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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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) November 1, 2006

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.)

901 Marquette Avenue, Suite 3200
Minneapolis, Minnesota

55402-3232

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code 612-758-5200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.02. Results of Operations and Financial Condition.

On November 1, 2006, Fair Isaac Corporation (the "Company") reported its financial results for the quarter and fiscal year ended September 30, 2006. See the Company's press release dated November 1, 2006, which is furnished as Exhibit 99.1 hereto and incorporated by reference in this Item 2.02.

Item 5.02. Departure of Directors or Principal Officers;
Appointment of Principal Officers.

(b) Thomas G. Grudnowski, who served as the Company's chief executive officer, president, and a member of the Board, resigned from all of the positions he held with the Company and its affiliated entities on November 1,

2006, effectively immediately. Mr. Grudnowski has agreed to remain as an employee of the Company during a transition period ending on January 31, 2007.

(c) Charles M. Osborne, 53, has been appointed as the Company's chief executive officer, on an interim basis and effective November 1, 2006. Mr. Osborne has served the Company as a vice president and as chief financial officer since May 2004 and will continue to hold these positions while serving as interim chief executive officer. Additional information regarding Mr. Osborne's business experience is set forth at the end of Part I to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2005 and incorporated by reference in this Item 5.02. A copy of the press release announcing Mr. Grudnowski's resignation and Mr. Osborne's appointment is furnished as Exhibit 99.1 hereto.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	Description
99.1	Press Release dated November 1, 2006

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FAIR ISAAC CORPORATION

By /s/ Charles M. Osborne

Charles M. Osborne
Chief Executive Officer

Date: November 1, 2006

EXHIBIT INDEX

Exhibit No. -----	Description -----	Manner of Filing -----
99.1	Press Release dated November 1, 2006	Filed Electronically

Fair Isaac Announces Fourth Quarter and
Fiscal 2006 Results, New Stock Repurchase Authorization, and Departure
of Chief Executive Officer

MINNEAPOLIS--(BUSINESS WIRE)--Nov. 1, 2006--Fair Isaac Corporation (NYSE:FIC), the leading provider of analytics and decision technology, today announced the financial results for its fourth quarter and fiscal year ended September 30, 2006. In addition, the board of directors authorized a new \$500 million share repurchase program.

The board of directors of Fair Isaac Corporation also announced today that Thomas G. Grudnowski has stepped down as chief executive officer and board member, effective immediately. Charles M. Osborne, Fair Isaac's chief financial officer, has been named chief executive officer on an interim basis.

"Tom Grudnowski came to Fair Isaac to revitalize and reinvigorate the company. He brought a strategic vision and put in place a plan that has given this company the capabilities to compete and win. We thank Tom for his significant leadership over the past seven years as we look forward to continued execution of the company's strategy," said A. George Battle, chairman, on behalf of the board.

The board will begin a search for a new chief executive officer immediately. The interim chief executive officer, Mr. Osborne, has been the chief financial officer of the company since May 2004 and has over 32 years of business leadership experience. He will also retain his chief financial officer responsibilities. The company has made no additional structural changes or executive leadership changes at this time.

Fourth Quarter Fiscal 2006 Results

The company reported fourth quarter revenues of \$207.3 million in fiscal 2006 versus \$203.3 million reported in the prior year period. Net income for the fourth quarter of fiscal 2006 totaled \$22.1 million, or \$0.35 per diluted share, versus \$35.7 million, or \$0.53 per diluted share, reported in the prior year period.

Fourth quarter fiscal 2006 results included share-based compensation expense of \$7.4 million after-tax, or \$0.12 per diluted share, due to the adoption of SFAS 123(R), and costs associated with the previously announced lease exit of \$8.3 million after-tax, or \$0.13 per diluted share.

Fiscal 2006 Results

The company reported revenues of \$825.4 million versus \$798.7 million in the prior year period. Net income for fiscal 2006 totaled \$103.5 million, or \$1.59 per diluted share, versus \$134.5 million, or \$1.86 per diluted share, reported in the prior year.

Fiscal 2006 results included share-based compensation expense of \$26.6 million after-tax, or \$0.41 per diluted share, due to the adoption of SFAS 123(R), and restructuring and acquisition-related costs of \$12.7 million after-tax, or \$0.19 per diluted share.

Fiscal 2005 results included a decrease in diluted earnings per share of \$0.09 related to the adoption of EITF Issue No. 04-8, and an increase in diluted earnings per share of \$0.14 related to revisions made to tax liabilities.

