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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) January 26, 2005

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 (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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Item 2.02 Results of Operations and Financial Condition.

On January 26, 2005, Fair Isaac Corporation (the "Company") reported its financial results for the quarter ended December 31, 2004. See the Company's press release January 26, 2005, which is furnished as Exhibit 99.1 hereto and incorporated by reference in this Item 2.02.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number	Description
99.1	Press Release dated January 26, 2005

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: January 26, 2005

EXHIBIT INDEX

Exhibit Number	Description	Method of Filing
99.1	Press Release dated January 26, 2005	Filed Electronically

Fair Isaac Announces First Quarter Fiscal 2005 Results

MINNEAPOLIS--(BUSINESS WIRE)--Jan. 26, 2005--

Year over year revenue growth of 15% for first quarter;
net income exceeds company guidance by 8%

Fair Isaac Corporation (NYSE:FIC), a leader in customer analytics and decision technology, today announced financial results for its first fiscal quarter ended December 31, 2004.

GAAP Results

The company reported first quarter revenues of \$195.5 million in fiscal 2005 versus \$169.3 million reported in the first quarter of fiscal 2004. Net income for the first quarter of fiscal 2005 totaled \$27.9 million, or \$0.36 per diluted share, compared with net income of \$28.8 million, or \$0.36 per diluted share, reported in the same quarter last year. During the first quarter, the company adopted EITF Issue No. 04-8, The Effect of Contingently Convertible Instruments on Diluted Earnings Per Share, related to its Senior Convertible Notes. The adoption of this standard only impacts the computation of diluted earnings per share, and reduced the first quarter diluted earnings per share by \$0.03 in fiscal 2005 and \$0.03 in fiscal 2004.

Pro Forma Results

The company reported pro forma net income for the first quarter of fiscal 2005 of \$33.5 million, compared to pro forma net income of \$31.3 million reported in the same quarter last year. Pro forma diluted earnings per share for the first quarter of fiscal 2005 was \$0.43, compared to pro forma diluted earnings per share of \$0.39 reported in the same quarter last year.

The GAAP results for the first quarter include: i) the revenue impact of the purchase accounting adjustments related to the write-down of deferred revenue to fair market value in connection with the acquisition of London Bridge Software Holdings plc, and ii) the amortization of intangible assets acquired in acquisitions. The pro forma results for the first quarter of fiscal 2005 exclude the impact of these items. A reconciliation of GAAP to pro forma, or non-GAAP, financial results is included in this news release.

"We are pleased with our first quarter revenues and bookings, and are off to a great start in achieving our 2005 objectives," said Thomas Grudnowski, Fair Isaac's Chief Executive Officer. "In addition, we continue to deliver strong cash flow performance."

Non-GAAP Financial Measures

The company uses pro forma non-GAAP financial measures 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 news 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 U.S. generally accepted accounting principles 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 table reconciles the non-GAAP financial measures to GAAP:

	Quarter Ended December 31, 2004		Quarter Ended December 31, 2003	
	Net Income	Diluted EPS	Net Income	Diluted EPS

	(In thousands, except per share data)			
Non-GAAP (pro forma).....	\$33,480	\$0.43	\$31,293	\$0.39
Impact of deferred revenue write-down.....	1,396	0.02	--	--
Amortization of acquired intangible assets.....	4,223	0.05	2,532	0.03

GAAP.....	\$27,861	\$0.36	\$28,761	\$0.36
	=====			

Revenues and Bookings Highlights

Revenues increased across each of the company's four operating segments. Strategy Machine Solutions revenues increased to \$117.8 million in 2005 from \$103.3 million in 2004, or by 14%, primarily due to revenues generated by our collections and recovery solutions and mortgage banking solutions associated with the acquisition of London Bridge and increased revenues from our fraud solutions products, partially offset by a decline in revenues associated with insurance and healthcare solutions. Scoring Solutions revenues increased to \$39.4 million in 2005 from \$35.3 million in 2004, or by 12%, primarily due to an increase in revenues derived from risk scoring services at the credit reporting agencies. Professional Services revenues increased to \$29.5 million in 2005 from \$22.5 million in 2004, or by 31%, due to our acquisition of London Bridge and Braun Consulting, Inc. Analytic Software Tools revenues increased to \$8.8 million in 2005 from \$8.3 million in 2004, or by 7%, due to revenues generated by sales from the Enterprise Decision Management suite of products.

