
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 23, 2003

FAIR ISAAC CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	0-16439	94-1499887
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
200 Smith Ranch Road San Rafael, California		94903
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code 415-472-2211

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Item 7. Financial Statements and Exhibits.

(c) Exhibits

Exhibit Number	Description
99	Press Release dated July 23, 2003

Item 9. Regulation FD Disclosure.

The following information is furnished pursuant to Item 12, “Results of Operations and Financial Condition.”

On July 23, 2003, Fair Isaac Corporation (the “Company”) reported its financial results for the quarter and nine months ended July 30, 2003. See the Company’s press release dated July 23, 2003, which is furnished as Exhibit 99 hereto and incorporated by reference in this Current Report on Form 8-K. In the press release, the Company provides the amount of charges resulting from the HNC Software Inc. acquisition included in its financial results for the periods presented and the impact of these charges on earnings per share. This information may be considered to be a “non-GAAP financial measure” under Regulation G adopted by the Securities and Exchange Commission. The Company believes that this information is useful in that it helps investors evaluate the Company’s operating performance and compare this performance between periods.

EXHIBIT INDEX

Exhibit Number	Description	Method of Filing
99	Press Release dated July 23, 2003	Filed Electronically

(FAIR ISAAC LOGO)

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FAIR ISAAC REPORTS STRONG THIRD QUARTER RESULTS

79% Year-Over-Year Revenue Growth with HNC Revenues

SAN RAFAEL, Calif. -- July 23, 2003 -- Fair Isaac Corporation (NYSE:FIC), the leader in customer analytics and decision technology, today announced financial results for the third fiscal quarter ended June 30, 2003.

The company achieved third quarter revenues of \$163.0 million versus \$91.0 million reported in the third quarter of fiscal 2002, and in line with the company's previous guidance. Revenues for the nine months ended June 30, 2003 totaled \$468.3 million as compared to revenues of \$263.1 million reported in the same period last year. Net income for the third quarter of fiscal 2003 totaled \$30.0 million, or \$0.60 per share on 53.0 million diluted shares outstanding(1), compared with \$14.4 million, or \$0.41 per share on 35.2 million diluted shares outstanding reported in the same quarter last year. Net income for the nine months ended June 30, 2003 totaled \$75.5 million, or \$1.48 per share on 51.0 million diluted shares outstanding(1), compared with \$42.1 million, or \$1.17 per share on 35.8 million diluted shares outstanding reported in the same period last year.

Results for the nine months ended June 30, 2003 include \$2.6 million in merger-related charges, resulting from the HNC Software acquisition, which resulted in a negative three-cent(2) impact to diluted earnings per share during this period.

"I'm very pleased with our quarterly results as we were able to hit our revenue and exceed our previous earnings guidance," said Tom Grudnowski, President and CEO of Fair Isaac. "I think our ability to show very respectable growth in a continued depressed IT spending environment is testament to the high ROI our business analytics and tools provide our clients. Our customers are willing to spend when they know they will have very compelling and demonstrable returns on their investments."

The company will host a conference call today at 2:00 p.m. Pacific Time / 5:00 p.m. Eastern Time to discuss its third quarter results and provide guidance for the remainder of fiscal 2003.

The call can be accessed live on the Investor Relations' section of the company's Web site at www.fairisaac.com, and will be archived on the site immediately following the call.

ABOUT FAIR ISAAC

Fair Isaac Corporation (NYSE:FIC) is the preeminent provider of creative analytics that unlock value for people, businesses and industries. The company's predictive modeling, decision analysis, intelligence management, decision management systems and consulting services power more than 25 billion mission-critical customer decisions a year. Founded in 1956, Fair Isaac helps thousands of companies in over 60 countries acquire customers more efficiently, increase customer value, reduce fraud and credit losses, lower operating expenses and enter new markets more profitably. Most leading banks and credit card issuers rely on Fair Isaac solutions, as do insurers, retailers, telecommunications providers, healthcare organizations and government agencies. Through the www.myfico.com Web site, consumers use the company's FICO(R) scores, the standard measure of credit risk, to manage their financial health. As of August 5, 2002, the business of HNC Software Inc., a leading provider of high-end analytic and decision management software, is part of Fair Isaac. For more information, visit www.fairisaac.com.

