

The TriZetto Group, Inc.
Condensed Consolidated Statements of Operations
Adjusted EBITDA Presentation (1)
(unaudited and in thousands)

	Three Months Ended December 31,	
	2005	2004
Revenue		
Recurring revenue	\$ 41,553	\$ 38,419
Non-recurring revenue	33,287	35,872
Total revenue	<u>74,840</u>	<u>74,291</u>
Cost of revenue		
Recurring revenue	21,183	20,595
Non-recurring revenue	14,102	19,032
Total cost of revenue	<u>35,285</u>	<u>39,627</u>
Gross profit	39,555	34,664
Operating expenses		
Research and development	6,864	7,183
Sales and marketing	6,188	4,493
General and administrative	13,699	8,766
	<u>26,751</u>	<u>20,442</u>
Adjusted EBITDA	12,804	14,222
Operating depreciation and amortization	5,886	5,609
Amortization of other intangible assets	289	1,157
Amortization of deferred stock compensation	445	224
Loss on contracts, net	-	(455)
Restructuring, impairment and other	-	870
	<u>6,620</u>	<u>7,405</u>
Income from operations	6,184	6,817
Interest income	987	177
Interest expense	(836)	(322)
Income before provision for income taxes	6,335	6,672
Provision for income taxes	(71)	(281)
Net income	<u>\$ 6,264</u>	<u>\$ 6,391</u>

(1) See accompanying notes for a definition of Adjusted EBITDA and a reconciliation of Net income to Adjusted EBITDA

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

	Three Months Ended December 31,	
	2005	2004
Revenue		
Recurring revenue	\$ 41,553	\$ 38,419
Non-recurring revenue	33,287	35,872
Total revenue	<u>74,840</u>	<u>74,291</u>
Cost of revenue		
Recurring revenue	23,760	23,288
Non-recurring revenue	16,319	20,107
	<u>40,079</u>	<u>43,395</u>
Recurring revenue - loss on contracts	-	-
Non-recurring revenue - loss on contracts	-	(455)
	<u>-</u>	<u>(455)</u>
Total cost of revenue	<u>40,079</u>	<u>42,940</u>
Gross profit	34,761	31,351
Operating expenses		
Research and development	6,992	8,055
Selling, general and administrative	21,296	15,322
Amortization of other intangible assets	289	1,157
Total operating expenses	<u>28,577</u>	<u>24,534</u>
Income from operations	6,184	6,817
Interest income	987	177
Interest expense	(836)	(322)
Income before provision for income taxes	<u>6,335</u>	<u>6,672</u>
Provision for income taxes	(71)	(281)
Net income	<u>\$ 6,264</u>	<u>\$ 6,391</u>
Net income per share:		
Basic	<u>\$ 0.15</u>	<u>\$ 0.14</u>
Diluted	<u>\$ 0.14</u>	<u>\$ 0.13</u>
Weighted average shares outstanding:		
Basic	<u>41,519</u>	<u>46,488</u>
Diluted	<u>45,518</u>	<u>47,995</u>
Other financial data (1):		
Adjusted EBITDA	\$ 12,804	\$ 14,222
12-month backlog	\$ 185,100	\$ 173,100
Total backlog	\$ 703,400	\$ 585,000

(1) See accompanying notes for a definition of 12-month and total backlog, and for a definition of Adjusted EBITDA and a reconciliation of Net income to Adjusted EBITDA

The TriZetto Group, Inc.
Condensed Consolidated Statements of Operations
Adjusted EBITDA Presentation (1)
(unaudited and in thousands)

