

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 19, 2005

JACK HENRY & ASSOCIATES, INC.

(Exact name of Registrant as specified in its Charter)

Delaware	0-14112	43-1128385
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

663 Highway 60, P.O. Box 807, Monett, MO 65708

(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: (417) 235-6652

(Former name or former address, if changed since last report)

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))

Item 2.02 Results of Operations and Financial Condition.

On January 19, 2005, Jack Henry & Associates, Inc. issued a press release announcing 2005 second quarter results, the text of which is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press release dated January 19, 2005.

SIGNATURES

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.

JACK HENRY & ASSOCIATES, INC.

(Registrant)

Date: January 19, 2005

By: /s/ Kevin D. Williams
Kevin D. Williams
Chief Financial Officer

Company: Jack Henry & Associates, Inc.
663 Highway 60, P.O. Box 807
Monett, MO 65708

Analyst Contact: Kevin D. Williams
Chief Financial Officer
(417) 235-6652

IR Contact: Jon Seegert
Director Investor Relations
(417) 235-6652

FOR IMMEDIATE RELEASE

JACK HENRY & ASSOCIATES FISCAL 2005 SECOND QUARTER NET INCOME INCREASES 22%

Monett, MO. January 19, 2005 - Jack Henry & Associates, Inc. (Nasdaq: JKHY), a leading provider of integrated technology solutions that perform data processing for financial institutions, today reported fiscal 2005 second quarter results reflecting a 21% increase in revenue, resulting in a 22% increase in gross profit and net income over the same quarter of the prior year. For the first six months of fiscal 2005 revenue increased 17%, with an increase of 21% in gross profit and net income over the same six months in fiscal 2004.

For the quarter ended December 31, 2004, the company generated total revenue of \$136.0 million compared to \$112.7 million in the same quarter a year ago. Gross profit increased to \$54.7 million compared to \$44.7 million in the second quarter of last fiscal year. Net income totaled \$17.7 million, or \$0.19 per diluted share, compared to \$14.5 million, or \$0.16 per diluted share in the same quarter a year ago.

For the first half of fiscal 2005, total revenue of \$260.1 million was generated compared to \$221.7 million for the first half of fiscal 2004. Gross profit increased to \$105.3 million compared to \$87.4 million during the same period last fiscal year. Net income for the first half of fiscal 2005 was \$34.4 million, or \$0.37 per diluted share, compared to \$28.4 million, or \$0.31 per diluted share for the same six months in fiscal 2004.

"We are very encouraged with the progress we have made during the quarter and first six months of our fiscal year reflected by both increased revenue and backlog. We believe that the changes made to our sales force over the last couple of years continue to show positive results. This was the strongest quarter in the history of the company from the perspective of both new contracts and revenue recognized," said Jack F. Prim, CEO. "Since our last earnings call we have announced four additional acquisitions, which not only add to our suite of products and services being offered to our existing customers but they also expand our potential addressable market base and new markets. Year to date we have made six acquisitions, which we anticipate to be slightly accretive for the remainder of the fiscal year, and we expect to see significant growth for these products and services in the future."

Operating Results

"We continued to have strong license revenue in the second fiscal quarter with a 79% increase for the quarter and a 64% increase in license revenue for the six months ended December 31, 2004, compared to the prior year periods. However, due to a significant increase in re-sale of third party software to our core customers our gross profit margin on license revenue decreased from 98% to 92% for the quarter and from 95% to 92% year-to-date," said Tony L. Wormington, President. "The most significant impact of the decrease in license margins is attributable to the third party re-sale agreements in the credit union segment."

License revenue increased to \$22.1 million, or 16% of second quarter total revenue, compared to \$12.4 million, or 11% of the second quarter total revenue a year ago. Support and services revenue increased to \$87.7 million, or 65% of total revenue in second quarter of fiscal 2005 from \$76.7 million, or 68% of total revenue for the same period a year ago. Hardware sales in the second quarter of fiscal 2005 increased to \$26.1 million, or 19% of total revenue, from \$23.6 million, or 21% of total revenue in the second quarter of last fiscal year.

