
**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) July 28, 2004

FAIR ISAAC CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

0-16439

(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

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Item 7. Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99	Press Release dated July 28, 2004

Item 12. Results of Operations and Financial Condition.

On July 28, 2004, Fair Isaac Corporation (the "Company") reported its financial results for the quarter and nine months ended June 30, 2004. See the Company's press release dated July 28, 2004, which is furnished as Exhibit 99 hereto and incorporated by reference in this Item 12.

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

Vice President and Chief Financial Officer

Date: July 28, 2004

EXHIBIT INDEX

Exhibit Number	Description	Method of Filing
99	Press Release dated July 28, 2004	Filed Electronically

[FAIR ISAAC LOGO]

Contact: INVESTORS & ANALYSTS:
Megan Forrester
Fair Isaac Corporation
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FAIR ISAAC ANNOUNCES THIRD QUARTER FISCAL 2004 RESULTS, STOCK
REPURCHASE PROGRAM AND NOTICE OF REDEMPTION OF CONVERTIBLE
SUBORDINATED NOTES

6% Year-Over-Year Revenue Growth

MINNEAPOLIS--July 28, 2004--Fair Isaac Corporation (NYSE:FIC), a leader in customer analytics and decision technology, today announced financial results for the third fiscal quarter ended June 30, 2004, a \$200 million stock repurchase program and notice of redemption of its \$150 million principal amount, 5.25% Convertible Subordinated Notes.

GAAP RESULTS

The company reported third quarter revenues of \$173.2 million in fiscal 2004 versus \$163.0 million reported in the third quarter of fiscal 2003. Revenues for the nine months ended June 30, 2004, totaled \$515.8 million as compared to revenues of \$468.3 million reported in the same period last year. Net income for the third quarter of fiscal 2004 totaled \$28.8 million, or \$0.39 per share, on 73.1 million diluted shares outstanding, compared with net income of \$30.0 million, or \$0.40 per share, on 79.4 million diluted shares outstanding reported in the same quarter last year(1). Net income for the nine months ended June 30, 2004, totaled \$88.4 million, or \$1.20 per share, on 77.7 million diluted shares outstanding, compared with \$75.5 million, or \$0.99 per share, on 76.5 million diluted shares outstanding reported in the same period last year(1).

PRO FORMA RESULTS

The company reported pro forma net income for the third quarter of fiscal 2004 of \$32.9 million, compared to pro forma net income of \$32.2 million reported in the same quarter last year. Pro forma diluted earnings per share for the third quarter of fiscal 2004 was \$0.45, compared to pro forma diluted earnings per share of \$0.43 reported in the same quarter last year.

Pro forma net income for the nine months ended June 30, 2004 was \$97.5 million, compared with pro forma net income of \$83.4 million reported in the same period last year. Pro forma diluted earnings per share for the nine months ended June 30, 2004 was \$1.32, compared to pro forma diluted earnings per share of \$1.09 reported in the same period last year.

The GAAP results for the third quarter and nine months ended June 30, 2004 include the revenue impact of the purchase accounting adjustments, including the write-down to fair market value of deferred maintenance revenue, in connection with the acquisition of London Bridge Software

Holdings plc, the amortization of intangible assets acquired in acquisitions, and acquisition-related expenses. The pro forma results for the third quarter and nine months ended June 30, 2004 exclude the impact of these purchase accounting adjustments and acquisition-related expenses. A reconciliation of GAAP to pro forma, or non-GAAP, financial results is included in this press release.

All earnings per share figures reflect the company's three-for-two stock split, which took effect March 10, 2004.

"Although we are disappointed in our lower-than expected results this particular quarter, we believe our business model and portfolio of unique transaction-oriented analytic products will provide revenue and income growth in FY05 and beyond, consistent with that of the last four years," said Tom Grudnowski, President and CEO of Fair Isaac. "Our innovation is as strong as ever, but we are still learning how to execute well in multiple markets simultaneously. We have begun the integration of London Bridge, and our expectations remain high as we begin to manage in this new space."

NON-GAAP FINANCIAL MEASURES

The company uses pro forma non-GAAP financial measures, which exclude the purchase accounting adjustments and acquisition-related expenses described above, in analyzing financial results because they provide meaningful information regarding the company's operational performance and facilitate management's internal comparisons to the company's historical operating results and comparisons to the operating results of other companies. The company believes that these non-GAAP financial measures are useful to investors because they allow for greater transparency of the company's operating performance. Wherever non-GAAP financial measures have been included in this press release, the company has reconciled them in the tables below to their GAAP counterparts. These non-GAAP financial measures are not prepared in accordance with accounting principles generally accepted in the United States of America and may be different from non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

The following tables reconcile the non-GAAP financial measures to GAAP:

