

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) May 4, 2011

FAIR ISAAC CORPORATION
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation) **1-11689** (Commission File Number) **94-1499887** (IRS Employer Identification No.)

901 Marquette Avenue, Suite 3200
Minneapolis, Minnesota (Address of principal executive offices) **55402-3232** (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 (see General Instruction A.2. below):

- 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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TABLE OF CONTENTS

Item 2.02. Results of Operations and Financial Condition.

Item 9.01. Financial Statements and Exhibits.

Signature

Exhibit Index

Exhibit 99.1

Item 2.02. Results of Operations and Financial Condition.

On May 4, 2011, Fair Isaac Corporation (the “Company”) reported its financial results for the quarter ended March 31, 2011. See the Company’s press release dated May 4, 2011, which is furnished as Exhibit 99.1 hereto and incorporated by reference in this Item 2.02.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit</u> | <u>Description</u> |
|----------------|---------------------------------|
| 99.1 | Press Release dated May 4, 2011 |

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/ MICHAEL J. PUNG

Michael J. Pung

Senior Vice President and Chief Financial
Officer

Date: May 4, 2011

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> | <u>Manner of Filing</u> |
|--------------------|---------------------------------|-------------------------|
| 99.1 | Press Release dated May 4, 2011 | Filed Electronically |

FICO Announces Earnings for Second Quarter Fiscal 2011**Revenue of \$153 million and bookings of \$58 million;****Earnings per share of \$0.19 after previously announced restructuring charge of \$0.20 per share**

MINNEAPOLIS--(BUSINESS WIRE)--May 4, 2011--FICO (NYSE:FICO), the leading provider of analytics and decision management technology, today announced financial results for its second fiscal quarter ended March 31, 2011.

Second Quarter Fiscal 2011 Results

Net income for the quarter totaled \$7.7 million, or \$0.19 per share. As previously announced, second quarter results included an \$8.1 million after-tax restructuring charge for workforce and facility reductions, or \$0.20 per diluted share. This compares with prior-year period net income of \$13.0 million, or \$0.28 per share.

Second Quarter Fiscal 2011 Revenue

The company reported quarterly revenues of \$152.8 million versus \$143.7 million reported in the prior year period, an increase of 6%.

“We delivered solid growth in our Applications and Tools portfolio, and our Scores business remains stable amid further signs of improvement in the economy,” said Mark Greene, chief executive officer. “We streamlined our cost structure while reallocating resources towards growth opportunities, product innovation and client service. We remain confident in the value and relevance of our solutions, the strength of our market position and our ability to deliver both revenue and earnings in line with guidance.”

Revenues for the second quarter of fiscal 2011 across each of the company’s three operating segments were as follows:

- *Applications* revenues, which include the company’s preconfigured Decision Management applications and associated professional services, were \$95.9 million in the second quarter compared to \$86.9 million in the prior year quarter, an increase of 10%, primarily due to an increase in revenue from Fraud Management and Originations solutions.
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- *Scores* revenues, which include the company's business-to-business (B2B) scoring solutions and associated professional services, and the myFICO[®] business-to-consumer (B2C) service, were \$41.0 million in the second quarter compared to \$42.5 million in the prior year quarter, a decrease of 4%, due to a decrease in business-to-consumer (B2C) service
- *Tools* revenues, which include Blaze Advisor[®], Xpress Optimization and related products and services, were \$15.9 million in the second quarter compared to \$14.3 million in the prior year quarter, an increase of 11%, primarily due to an increase in Decision Optimizer and Blaze Advisor license sales during the quarter.

Bookings

Bookings for the second quarter were \$57.7 million compared to \$54.3 million in the prior year period. Bookings represent contracts signed in the current reporting period that will generate new future revenue streams. Management regards the volume of bookings achieved, among other factors, as an important indicator of future revenues, but they are not comparable to, nor should they be substituted for, an analysis of the company's revenues, and they are subject to a number of risks and uncertainties concerning timing and contingencies affecting product delivery and performance.

Balance Sheet and Cash Flow

Cash and cash equivalents, and investments were \$274.4 million at March 31, 2011, as compared to \$230.3 million at September 30, 2010. Significant changes in cash and cash equivalents from September 30, 2010 include \$59.6 million of cash provided by operations, \$6.9 million from issuances of common stock from share-based payment plans, \$19.3 million related to the repurchase of common stock, \$5.1 million related to the purchase of property and equipment, and \$1.6 million of dividends paid.

Outlook

The company revises the previously issued guidance for fiscal 2011, which follows:

| | New Fiscal 2011 Guidance | Old Fiscal 2011 Guidance |
|--|-------------------------------|-------------------------------|
| Revenue | \$620 million - \$625 million | \$620 million - \$625 million |
| GAAP Net Income | \$68 million - \$72 million | \$70 million - \$73 million |
| Non-GAAP Net Income, excluding restructuring charges of \$8.7 million | \$77 million - \$81 million | \$76 million - \$80 million |
| GAAP Earnings Per Share (assumes 39.9 million outstanding shares) | \$1.71 - \$1.81 | \$1.75 - \$1.83 |
| Non-GAAP Earnings Per Share, excluding restructuring charges of \$0.21 (assumes 39.9 million outstanding shares) | \$1.93 - \$2.03 | \$1.90 - \$2.00 |

Our guidance figures for non-GAAP net income and non-GAAP earnings per share have been adjusted to exclude the effects of restructuring charges for Fiscal 2011 related to workforce and facility reductions. We believe the presentation of guidance on these non-GAAP figures provides useful information to investors for comparing year-over-year performance and analyzing business trends of our financial condition and results of operations, particularly given that we revised our Fiscal 2011 guidance earlier this year partially as a result of the restructuring charges.