Fourth Quarter Fiscal 2006 Revenues Highlights

Revenues for fourth quarter fiscal 2006 across each of the company's four operating segments were as follows:

- Strategy Machine(R) Solutions revenues increased to \$111.6 million in the fourth quarter compared to \$109.6 million in the prior year quarter, or by 1.8%, primarily due to an increase in revenues from fraud, originations, and collections and recovery solutions, offset by a decline associated with insurance solutions and consumer scoring products.
- Scoring Solutions revenues were \$45.5 million in the fourth quarter compared to \$47.8 million in the prior year quarter,

or a decrease of 4.8%, primarily due to a decrease in revenues derived from risk scoring services at the credit reporting agencies.

- Professional Services revenues increased to \$37.0 million in the fourth quarter from \$33.4 million in the prior year quarter, or by 10.9%, primarily due to an increase in revenues from strategic consulting services and implementation services for EDM products.
- Analytic Software Tools revenues increased to \$13.2 million in the fourth quarter compared to \$12.6 million in the prior year quarter, or by 5.1%, due to an increase in revenues generated from sales of the Blaze Advisor(TM) product.

Fiscal 2006 Revenues Highlights

Revenues for fiscal 2006 across each of the company's four operating segments were as follows:

- Strategy Machine(R) Solutions revenues increased to \$457.2 million from \$453.7 million in the prior year period, or by 0.8%, primarily due to growth in fraud solutions, consumer scoring products and collections and recovery solutions, offset by a decline associated with marketing services and insurance solutions.
- Scoring Solutions revenues increased to \$177.2 million from \$167.3 million in the prior year period, or by 5.9%, primarily due to an increase in revenues from risk scoring services at the credit reporting agencies, and PreScore(R) Service.
- Professional Services revenues increased to \$145.3 million from \$129.6 million in the prior year period, or by 12.1%, primarily due to an increase in revenues from strategic consulting services and implementation services for EDM products, offset by a decline in consulting services related to precision marketing.
- Analytic Software Tools revenues were \$45.7 million compared to \$48.0 million in the prior year period, or a decrease of 4.8%, due to a decline in revenues generated from sales of the Blaze Advisor(TM) product.

Bookings Highlights

The bookings for the fourth quarter were \$112.6 million versus \$109.7 million in the same period last year. The company defines a "new booking" as estimated future contractual revenues, including agreements with perpetual, multi-year and annual terms. Management regards the volume of new bookings achieved as one indicator of future revenues, but they are not comparable to, nor should they be substituted for, an analysis of the company's revenues.

Balance Sheet and Cash Flow Highlights

Cash and cash equivalents, and marketable security investments were \$267.8 million at September 30, 2006, as compared to \$288.1 million at September 30, 2005. Significant changes in cash and cash equivalents from September 30, 2005 include cash provided by operations of \$199.0 million for fiscal 2006 and \$64.2 million received from the exercise of stock options and stock issued under an employee stock purchase plan. Cash used during fiscal 2006 includes \$31.4 million related to purchases of property and equipment and \$256.5 million to repurchase company stock.

Outlook

The company expects revenues for first quarter fiscal 2007 of approximately \$210.0 million and earnings per diluted share, to be approximately \$0.48. The company expects revenues for fiscal 2007 of approximately \$870.0 million and earnings per diluted share, to be approximately \$2.10. The earnings per diluted share, guidance include compensation expense related to SFAS 123(R).

New Stock Repurchase Program

Fair Isaac also announced today that its Board of Directors has approved a common stock repurchase program to acquire up to \$500 million of the company's outstanding common stock. This new program replaces the Company's previous repurchase program announced on August

29, 2006, which had authorized the company to acquire up to \$250 million of outstanding stock. Under the previous program, Fair Isaac purchased approximately 2.4 million shares of its common stock, at an aggregate cost of approximately \$85.3 million. The stock repurchase program, which is open-ended, allows the company to repurchase its shares from time to time in the open market and in negotiated transactions.

Company to Host Conference Call

The company will host a conference call today at 5:00 p.m. Eastern Time (4:00 p.m. Central Time/2:00 p.m. Pacific Time) to discuss its fourth quarter and fiscal 2006 results, and outlook for fiscal 2007. The call can be accessed live on the Investor Relations section of the company's Web site at www.fairisaac.com, and a replay will be available approximately two hours after the completion of the call through November 29, 2006.