QUARTER ENDED	QUARTER ENDED	JUNE	
30, 2004	JUNE 30, 2003	-----	-----

		DILUTED	DILUTED
NET INCOME	EPS	NET INCOME	EPS
(1)	-----	-----	-----

		(IN	
		THOUSANDS, EXCEPT PER SHARE	
		DATA) Non-GAAP (pro forma)	
.....	\$ 32,902	\$	
0.45	\$ 32,179	\$ 0.43	Revenue
		impact of deferred maintenance	
write-down	816	0.01
--	Amortization of acquired		--
		intangible assets	
.....	2,851		
0.04	2,146	0.03	Acquisition-
		related expenses	
.....	466	0.01	

		GAAP	
.....			
\$ 28,769	\$ 0.39	\$ 30,033	\$ 0.40
=====			
=====			

NINE MONTHS ENDED NINE MONTHS
 ENDED JUNE 30, 2004 JUNE 30,
 2003 -----

DILUTED DILUTED NET INCOME EPS			
(1) NET INCOME EPS -----			
----- (IN THOUSANDS, EXCEPT PER			
SHARE DATA) Non-GAAP (pro forma)			
		\$ 97,547	\$
1.32	\$ 83,356	\$ 1.09	Revenue
			impact of deferred maintenance
		816	0.01 --
			-- Amortization of acquired
			intangible assets
		7,892	
0.10	6,288	0.08	Acquisition-
		466	0.01
			related expenses
1,600	0.02		-----

GAAP			
\$ 88,373	\$ 1.20	\$ 75,468	\$ 0.99
=====			
=====			

STOCK REPURCHASE PROGRAM

The company's Board of Directors has approved a stock repurchase program to acquire up to \$200 million of the company's outstanding common stock. As of June 30, 2004, the company had approximately 70.3 million shares of common stock outstanding. The program, which will expire in one year, will allow the company to repurchase its shares from time-to-time in the open market and in negotiated transactions.

REDEMPTION OF 5.25% CONVERTIBLE SUBORDINATED NOTES

The company has given notice to redeem its 5.25% Convertible Subordinated Notes due September 1, 2008. The redemption date will be September 8, 2004 at a redemption price of 102.625% of the principal amount of the notes plus interest accrued on the notes to the redemption date.

COMPANY TO HOST CONFERENCE CALL

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 2004 and fiscal 2005. 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 billions of 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. For more information, visit www.fairisaac.com.

STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

Except for historical information contained herein, the statements contained in this press 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, 2003, and quarterly report on Form 10-Q for the quarter ended March 31, 2004. 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 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.

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- (1) The computation of diluted earnings per share for the quarter ended June 30, 2003, and for the nine months ended June 30, 2004, includes 4.1 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 and \$4.8 million, respectively. The computation of diluted earnings per share for the quarter ended June 30, 2004, and for the nine months ended June 30, 2003, excludes these shares, as they were antidilutive during these periods.

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE QUARTERS AND NINE MONTHS ENDED JUNE 30, 2004 AND 2003
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

Quarter Ended	Nine Months Ended	
June 30, 2004	June 30, 2003	June 30, 2004

---	2004	2003

Revenues		
.....	\$ 173,197	\$ 163,000
.....	\$ 468,330	\$ 515,784

Operating expenses:		
Cost of revenues		
.....	61,361	62,209
.....	184,179	186,904
.....	19,096	
.....	16,959	49,830
.....	51,325	
.....	45,384	
.....	31,277	127,652
.....	95,175	
.....	4,597	
.....	3,461	12,728
.....	10,142	
.....	751	(36)
.....	751	2,580

.....	131,189	113,870
.....	375,140	346,126

Operating income		
.....	42,008	49,130
.....	140,644	122,204
.....	(482)	
.....	4,385	(690)
.....	1,893	

Income before income taxes		
.....	48,440	142,537
.....	121,722	
.....	17,624	18,407
.....	54,164	46,254

Net income		
.....	\$ 28,769	\$ 30,033
.....	\$ 75,468	\$ 88,373
=====		
Earnings per share: Basic		
.....	\$ 0.41	\$ 0.42(b)
.....	\$ 1.26	\$ 1.04(b)
=====		
Diluted		
.....	\$ 0.39	\$ 0.40(a)(b)
.....	\$ 0.99(b)	\$ 1.20(a)
=====		
Shares used in computing earnings per share:		
Basic		
.....	70,008	71,233(b)
.....	70,046	72,787(b)
=====		
Diluted		
.....	73,050	79,436(a)(b)
.....	76,453(b)	77,656(a)
=====		

- (a) The computation of diluted earnings per share for the quarter ended June 30, 2003, and for the nine months ended June 30, 2004, includes 4.1 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 and \$4.8 million, respectively. The computation of diluted earnings per share for the quarter ended June 30, 2004, and for the nine months ended June 30, 2003, excludes these shares, as they were antidilutive during these periods.
- (b) On February 2, 2004, our Board of Directors declared a three-for-two stock split in the form of a 50% common stock dividend with cash payment in lieu of fractional shares, paid on March 10, 2004 to shareholders of record on February 18, 2004. The share and per share amounts within the condensed consolidated statements of income have been restated to reflect this stock split.