	Twelve Months Ended December 31,	
	2005	2004
Revenue		
Recurring revenue	\$ 160,137	\$ 158,981
Non-recurring revenue	132,082	115,584
Total revenue	<u>292,219</u>	<u>274,565</u>
Cost of revenue		
Recurring revenue	85,173	97,797
Non-recurring revenue	57,269	59,125
Total cost of revenue	<u>142,442</u>	<u>156,922</u>
Gross profit	149,777	117,643
Operating expenses		
Research and development	31,090	27,120
Sales and marketing	23,409	17,833
General and administrative	47,087	36,884
	<u>101,586</u>	<u>81,837</u>
Adjusted EBITDA	48,191	35,806
Operating depreciation and amortization	23,282	21,106
Amortization of other intangible assets	2,885	4,244
Amortization of deferred stock compensation	1,397	594
Loss on contracts, net	(2,877)	(1,353)
Restructuring, impairment and other	1,111	870
	<u>25,798</u>	<u>25,461</u>
Income from operations	22,393	10,345
Interest income	1,619	583
Interest expense	(1,579)	(1,369)
Income before provision for income taxes	22,433	9,559
Provision for income taxes	(412)	(1,101)
Net income	<u>\$ 22,021</u>	<u>\$ 8,458</u>

(1) See accompanying notes for a definition of Adjusted EBITDA and a reconciliation of Net income to Adjusted EBITDA

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

	Twelve Months Ended December 31,	
	2005	2004
Revenue		
Recurring revenue	\$ 160,137	\$ 158,981
Non-recurring revenue	132,082	115,584
Total revenue	<u>292,219</u>	<u>274,565</u>
Cost of revenue		
Recurring revenue	95,699	107,825
Non-recurring revenue	65,706	63,126
	<u>161,405</u>	<u>170,951</u>
	(2,877)	(5,886)
Recurring revenue - loss on contracts	-	4,533
Non-recurring revenue - loss on contracts	<u>(2,877)</u>	<u>(1,353)</u>
Total cost of revenue	158,528	169,598
Gross profit	133,691	104,967
Operating expenses		
Research and development	31,655	30,398
Selling, general and administrative	76,758	59,980
Amortization of other intangible assets	2,885	4,244
Total operating expenses	<u>111,298</u>	<u>94,622</u>
Income from operations	22,393	10,345
Interest income	1,619	583
Interest expense	<u>(1,579)</u>	<u>(1,369)</u>
Income before provision for income taxes	22,433	9,559
Provision for income taxes	<u>(412)</u>	<u>(1,101)</u>
Net income	<u>\$ 22,021</u>	<u>\$ 8,458</u>
Net income per share:		
Basic	<u>\$ 0.52</u>	<u>\$ 0.18</u>
Diluted	<u>\$ 0.48</u>	<u>\$ 0.18</u>
Weighted average shares outstanding:		
Basic	<u>41,948</u>	<u>46,794</u>
Diluted	<u>45,503</u>	<u>48,157</u>
Other financial data (1):		
Adjusted EBITDA	\$ 48,191	\$ 35,806
12-month backlog	\$ 185,100	\$ 173,100
Total backlog	\$ 703,400	\$ 585,000

(1) See accompanying notes for a definition of 12-month and total backlog, and for a definition of Adjusted EBITDA and a reconciliation of Net income to Adjusted EBITDA

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

	December 30, 2005	December 31, 2004
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 106,940	\$ 70,489
Short-term investments	-	1,203
Restricted cash	1,543	1,455
Accounts receivable, net	41,745	52,483
Prepaid expenses and other current assets	11,375	7,964
Total current assets	161,603	133,594
Property and equipment, net	25,730	31,466
Capitalized software products, net	28,724	27,902
Goodwill	87,170	39,201
Other intangible assets, net	3,335	5,097
Other assets	11,177	2,624
Total assets	\$ 317,739	\$ 239,884
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term notes payable	\$ 120	\$ 39,600
Capital lease obligations	1,979	4,186
Accounts payable	14,959	13,019
Accrued liabilities	56,957	37,585
Deferred revenue	35,625	39,520
Total current liabilities	109,640	133,910
Long-term line of credit	-	12,000
Long-term notes payable	100,000	-
Capital lease obligations	1,065	1,838
Deferred revenue	3,924	1,882
Other long-term obligations	1,752	3,321
Total liabilities	216,381	152,951
Common stock	42	42
Additional paid-in capital	362,186	369,669
Deferred stock compensation	(2,986)	(2,873)
Accumulated deficit	(257,884)	(279,905)
Total stockholders' equity	101,358	86,933
Total liabilities and stockholders' equity	\$ 317,739	\$ 239,884