FORWARD-LOOKING STATEMENTS

Except for historical information contained herein, the statements contained in this press release that relate to Fair Isaac, including statements regarding our ability to build and maintain customer and other business relationships, are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including the company's ability to recruit and retain key technical and managerial personnel, the maintenance of its existing relationships and ability to create new relationships with customers and key alliance partners, its ability to continue to develop new and enhanced products and services, competition, regulatory changes applicable to the use of consumer credit and other data, the possibility that the anticipated benefits of its recent merger with HNC, including expected synergies, cannot be fully realized, the possibility that costs or difficulties related to the integration of our business and HNC's business will be greater than expected, and other risks described from time to time in Fair Isaac's SEC reports, including its Annual Report on Form 10-K for the year ended September 30, 2002. If any of these risks or uncertainties materializes, Fair Isaac's results could differ materially from Fair Isaac's expectations in these statements. Fair Isaac disclaims any intent or obligation to update these forward-looking statements.

Fair Isaac, HNC and FICO are trademarks or registered trademarks of Fair Isaac Corporation, in the United States and/or in other countries. Other product and company names herein may be trademarks of their respective owners.

1 The computation of diluted earnings per share for the quarter ended June 30, 2003 includes 2.7 million shares of common stock issuable upon conversion of our convertible subordinated notes, along with a corresponding adjustment to net income to add back related interest expense, net of tax, of approximately \$1.6 million. The computation of diluted earnings per share for the nine months ended June 30, 2003 excludes these shares, as they were antidilutive during this period.

2 Calculated as \$2.6 million in merger-related charges less \$1.0 million income tax benefit (by application of the company's 38.0 percent effective tax rate for the nine month period), or \$1.6 million, divided by 51.0 million diluted shares outstanding for the nine month period.

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters and Nine Months Ended June 30, 2003 and 2002
(In thousands, except per share data)
(unaudited)

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2003	2002	2003	2002
Revenues	\$ 163,000	\$ 91,014	\$ 468,330	\$ 263,125
Operating expenses:				
Cost of revenues	62,209	40,724	186,904	116,853
Research and development	16,959	6,894	51,325	21,672
Selling, general and administrative	31,277	20,343	95,175	58,587
Amortization of intangibles	3,461	609	10,142	1,743
Restructuring and merger-related	(36)	--	2,580	--
Total operating expenses	113,870	68,570	346,126	198,855
Operating income	49,130	22,444	122,204	64,270
Other (expense) income, net	(690)	616	(482)	4,439
Income before income taxes	48,440	23,060	121,722	68,709
Provision for income taxes	18,407	8,708	46,254	26,625
Net income	\$ 30,033	\$ 14,352	\$ 75,468	\$ 42,084
Earnings per share:				
Basic	\$ 0.63	\$ 0.43	\$ 1.56	\$ 1.23
Diluted	\$ 0.60 (a)	\$ 0.41	\$ 1.48	\$ 1.17
Shares used in computing earnings per share:				
Basic	47,488	33,629	48,524	34,113
Diluted	52,957 (a)	35,233	50,968	35,832

(a) The computation of diluted earnings per share for the quarter ended June 30, 2003 includes 2.7 million shares of common stock issuable upon conversion of our convertible subordinated notes, along with a corresponding adjustment to net income to add back related interest expense, net of tax, of approximately \$1.6 million. The computation of diluted earnings per share for the nine months ended June 30, 2003 excludes these shares, as they were antidilutive during this period.

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
June 30, 2003 and September 30, 2002
(In thousands)
(Unaudited)

	June 30, 2003	September 30, 2002
	-----	-----
ASSETS:		
Current assets:		
Cash and investments	\$ 222,885	\$ 281,211
Receivables, net	124,984	121,456
Other current assets	26,721	25,507
	-----	-----
Total current assets	374,590	428,174
Investments	152,184	150,202
Property and equipment, net	51,041	62,474
Goodwill and intangibles, net	511,758	520,114
Other noncurrent assets	54,477	51,549
	-----	-----
	\$1,144,050	\$1,212,513
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 41,812	\$ 44,135
Accrued compensation and employee benefits	23,304	28,153
Deferred revenue	24,863	17,921
	-----	-----
Total current liabilities	89,979	90,209
Convertible subordinated notes	140,996	139,922
Other noncurrent liabilities	6,450	8,910
	-----	-----
Total liabilities	237,425	239,041
Stockholders' equity	906,625	973,472
	-----	-----
	\$1,144,050	\$1,212,513
	=====	=====

FAIR ISAAC CORPORATION
REVENUES BY SEGMENT
For the Quarters and Nine Months Ended June 30, 2003 and 2002
(In thousands)
(Unaudited)

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2003	2002	2003	2002
Scoring solutions	\$ 34,547	\$ 33,781	\$101,507	\$ 94,491
Strategy machine solutions	97,399	39,852	283,951	119,974
Professional services	21,852	13,909	62,333	40,747
Analytic software tools	9,202	3,472	20,539	7,913
Total revenues	\$163,000	\$ 91,014	\$468,330	\$263,125