\$ 5,944	\$ 4,109
12-month backlog (c)	\$ 178	\$ 175
Total backlog (d)	\$ 575	\$ 630

See footnote definitions on following page.

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- (a) The Company defines pro forma net income as earnings before amortization of intangible assets, amortization of deferred stock compensation, restructuring and related impairment charges, write-offs of in-process research and development costs, impairment of goodwill and other intangible assets and related taxes.

Reconciliation of net loss to pro forma net income:

Net loss	\$ (2,669)	\$ (4,614)
Amortization of intangible assets and deferred stock compensation	3,899	7,319
Restructuring and related impairment charges	-	79
Provision for (benefit from) income taxes	300	(1,390)
Pro forma pre tax income	<u>1,530</u>	<u>1,394</u>
Pro forma income tax provision	<u>(612)</u>	<u>(71)</u>
Pro forma net income	<u>\$ 918</u>	<u>\$ 1,323</u>
Pro forma net income per share:		
Basic	<u>\$ 0.02</u>	<u>\$ 0.03</u>
Diluted	<u>\$ 0.02</u>	<u>\$ 0.03</u>
Pro forma weighted average shares outstanding:		
Basic	<u>45,886</u>	<u>44,919</u>
Diluted	<u>46,871</u>	<u>46,832</u>

- (b) The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, write-offs of in-process research and development costs, restructuring and related impairment charges, and impairment of goodwill and other intangible assets, including amortization of deferred stock compensation. Total depreciation, amortization, restructuring and related impairment charges and impairment of goodwill and other intangible assets for the three months ended March 31, 2003 and 2002, were \$8,085 and \$10,070, 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)

	Three Months Ended March 31,	
	2003	2002
Revenues		
Recurring revenue	\$ 39,143	\$ 39,784
Non-recurring revenue	29,891	19,910
Total revenues	<u>69,034</u>	<u>59,694</u>
Cost of revenues		
Recurring revenue	25,809	26,139
Non-recurring revenue	18,756	11,860
Total cost of revenues	<u>44,565</u>	<u>37,999</u>
Gross profit	24,469	21,695
Operating expenses		
Research and development	5,569	5,376
Selling, general and administrative	12,956	12,210
	<u>18,525</u>	<u>17,586</u>
EBITDA	5,944	4,109
Operating depreciation and amortization	4,186	2,672
Amortization of deferred stock compensation	590	837
Amortization of goodwill and other intangible assets	3,309	6,482
Restructuring and related impairment charges	-	79
	<u>8,085</u>	<u>10,070</u>
Loss from operations	(2,141)	(5,961)
Interest income	317	325
Interest expense	(545)	(368)
	<u>(2,369)</u>	<u>(6,004)</u>
Loss before (provision for) benefit from income taxes	(2,369)	(6,004)
(Provision for) benefit from income taxes	(300)	1,390
	<u>(300)</u>	<u>1,390</u>
Net loss	<u>\$ (2,669)</u>	<u>\$ (4,614)</u>

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

	<u>March 31,</u> <u>2003</u>	<u>December 31,</u> <u>2002</u>
Assets		
Current assets:		
Cash, restricted cash and investments	\$ 85,690	\$ 81,117
Accounts receivable, net	39,830	32,847
Prepaid expenses and other current assets	7,914	9,511
Total current assets	<u>133,434</u>	<u>123,475</u>
Property and equipment, net	41,228	42,307
Other assets	19,718	18,237
Goodwill and other intangible assets, net	<u>51,218</u>	<u>53,977</u>
Total assets	<u>\$ 245,598</u>	<u>\$ 237,996</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 9,310	\$ 10,757
Short-term note payables and capital lease obligations	18,783	17,921
Other accrued liabilities	63,053	52,466
Total current liabilities	<u>91,146</u>	<u>81,144</u>
Deferred taxes	-	-
Other long-term obligations	<u>19,040</u>	<u>19,438</u>
Total liabilities	110,186	100,582
Total stockholders' equity	<u>135,412</u>	<u>137,414</u>
Total liabilities and stockholders' equity	<u>\$ 245,598</u>	<u>\$ 237,996</u>

The TriZetto Group, Inc.
Guidance - Q2 2003 and FY 2003
(amounts in millions except for EPS)

	<u>Guidance</u> <u>Q2 2003</u>	<u>Guidance</u> <u>FY 2003</u>
Recurring revenue	52%-54%	55%-57%
Non recurring revenue	46%-48%	43%-45%
Total Revenue	<u>\$74-\$78</u>	<u>\$300-\$315</u>
Gross margin	37%	38%
SG&A	18%-19%	18%-19%
R&D	8%-9%	7%-8%
EBITDA	7.0 - 7.5	34 - 36
Amort. Deferred Stock Comp	0.8	2.6
D&A- Operations	5.0	20.4
Amort. Acq. Intangibles	3.3	10.7
Net Income/(Loss)	<u>(\$1.9) - (\$2.5)</u>	<u>(\$1.7) - \$.4</u>
EPS	<u>(\$0.04) - (\$0.05)</u>	<u>(\$0.03) - \$0.01</u>
Pro forma net income	<u>\$1.0 - \$1.5</u>	<u>\$7.5 - \$9.5</u>
Pro forma EPS	<u>\$.02 - \$.03</u>	<u>\$.15 - \$.19</u>
Basic Weighted Shares o/s	49,390	49,480
Fully Diluted Weighted Shares o/s	50,376	50,479
Reconciliation of net loss to pro forma net income:		
Net loss	(\$1.9) - (\$2.5)	(\$1.7) - \$.4
Amortization of acquisition intangibles & deferred stock compensation	4.043	13.340
Provision for income taxes	0.300	1.600
Pro forma pre tax income	\$1.7 - \$2.5	\$13 - \$15
Pro forma income tax provision (40%)	.7 - 1.0	5 - 6
Pro forma net income	<u>\$1.0 - \$1.5</u>	<u>\$7.5 - \$9.5</u>

The Company defines pro forma net income as earnings before amortization of intangible assets and deferred stock compensation, write-offs of in-process research and development costs, restructuring and related impairment charges, impairment of goodwill and other intangible assets, 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, write-offs of in-process research and development costs, 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.