For the first half of fiscal 2005, license revenue increased 64% to \$41.7 million, or 16% of total revenue, compared to \$25.4 million, or 11% of the total revenue a year ago. Support and services revenue contributed 66% to total revenue, or \$171.4 million of the total revenue for the first six months of fiscal 2005 compared to \$149.2 million, or 67% of total revenue for the first six months of fiscal 2004. Hardware sales for the six months

of fiscal 2005 remained nearly even at \$47.0 million compared to \$47.1 million for the same period last year. Hardware revenue was 18% of total revenue year to date in fiscal 2005 and 21% of revenue year to date in fiscal 2004.

Cost of sales for the second quarter increased 19% from \$68.0 million for the three months ended December 31, 2003 to \$81.2 million for the three months ended December 31, 2004. Second quarter gross profit increased 22% to \$54.7 million with a 40% gross margin, compared to \$44.7 million and a 40% gross margin for the same period a year ago.

Cost of sales for the six months ended December 31, 2004 increased 15%, to \$154.7 million from \$134.3 million for the same period ended December 31, 2003. Gross profit for the first half of fiscal 2005 increased 21% to \$105.3 million with a 40% gross margin, compared to \$87.4 million or a 39% gross margin for the first half of fiscal 2004.

Gross margin on license revenue for the second quarter of fiscal 2005 was 92% compared to 98% a year ago for the same period due to increased license revenue through reseller agreements. Support and service gross margin decreased to 31% in the second quarter of fiscal 2005 from 33% a year ago mainly due to increased headcount relating to the support and service revenue, travel expenses and depreciation. Hardware gross margins were lower for the second quarter at 29% compared to 32% for the same quarter last year primarily due to volume and sales mix of hardware and reduced rebates received on hardware sold in the current year.

Gross margin on license revenue for the first half of fiscal 2005 was 92% compared to 95% a year ago for the same period due to increased license revenue through reseller agreements. Support and service gross margin remained even at 32% for the first six months in both fiscal years. Hardware gross margins were lower this year to date at 27% compared to 31% for the same period last year, primarily due to the volume and sales mix of hardware and a decrease in rebates received on hardware sold.

For the second quarter of 2005, the bank systems and services segment revenue increased 18% to \$111.3 million, with a gross margin of 43% from \$94.2 million and a gross margin of 40% in the same quarter a year ago. The credit union systems and services segment revenue increased 33% to \$24.7 million with a gross margin of 29% for the second quarter of 2005 from \$18.5 million and a gross margin of 36% in the same period a year ago. "The credit union segment gross margin decreased primarily due to the significant amount of third party software delivered during the quarter causing a decrease in gross margin on license revenue. This combined with a decrease in support and service margin primarily due to increased headcount this quarter compared to the prior year, increased depreciation related to the new facility in San Diego, and the decrease in the hardware margin due to sales mix and reduced rebates caused the decrease in Credit Union segment gross margin for the quarter," said Kevin D. Williams, CFO.

For the six months ended December 31, 2004, the bank systems and services segment revenue increased 14% to \$211.1 million, with a gross margin of 42% from \$185.8 million and a gross margin of 40% a year ago. The credit union systems and services segment revenue increased 36% to \$49.0 million for the first half of 2005, with a gross margin of 33% from \$35.9 million and gross margin of 36% in the same period a year ago.

Operating expenses increased 21% for the second quarter of fiscal 2005 compared to the same quarter a year ago primarily due to employee related expenses. Selling and marketing expenses rose 40% in the second quarter to \$11.9 million, or 9% of total revenue, from \$8.5 million or 8% of total revenue. Research and development expenses increased 14% to \$6.7 million from \$5.9 million, while remaining at 5% of total revenue for the second quarters in fiscal 2005 and 2004. General and administrative costs increased 6% to \$8.1 million or 6% of revenue, in the second quarter of fiscal year 2005, from \$7.7 million, or 7% of revenue for the same quarter a year ago.