About Fair Isaac Corporation

Fair Isaac Corporation (NYSE:FIC) makes decisions smarter. The company's solutions and technologies for Enterprise Decision Management give businesses the power to automate more processes, and apply more intelligence to every customer interaction. Through increasing the precision, consistency and agility of their decisions, Fair Isaac clients worldwide increase sales, build customer value, cut fraud losses, manage credit risk, reduce operational costs, meet changing compliance demands and enter new markets more profitably. Founded in 1956, Fair Isaac powers hundreds of billions of decisions each year in financial services, insurance, telecommunications, retail, consumer branded goods, healthcare and the public sector. Fair Isaac also helps millions of individuals manage their credit health through the www.myfico.com website. Visit Fair Isaac online at www.fairisaac.com.

Statement Concerning Forward-Looking Information

Except for historical information contained herein, the statements contained in this news release that relate to Fair Isaac or its business 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 acquisitions, including expected synergies, will not be realized 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, 2005 and quarterly report on Form 10-Q for the period ended June 30, 2006. If any of these risks or uncertainties materialize, Fair Isaac's results could differ materially from its expectations. Fair Isaac disclaims any intent or obligation to update these forward-looking statements.

Fair Isaac, FICO, myFICO, Falcon, Blaze Advisor, TRIAD, Strategy Machine and PreScore are trademarks or registered trademarks of Fair Isaac Corporation in the United States and in other countries.

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters and Years Ended September 30, 2006 and 2005
(In thousands, except per share data)
(Unaudited)

	Quarter Ended September 30,		Year Ended September 30,	
	2006	2005	2006	2005
Revenues	\$207,289	\$203,297	\$825,365	\$798,671
Operating expenses:				

Cost of revenues	70,291	67,308	281,977	275,065
Research and development	19,173	20,998	84,967	81,295
Selling, general and administrative	66,967	55,621	260,845	223,400
Amortization of intangible assets	6,366	6,260	25,191	25,900
Restructuring and acquisition-related	12,862	-	19,662	-
Total operating expenses	175,659	150,187	672,642	605,660
Operating income	31,630	53,110	152,723	193,011
Other income, net	1,416	1,076	6,469	1,077
Income before income taxes	33,046	54,186	159,192	194,088
Provision for income taxes	10,993	18,438	55,706	59,540
Net income	\$22,053	\$35,748	\$103,486	\$134,548
Earnings per share:				
Basic	\$0.36	\$0.55	\$1.63	\$2.02
Diluted	\$0.35	\$0.53	\$1.59	\$1.86 (a)
Shares used in computing earnings per share:				
Basic	61,423	64,471	63,579	66,556
Diluted	62,506	67,216	65,125	73,584 (a)
Share-based compensation expense included in the above operating expense captions are as follows (b):				
Cost of revenues	\$2,705	\$513	\$10,970	\$703
Research and development	1,374	79	6,435	166
Selling, general and administrative	7,982	1,243	24,680	2,058
Total share-based compensation expense	\$12,061	\$1,835	\$42,085	\$2,927

(a) The computation of diluted earnings per share for the year ended September 30, 2005 includes 4.5 million shares of common stock issuable upon conversion of our senior convertible notes, along with a corresponding adjustment to net income to add back related interest expense, net of tax, of approximately \$2.5 million. On March 31, 2005, the company successfully completed an exchange offer for approximately 99.9% of the principal amount of its senior convertible notes for new senior convertible notes. The dilutive effect of the new senior convertible notes has been calculated using the treasury stock method since the effective date of the exchange.

(b) Effective October 1, 2005, the company adopted SFAS 123(R), "Share-Based Payment", which required the company to record compensation expense for all share-based awards. Results from prior periods have not been restated.