Company to Host Conference Call

The company will host a webcast today at 5:00 p.m. Eastern Time (4:00 p.m. Central Time/2:00 p.m. Pacific Time) to report its second quarter fiscal 2011 results and provide various strategic and operational updates. The call can be accessed at FICO's Web site at www.FICO.com (follow the instructions on the Investor Relations page). A replay of the webcast will be available through June 4, 2011.

The webcast will also be distributed through the Thomson StreetEvents Network to both institutional and individual investors. Individual investors can listen to the call at www.fulldisclosure.com, Thomson/CCBN's individual investor portal, powered by StreetEvents. Institutional investors can access the call via Thomson's password-protected event management site, StreetEvents (www.streetevents.com).

About FICO

FICO (NYSE:FICO) delivers superior predictive analytics that drive smarter decisions. The company's groundbreaking use of mathematics to predict consumer behavior has transformed entire industries and revolutionized the way risk is managed and products are marketed. FICO's innovative solutions include the FICO[®] Score — the standard measure of consumer credit risk in the United States — along with the industry-leading solutions for managing credit accounts, identifying and minimizing the impact of fraud, and customizing consumer offers with pinpoint accuracy. Most of the world's top banks, as well as leading insurers, retailers, pharma businesses and government agencies rely on FICO solutions to accelerate growth, control risk, boost profits and meet regulatory and competitive demands. FICO also helps millions of individuals manage their personal credit health through www.myFICO.com. Learn more at www.fico.com. FICO: Make every decision count.

Statement Concerning Forward-Looking Information

Except for historical information contained herein, the statements contained in this news release that relate to FICO 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 success of the Company's Decision Management strategy and reengineering initiative, 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, its ability to recruit and retain key technical and managerial personnel, competition, regulatory changes applicable to the use of consumer credit and other data, the failure to realize the anticipated benefits of any acquisitions, continuing material adverse developments in global economic conditions, and other risks described from time to time in FICO's SEC reports, including its Annual Report on Form 10-K for the year ended September 30, 2010 and its last quarterly report on Form 10-Q for the period ended December 31, 2010. If any of these risks or uncertainties materializes, FICO's results could differ materially from its expectations. FICO disclaims any intent or obligation to update these forward-looking statements.

FICO, myFICO and Blaze Advisor are all 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 Six Months Ended March 31, 2011 and 2010
(In thousands, except per share data)
(Unaudited)

| | Quarter Ended March 31, | | Six Months Ended March 31, | |
|---|----------------------------|------------------|-------------------------------|------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenues: | | | | |
| Transactional and maintenance | \$ 111,431 | \$ 113,701 | \$ 226,193 | \$ 228,807 |
| Professional services | 27,041 | 23,926 | 54,949 | 50,163 |
| License | 14,352 | 6,093 | 27,613 | 16,246 |
| Total revenues | <u>152,824</u> | <u>143,720</u> | <u>308,755</u> | <u>295,216</u> |
| Operating expenses: | | | | |
| Cost of revenues | 48,506 | 44,641 | 94,309 | 87,160 |
| Research and development | 16,222 | 19,251 | 34,283 | 38,227 |
| Selling, general and administrative | 55,449 | 53,697 | 115,082 | 108,900 |
| Amortization of intangible assets | 1,933 | 3,070 | 3,862 | 6,235 |
| Restructuring | 11,522 | - | 12,391 | - |
| | <u>133,632</u> | <u>120,659</u> | <u>259,927</u> | <u>240,522</u> |
| Operating income | 19,192 | 23,061 | 48,828 | 54,694 |
| Other expense, net | (8,158) | (3,889) | (16,371) | (9,139) |
| Income from operations before income taxes | 11,034 | 19,172 | 32,457 | 45,555 |
| Provision for income taxes | 3,289 | 6,180 | 8,703 | 14,877 |
| Net income | <u>\$ 7,745</u> | <u>\$ 12,992</u> | <u>\$ 23,754</u> | <u>\$ 30,678</u> |
| | | | | |
| Basic earnings per share | <u>\$ 0.19</u> | <u>\$ 0.28</u> | <u>\$ 0.59</u> | <u>\$ 0.65</u> |
| Diluted earnings per share | <u>\$ 0.19</u> | <u>\$ 0.28</u> | <u>\$ 0.59</u> | <u>\$ 0.65</u> |
| | | | | |
| Shares used in computing earnings per share: | | | | |
| Basic | <u>40,010</u> | <u>46,447</u> | <u>39,966</u> | <u>47,033</u> |
| Diluted | <u>40,618</u> | <u>46,870</u> | <u>40,528</u> | <u>47,399</u> |