The company achieved new bookings of \$115.4 million in the first quarter of 2005, as compared to its previous guidance of \$120.0 million. 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, 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.

Balance Sheet and Cash Flow Highlights

Cash and cash equivalents, and marketable security investments were \$344.3 million at December 31, 2004 as compared to \$364.3 million at September 30, 2004. Significant changes in cash and cash equivalents include cash provided by operations of \$79.9 million for the first quarter of 2005. Cash used during the first quarter of 2005 includes \$3.1 million related to purchases of property and equipment, \$33.8 million (net of cash acquired) related to the November 10, 2004 acquisition of Braun Consulting, Inc., and \$109.9 million to repurchase company stock under its share repurchase plan. Cash was generated from the November 12, 2004 sale of the company's subsidiary, London Bridge Phoenix Software, Inc., for \$23.0 million and \$17.9 million received from the exercise of stock options and stock issued.

"We believe our first quarter performance is another strong indicator of the appreciation and demand for our analytic solutions and tools," said Grudnowski. "We expect demand will accelerate as more businesses seek answers to critical decision management challenges."

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 results. 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 2 hours after the completion of the call through February 25, 2005.

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 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, 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.

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended December 31, 2004 and 2003
(In thousands, except per share data)
(Unaudited)

	Quarter Ended December 31,	
	2004	2003
Revenues	\$195,546	\$169,341
Operating expenses:		
Cost of revenues	69,770	59,535
Research and development	20,998	16,401
Selling, general and administrative	53,568	41,760
Amortization of intangible assets	6,784	4,067
	151,120	121,763
Operating income	44,426	47,578
Other income (expense), net	330	(1,375)
	44,756	46,203
Income before income taxes	44,756	46,203
Provision for income taxes	16,895	17,442
	\$27,861	\$28,761
	\$27,861	\$28,761
Earnings per share:		
Basic	\$0.41	\$0.41
	\$0.36 (a)	\$0.36 (a)
Diluted	\$0.36 (a)	\$0.36 (a)
Shares used in computing earnings per share:		
Basic	68,570	69,824
	80,056 (a)	82,838 (a)
Diluted	80,056 (a)	82,838 (a)

(a) The computation of diluted earnings per share for the quarters ended December 31, 2004 and 2003, includes 9.1 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 \$1.3 million.

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
December 31, 2004 and September 30, 2004
(In thousands)
(Unaudited)

	December 31, 2004	September 30, 2004
ASSETS:		
Current assets:		
Cash and cash equivalents	\$157,150	\$159,870

Marketable securities	149,844	139,435
Receivables, net	141,976	140,845
Prepaid expenses and other current assets	38,011	25,951
	-----	-----
Total current assets	486,981	466,101
Marketable securities and investments	37,270	65,007
Property and equipment, net	53,158	53,288
Goodwill and intangible assets, net	818,464	825,142
Other noncurrent assets	34,928	35,241
	-----	-----
	\$1,430,801	\$1,444,779
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY:

Current liabilities:		
Accounts payable and other accrued liabilities	\$60,906	\$45,596
Accrued compensation and employee benefits	31,738	33,670
Deferred revenue	59,223	41,050
	-----	-----
Total current liabilities	151,867	120,316
Senior convertible notes	400,000	400,000
Other noncurrent liabilities	11,306	7,992
	-----	-----
Total liabilities	563,173	528,308
Stockholders' equity	867,628	916,471
	-----	-----
	\$1,430,801	\$1,444,779
	=====	=====