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
JUNE 30, 2004 AND SEPTEMBER 30, 2003
(IN THOUSANDS)
(UNAUDITED)

June 30,
September 30,
2004 2003 -----

ASSETS: Current
assets: Cash
and investments
\$ 453,664 \$
505,351
Receivables,
net 135,905
138,712 Prepaid
expenses and
other current
assets 24,885
23,809 -----
----- Total
current assets
614,454 667,872
Investments
70,971 164,254
Property and
equipment, net
52,698 50,706
Goodwill and
intangible
assets, net
831,350 551,772
Other
noncurrent
assets 52,790
60,569 -----
----- \$
1,622,263 \$
1,495,173
=====

=====

LIABILITIES AND
STOCKHOLDERS'
EQUITY: Current
liabilities:
Accounts
payable and
other accrued
liabilities \$
84,767 \$ 40,939
Accrued
compensation
and employee
benefits 25,489
25,839 Deferred
revenue 39,517
31,584 -----
----- Total
current
liabilities
149,773 98,362
Senior
convertible
notes 400,000
400,000
Convertible
subordinated
notes 142,510
141,364 Other
noncurrent
liabilities
8,423 5,905 ---

----- Total
liabilities
700,706 645,631
Stockholders'
equity 921,557
849,542 -----
----- \$
1,622,263 \$
1,495,173
=====

FAIR ISAAC CORPORATION
 REVENUES BY SEGMENT
 FOR THE QUARTERS AND NINE MONTHS ENDED JUNE 30, 2004 AND 2003
 (IN THOUSANDS)
 (UNAUDITED)

Quarter
 Ended Nine
 Months
 Ended June
 30, June
 30, -----

 2004 2003
 2004 2003 -

 Strategy
 machine
 solutions \$
 105,699 \$
 97,032 \$
 312,547 \$
 283,038
 Scoring
 solutions
 36,308
 34,547
 105,322
 101,570
 Professional
 services
 23,197
 21,925
 70,305
 62,018
 Analytic
 software
 tools 7,993
 9,496
 27,610
 21,704 ----

-- Total
 revenues \$
 173,197 \$
 163,000 \$
 515,784 \$
 468,330
 =====
 =====
 =====
 =====

FAIR ISAAC CORPORATION
 BASELINE REVENUE ANALYSIS - 2004
 (IN THOUSANDS)

	BKG '04	Q1A	Q2A	Q3A	Q4E	FY04
Baseline Prior to '04 London Bridge Baseline		\$ 153,440	\$ 148,234	\$ 140,726 5,433	\$ 132,887 15,440	\$ 575,287 20,873
Total Baseline Prior to '04		153,440	148,234	146,159	148,327	596,160
Q1-2004	\$ 135,108	15,901	10,304	8,300	7,273	41,778
Q2-2004	116,997		14,708	8,397	9,824	32,929
Q3-2004	78,580			10,341	8,598	18,939
Q4-2004 E	100,000				15,059	15,059
Total FY04 E	430,685	15,901	25,012	27,038	40,754	108,705
Baseline Prior to '05 E		169,341	173,246	173,197	189,081	704,865
Q1-2005						
Q2-2005						
Q3-2005						
Q4-2005						
					Not Used	
Total FY05						
GRAND TOTAL ESTIMATE	\$ 430,685	\$ 169,341	\$ 173,246	\$ 173,197	\$ 189,081	\$ 704,865

	BKG '05	Q1E	Q2E	Q3E	Q4E	FY05E
Baseline Prior to '04 London Bridge Baseline		\$ 125,057 16,450	\$ 121,996 17,050	\$ 122,773 17,100	\$ 120,258 16,400	\$ 490,084 67,000
Total Baseline Prior to '04		141,507	139,046	139,873	136,658	557,084
Q1-2004		7,025	6,659	5,906	5,649	25,239
Q2-2004		8,735	6,961	6,457	6,363	28,516
Q3-2004		6,721	4,803	2,460	2,522	16,506
Q4-2004 E		5,066	3,864	3,630	3,416	15,976
Total FY04 E		27,547	22,287	18,453	17,950	86,237
Baseline Prior to '05 E		\$ 169,054	\$ 161,333	\$ 158,326	\$ 154,608	\$ 643,321

Q1-2005						
Q2-2005						
Q3-2005						
Q4-2005						
					'05 New Revenue To Be Reported	
Total FY05						
GRAND TOTAL ESTIMATE						

E = Estimate
 A = Actual