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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) January 24, 2007  
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FAIR ISAAC CORPORATION  
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(Exact name of registrant as specified in its charter)

Delaware  
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0-16439  
-----

94-1499887  
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(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

901 Marquette Avenue, Suite 3200  
Minneapolis, Minnesota  
-----

55402-3232  
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(Address of principal executive offices)

(Zip Code)

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

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Exhibit 99.1

Item 2.02. Results of Operations and Financial Condition.

On January 24, 2007, Fair Isaac Corporation (the "Company") reported its financial results for the quarter ended December 31, 2006. See the Company's press release dated January 24, 2007, 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; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

(d) On January 24, 2007, Andrew Cecere resigned from the Board of Directors of the Company and the committees on which he served in order to devote more time in his new role at U.S. Bancorp. Mr. Cecere, who has been a board member since April 2004, was recently named vice chairman and chief financial officer of U.S. Bancorp, where he had previously served as vice chairman of wealth management.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	Description
- - - - -	- - - - -
99.1	Press Release dated January 24, 2007

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  
Interim Chief Executive Officer,  
Vice President, Chief Financial Officer

Date: January 24, 2007

EXHIBIT INDEX

Exhibit No. -----	Description -----	Manner of Filing -----
99.1	Press Release dated January 24, 2007	Filed Electronically

## Fair Isaac Announces First Quarter 2007 Results

Total revenue of \$208.2 million;  
Earnings per share of \$0.52

MINNEAPOLIS--(BUSINESS WIRE)--Jan. 24, 2007--Fair Isaac Corporation (NYSE:FIC), the leading provider of analytics and decision technology, today announced the financial results for its first quarter ended December 31, 2006.

## First Quarter Fiscal 2007 Results

The company reported first quarter revenues of \$208.2 million in fiscal 2007 versus \$202.8 million reported in the prior year period. Net income for the first quarter of fiscal 2007 totaled \$31.2 million, or \$0.52 per diluted share, versus \$28.5 million, or \$0.43 per diluted share, reported in the prior year period. First quarter fiscal 2007 results included a \$2.3 million tax benefit arising from adjustments to income tax reserves resulting from the conclusion of a tax audit and the extension of the Federal Research Tax Credit.

"We are pleased with our operating results, earnings per share, and cash flows for the quarter, and appreciate the hard work of our employees in good expense management," said Charles M. Osborne, Fair Isaac's interim chief executive officer. "We are still not satisfied with our rate of revenue growth. The expected benefits from our change to the Integrated Client Network organization have been slower than anticipated as people settle into new roles within the structure. We remain steadfast that our vision provides long-term growth for our customers, shareholders and employees."

## First Quarter Fiscal 2007 Revenues Highlights

Revenues for first quarter fiscal 2007 across each of the company's four operating segments were as follows:

- Strategy Machine(R) Solutions revenues were \$110.7 million in the first quarter compared to \$112.0 million in the prior year quarter, or a decrease of 1.2%, primarily due to a decline associated with mortgage, originations, and precision marketing products offset by an increase in revenues from fraud, customer management, and collections and recovery solutions.
- Scoring Solutions revenues were \$44.9 million in the first quarter compared to \$46.2 million in the prior year quarter, or a decrease of 2.7%, primarily due to a decrease in revenues derived from our PreScore(R) Service.
- Professional Services revenues increased to \$38.4 million in the first quarter from \$32.8 million in the prior year quarter, or by 17.0%, primarily due to an increase in revenues from analytics, fraud, and customer management consulting offset by a decline associated with collections and recovery implementations.
- Analytic Software Tools revenues increased to \$14.2 million in the first quarter compared to \$11.8 million in the prior year quarter, or by 20.4%, due to an increase in revenues generated from sales of the Blaze Advisor(TM) product.

## Bookings Highlights

The bookings for the first quarter were \$72.1 million versus \$127.8 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.

"Our lower level of bookings this quarter reflects our emphasis on license and service sales," stated Mr. Osborne, "and these tend to carry a lower booking value."

## Balance Sheet and Cash Flow Highlights

Cash and cash equivalents, and marketable security investments were \$271.7 million at December 31, 2006, as compared to \$267.8 million at September 30, 2006. Significant changes in cash and cash equivalents from September 30, 2006 include cash provided by operations of \$59.6 million, borrowings under the revolving credit facility of \$70.0 million, and \$30.8 million received from the exercise of stock options and stock issued under an employee stock purchase plan. Cash used during the first quarter of fiscal 2007 includes \$5.1 million related to purchases of property and equipment and \$154.5 million to repurchase common stock.

#### Outlook

The company expects revenues for second quarter fiscal 2007 of approximately \$215.0 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 \$2.15.