FAIR ISAAC CORPORATION
REVENUES BY SEGMENT
For the Quarters Ended December 31, 2004 and 2003
(In thousands)
(Unaudited)

	Quarter Ended December 31,	
	-----	-----
	2004	2003
	-----	-----
Strategy machine solutions	\$117,812	\$103,261
Scoring solutions	39,424	35,307
Professional services	29,470	22,492
Analytic software tools	8,840	8,281
	-----	-----
Total revenues	\$195,546	\$169,341
	=====	=====

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Quarters Ended December 31, 2004 and 2003
(In thousands)
(Unaudited)

	Quarter Ended December 31,	
	-----	-----
	2004	2003
	-----	-----
Cash flows from operating activities:		
Net income	\$27,861	\$28,761
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,472	11,307
Changes in operating assets and liabilities, net of acquisitions	33,705	23,985
Other, net	4,872	3,674
	-----	-----
Net cash provided by operating activities	79,910	67,727
	-----	-----

Cash flows from investing activities:		
Purchases of property and equipment	(3,089)	(4,320)
Cash paid for acquisitions, net of cash acquired	(33,800)	(5,000)
Net activity from marketable securities	23,997	(122,786)
Other, net	23,250	1,700
	-----	-----
Net cash provided by (used in) investing activities	10,358	(130,406)
	-----	-----
Cash flows from financing activities:		
Proceeds from issuances of common stock	17,868	11,682
Dividends paid	(1,371)	(935)
Repurchases of common stock	(109,892)	-
	-----	-----
Net cash provided by (used in) financing activities	(93,395)	10,747
	-----	-----
Effect of exchange rate changes on cash	407	-
	-----	-----
Decrease in cash and cash equivalents	(2,720)	(51,932)
Cash and cash equivalents, beginning of period	159,870	249,458
	-----	-----
Cash and cash equivalents, end of period	\$157,150	\$197,526
	=====	=====

FAIR ISAAC CORPORATION
BASELINE REVENUE ANALYSIS
(In thousands)

	BKG '04	Q1A	Q2A	Q3A	Q4A	FY04A

Total Baseline Prior to '04	\$153,440	\$148,234	\$146,159	\$151,800	\$599,633	

Q1-2004A	\$135,108	15,901	10,304	8,300	8,021	42,526
Q2-2004A	116,997		14,708	8,397	9,933	33,038
Q3-2004A	78,580			10,341	7,537	17,878
Q4-2004A	110,585				13,131	13,131

Total FY04A	441,270	15,901	25,012	27,038	38,622	106,573

Baseline Prior to '05	441,270	169,341	173,246	173,197	190,422	706,206

Q1-2005A						
Q2-2005E						
Q3-2005E						
Q4-2005E						

Total FY05E						

Grand Total	\$441,270	\$169,341	\$173,246	\$173,197	\$190,422	\$706,206
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	BKG '05	Q1A	Q2E	Q3E	Q4E	FY05E

Total Baseline Prior to '04	\$143,751	\$141,800	\$141,400	\$139,600	\$566,551	

Q1-2004A		8,714	7,100	6,300	5,900	28,014
Q2-2004A		6,447	6,500	5,900	5,700	24,547
Q3-2004A		6,720	5,300	3,700	4,400	20,120
Q4-2004A		10,046	9,800	10,300	7,800	37,946

Total FY04A		31,927	28,700	26,200	23,800	110,627

Baseline Prior to '05		175,678	170,500	167,600	163,400	677,178

Q1-2005A	\$115,363	19,868	13,500	11,300	10,200	54,868
Q2-2005E	125,000		19,000			
Q3-2005E						
Q4-2005E						
Total FY05E	500,000	19,868	32,500			
Grand Total	\$500,000	\$195,546	\$203,000			

E = Estimate
A = Actual

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