	September 30, 2006	September 30, 2005
	-----	-----
ASSETS:		
Current assets:		
Cash and cash equivalents	\$75,154	\$82,880
Marketable securities	152,141	146,088
Receivables, net	165,806	156,375
Prepaid expenses and other current assets	20,209	27,337
	-----	-----
Total current assets	413,310	412,680
Marketable securities and investments	40,479	59,087
Property and equipment, net	56,611	48,436
Goodwill and intangible assets, net	786,062	803,306
Other noncurrent assets	24,743	27,552
	-----	-----
	\$1,321,205	\$1,351,061
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable and other accrued liabilities	\$53,809	\$50,947
Senior convertible notes	400,000	-
Accrued compensation and employee benefits	34,936	31,373
Deferred revenue	48,284	55,837
	-----	-----
Total current liabilities	537,029	138,157
Senior convertible notes	-	400,000
Other noncurrent liabilities	14,148	7,810
	-----	-----
Total liabilities	551,177	545,967
Stockholders' equity	770,028	805,094
	-----	-----
	\$1,321,205	\$1,351,061
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FAIR ISAAC CORPORATION
REVENUES BY SEGMENT

For the Quarters and Years Ended September 30, 2006 and 2005
(In thousands)
(Unaudited)

	Quarter Ended September 30,		Year Ended September 30,	
	2006	2005	2006	2005
	-----	-----	-----	-----
Strategy machine solutions	\$111,553	\$109,578	\$457,211	\$453,734
Scoring solutions	45,483	47,758	177,152	167,270
Professional services	37,035	33,383	145,271	129,636
Analytic software tools	13,218	12,578	45,731	48,031
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Total revenues	\$207,289	\$203,297	\$825,365	\$798,671
	=====	=====	=====	=====

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2006 and 2005
(In thousands)
(Unaudited)

Year Ended
September 30,

	2006	2005
Cash flows from operating activities:		
Net income	\$103,486	\$134,548
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	48,805	51,517
Changes in operating assets and liabilities, net of acquisitions	(2,096)	(5,082)
Other, net	48,847	33,099
Net cash provided by operating activities	199,042	214,082
Cash flows from investing activities:		
Purchases of property and equipment	(31,409)	(16,414)
Cash paid for acquisitions, net of cash acquired	-	(41,312)
Net activity from marketable securities	13,882	32,003
Other, net	500	22,822
Net cash used in investing activities	(17,027)	(2,901)
Cash flows from financing activities:		
Proceeds from issuances of common stock	64,200	71,867
Repurchases of common stock	(256,487)	(328,537)
Other, net	1,994	(5,316)
Net cash used in financing activities	(190,293)	(261,986)
Effect of exchange rate changes on cash	552	(385)
Decrease in cash and cash equivalents	(7,726)	(51,190)
Cash and cash equivalents, beginning of period	82,880	134,070
Cash and cash equivalents, end of period	\$75,154	\$82,880

Fair Isaac Corporation
Baseline Revenue Analysis
(In thousands)

	BKG'05	Q1A	Q2A	Q3A	Q4A	FY05
Total						
Baseline Prior to '05		\$176,161	\$164,445	\$158,912	\$150,950	\$650,468
Q1-2005A	\$115,363	19,385	12,916	9,120	7,622	49,043
Q2-2005A	136,560		18,660	12,402	8,312	39,374
Q3-2005A	143,318			23,373	16,259	39,632
Q4-2005A	109,728				20,154	20,154
Total FY05	504,969	19,385	31,576	44,895	52,347	148,203
Total						
Baseline Prior to '06	504,969	195,546	196,021	203,807	203,297	798,671
Q1-2006A						
Q2-2006A						
Q3-2006A						
Q4-2006A						
Total FY06						
Grand Total	\$504,969	\$195,546	\$196,021	\$203,807	\$203,297	\$798,671

	BKG '06	Q1A	Q2A	Q3A	Q4A	FY06

Total Baseline Prior to '05		\$149,484	\$143,730	\$141,099	\$140,237	\$574,550

Q1-2005A		6,205	4,261	3,765	2,560	16,791
Q2-2005A		6,194	5,975	5,238	4,525	21,932
Q3-2005A		7,404	7,198	5,478	4,524	24,604
Q4-2005A		11,482	10,521	8,339	6,428	36,770

Total FY05		31,285	27,955	22,820	18,037	100,097

Total Baseline Prior to '06		180,769	171,685	163,919	158,274	674,647

Q1-2006A	\$127,778	22,021	15,296	8,988	6,548	52,853
Q2-2006A	106,024		21,176	12,674	8,716	42,566
Q3-2006A	94,480			21,547	13,009	34,556
Q4-2006A	112,572				20,743	20,743

Total FY06	440,854	22,021	36,472	43,209	49,016	150,718

Grand Total	\$440,854	\$202,790	\$208,157	\$207,128	\$207,290	\$825,365
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A = Actual

CONTACT: Fair Isaac Corporation, Minneapolis
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