#### Organizational Announcement

The company also announced today that Andrew Cecere has stepped down as a board member, effective immediately, in order to devote more time to his new role at U.S. Bancorp. Mr. Cecere, who has been a board member since April 2004, was recently named vice chairman and chief financial officer of U.S. Bancorp, where he had previously served as vice chairman of wealth management.

"I want to extend my thanks to Andy for his contributions to Fair Isaac Corporation," said A. George Battle, chairman. "We are sorry to see him go, but all of us at Fair Isaac wish him well in his new position at U.S. Bancorp."

#### 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 first quarter fiscal 2007 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](http://www.fairisaac.com), and a replay will be available approximately two hours after the completion of the call through February 21, 2007.

#### 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](http://www.myfico.com) website. Visit Fair Isaac online at [www.fairisaac.com](http://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 success of the Company's Enterprise Decision Management strategy, its 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, 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, Blaze Advisor, 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 Ended December 31, 2006 and 2005  
(In thousands, except per share data)  
(Unaudited)

	Quarter Ended December 31,	
	2006	2005
Revenues	\$208,227	\$202,790
Operating expenses:		
Cost of revenues	70,569	67,045
Research and development	17,719	22,730
Selling, general and administrative	68,648	63,383
Amortization of intangible assets	6,390	6,263
Restructuring and acquisition-related	-	(674)
Total operating expenses	163,326	158,747
Operating income	44,901	44,043
Other income, net	435	845
Income before income taxes	45,336	44,888
Provision for income taxes	14,111	16,431
Net income	\$31,225	\$28,457
Earnings per share:		
Basic	\$0.54	\$0.44
Diluted	\$0.52	\$0.43
Shares used in computing earnings per share:		
Basic	58,057	64,211
Diluted	59,985	66,219

FAIR ISAAC CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
December 31, 2006 and September 30, 2006  
(In thousands)  
(Unaudited)

	December 31, 2006	September 30, 2006
ASSETS:		
Current assets:		
Cash and cash equivalents	\$99,149	\$75,154
Marketable securities	122,812	152,141
Receivables, net	176,547	165,806
Prepaid expenses and other current assets	16,680	20,209
Total current assets	415,188	413,310

Marketable securities and investments	49,736	40,479
Property and equipment, net	54,650	56,611
Goodwill and intangible assets, net	786,535	786,062
Other noncurrent assets	22,061	24,743
	-----	-----
	\$1,328,170	\$1,321,205
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY:

Current liabilities:		
Accounts payable and other accrued liabilities	\$56,610	\$53,809
Senior convertible notes	400,000	400,000
Revolving credit agreement	70,000	-
Accrued compensation and employee benefits	40,567	34,936
Deferred revenue	47,131	48,284
	-----	-----
Total current liabilities	614,308	537,029
Other noncurrent liabilities	14,166	14,148
	-----	-----
Total liabilities	628,474	551,177
Stockholders' equity	699,696	770,028
	-----	-----
	\$1,328,170	\$1,321,205
	=====	=====

FAIR ISAAC CORPORATION  
REVENUES BY SEGMENT  
For the Quarters Ended December 31, 2006 and 2005  
(In thousands)  
(Unaudited)

	Quarter Ended December 31,	
	-----	-----
	2006	2005
	-----	-----
Strategy machine solutions	\$110,669	\$111,986
Scoring solutions	44,918	46,156
Professional services	38,417	32,831
Analytic software tools	14,223	11,817
	-----	-----
Total revenues	\$208,227	\$202,790
	=====	=====

FAIR ISAAC CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Quarters Ended December 31, 2006 and 2005  
(In thousands)  
(Unaudited)

	Quarter Ended December 31,	
	-----	-----
	2006	2005
	-----	-----
Cash flows from operating activities:		
Net income	\$31,225	\$28,457
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,549	12,059
Share-based compensation expense	9,572	9,514
Changes in operating assets and liabilities	(3,732)	10,366
Other, net	9,034	348
	-----	-----
Net cash provided by operating activities	59,648	60,744
	-----	-----

Cash flows from investing activities:

Purchases of property and equipment	(5,125)	(2,545)
Net activity from marketable securities	21,392	22,587
Other, net	(213)	249
	-----	-----
Net cash provided by investing activities	16,054	20,291
	-----	-----
Cash flows from financing activities:		
Proceeds from revolving credit agreement	70,000	-
Proceeds from issuances of common stock	30,832	36,154
Repurchases of common stock	(154,490)	(12,766)
Other, net	634	2,352
	-----	-----
Net cash provided by (used in) financing activities	(53,024)	25,740
	-----	-----
Effect of exchange rate changes on cash	1,317	(359)
	-----	-----
Increase in cash and cash equivalents	23,995	106,416
Cash and cash equivalents, beginning of period	75,154	82,880
	-----	-----
Cash and cash equivalents, end of period	\$99,149	\$189,296
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