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2011 and September 30, 2010
(In thousands)
(Unaudited)

| | March 31, 2011 | September 30, 2010 |
|--|-------------------|-----------------------|
| ASSETS: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 258,294 | \$ 146,199 |
| Marketable securities | - | 68,615 |
| Accounts receivable, net | 106,893 | 113,187 |
| Prepaid expenses and other current assets | 15,898 | 19,174 |
| Total current assets | 381,085 | 347,175 |
| Marketable securities and investments | 16,122 | 15,441 |
| Property and equipment, net | 29,038 | 30,975 |
| Goodwill and intangible assets, net | 690,854 | 693,197 |
| Other assets | 35,327 | 36,928 |
| Total assets | \$ 1,152,426 | \$ 1,123,716 |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | | |
| Current liabilities: | | |
| Accounts payable and other accrued liabilities | \$ 42,807 | \$ 37,497 |
| Accrued compensation and employee benefits | 24,004 | 33,697 |
| Deferred revenue | 51,020 | 42,953 |
| Current maturities on long-term debt | 8,000 | 8,000 |
| Total current liabilities | 125,831 | 122,147 |
| Senior notes | 512,000 | 512,000 |
| Other liabilities | 16,318 | 14,655 |
| Total liabilities | 654,149 | 648,802 |
| Stockholders' equity | 498,277 | 474,914 |
| | \$ 1,152,426 | \$ 1,123,716 |

FAIR ISAAC CORPORATION
REVENUE BY SEGMENT
For the Quarters and Six Months Ended March 31, 2011 and 2010
(In thousands)
(Unaudited)

| | Quarter Ended March 31, | | Six Months Ended March 31, | |
|-------------------------------|----------------------------|-------------------|-------------------------------|-------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Applications revenues: | | | | |
| Transactional and maintenance | \$ 64,102 | \$ 64,703 | \$ 130,699 | \$ 131,437 |
| Professional services | 23,486 | 19,621 | 48,235 | 41,083 |
| License | 8,348 | 2,572 | 14,638 | 7,248 |
| Total applications revenues | <u>\$ 95,936</u> | <u>\$ 86,896</u> | <u>\$ 193,572</u> | <u>\$ 179,768</u> |
| Scores revenues: | | | | |
| Transactional and maintenance | \$ 39,894 | \$ 41,885 | \$ 80,399 | \$ 83,028 |
| Professional services | 730 | 649 | 969 | 1,059 |
| License | 336 | - | 407 | - |
| Total scores revenues | <u>\$ 40,960</u> | <u>\$ 42,534</u> | <u>\$ 81,775</u> | <u>\$ 84,087</u> |
| Tools revenues: | | | | |
| Transactional and maintenance | \$ 7,435 | \$ 7,113 | \$ 15,095 | \$ 14,342 |
| Professional services | 2,825 | 3,656 | 5,745 | 8,021 |
| License | 5,668 | 3,521 | 12,568 | 8,998 |
| Total tools revenues | <u>\$ 15,928</u> | <u>\$ 14,290</u> | <u>\$ 33,408</u> | <u>\$ 31,361</u> |
| Total revenues: | | | | |
| Transactional and maintenance | \$ 111,431 | \$ 113,701 | \$ 226,193 | \$ 228,807 |
| Professional services | 27,041 | 23,926 | 54,949 | 50,163 |
| License | 14,352 | 6,093 | 27,613 | 16,246 |
| Total revenues | <u>\$ 152,824</u> | <u>\$ 143,720</u> | <u>\$ 308,755</u> | <u>\$ 295,216</u> |

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended March 31, 2011 and 2010
(In thousands)
(Unaudited)

| | Six Months Ended March 31, | |
|---|-------------------------------|-------------------|
| | 2011 | 2010 |
| Cash flows from operating activities: | | |
| Net income | \$ 23,754 | \$ 30,678 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 12,770 | 16,128 |
| Share-based compensation | 8,205 | 9,382 |
| Changes in operating assets and liabilities net of disposition effects | 15,404 | 17,928 |
| Other, net | (515) | (4,151) |
| Net cash provided by operating activities | <u>59,618</u> | <u>69,965</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (5,106) | (8,010) |
| Net activity from marketable securities | 68,189 | 8,917 |
| Other, net | 75 | 540 |
| Net cash provided by investing activities | <u>63,158</u> | <u>1,447</u> |
| Cash flows from financing activities: | | |
| Proceeds from issuances of common stock | 6,889 | 2,156 |
| Repurchases of common stock | (19,311) | (57,530) |
| Other, net | (472) | (839) |
| Net cash used in financing activities | <u>(12,894)</u> | <u>(56,213)</u> |
| Effect of exchange rate changes on cash | <u>2,213</u> | <u>(2,446)</u> |
| Increase in cash and cash equivalents | 112,095 | 12,753 |
| Cash and cash equivalents, beginning of period | 146,199 | 178,157 |
| Cash and cash equivalents, end of period | <u>\$ 258,294</u> | <u>\$ 190,910</u> |

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