Operating expenses increased 18% for fiscal 2005 year to date compared to the same period a year ago primarily due to employee related expenses. Selling and marketing expenses rose 31% in the same period to \$22.7 million, or 9% of total revenue from \$17.3 million or 8% of total revenue. Research and development expenses increased 15% to \$12.9 million from \$11.2 million, while remaining at 5% of total revenue for the first six months in fiscal 2005 and 2004. General and administrative costs increased 6% to \$15.6 million or 6% of revenue for the first half of fiscal 2005 from \$14.7 million, or 7% of revenue for the same period a year ago.

Operating income increased 24% to \$28.0 million, or 21% of second quarter revenue, compared to \$22.6 million, or 20% of revenue in the second quarter of fiscal 2004. Provision for income taxes is 37.5% for the second quarter

in fiscal 2005 compared to 36.5% last year due to changes in the effective state tax rates. Second quarter net income totaled \$17.7 million, or \$0.19 per diluted share, compared to \$14.5 million, or \$0.16 per diluted share in the second quarter of fiscal 2004.

Operating income increased 23% to \$54.2 million, or 21% of year to date revenue, compared to \$44.2 million, or 20% of revenue year to date in fiscal 2004. Provision for income taxes is 37.5% year to date fiscal 2005 compared to 36.5% year to date in fiscal 2004 due to changes in the effective state tax rates. Year to date net income totaled \$34.4 million, or \$0.37 per diluted share, compared to \$28.4 million, or \$0.31 per diluted share in the prior year.

Balance Sheet and Backlog Review

Cash, cash equivalents, and investments decreased to \$23.5 million from \$109.5 million compared to December 31, 2003 primarily due to amounts paid for acquisitions. Trade receivables increased \$20.1 million to \$87.9 million compared to a year ago. Deferred revenue increased \$11.8 million or 12% to \$109.7 million at December 31, 2004 compared to a year ago. Stockholders' equity grew 19% to \$482.4 million at December 31, 2004, from \$406.8 million a year ago.

Backlog, which is a measure of future business and revenue, increased 7% from year-ago levels and increased 5% from the prior quarter to \$194.5 million (\$68.4 million in-house and \$126.1 million outsourcing). Backlog at September 30, 2004, was \$185.1 million (\$63.0 million in-house and \$122.1 million outsourcing) and at December 31, 2003, was \$182.5 million (\$60.0 million in-house and \$122.5 million outsourcing).

About Jack Henry & Associates

Jack Henry & Associates, Inc. provides integrated computer systems and processes ATM and debit card transactions for banks and credit unions. Jack Henry markets and supports its systems throughout the United States and has over 7,700 customers nationwide. For additional information on Jack Henry, visit the company's web site at www.jackhenry.com. The company will hold a conference call on January 20th at 7:45 a.m. Central Time and investors are invited to listen at www.jackhenry.com.

Statements made in this news release that are not historical facts are forward-looking information. Actual results may differ materially from those projected in any forward-looking information. Specifically, there are a number of important factors that could cause actual results to differ materially from those anticipated by any forward-looking information. Additional information on these and other factors, which could affect the Company's financial results, are included in its Securities and Exchange Commission (SEC) filings on Form 10-K, and potential investors should review these statements. Finally, there may be other factors not mentioned above or included in the Company's SEC filings that may cause actual results to differ materially from any forward-looking information.

Condensed Consolidated Statements of Income (In Thousands, Except Per Share Data - unaudited)

	Three Months Ended		% Change	Six Months Ended		% Change
	December 31,			December 31,		
	2004	2003		2004	2003	
REVENUE						
License	\$ 22,148	\$ 12,400	79%	\$ 41,699	\$ 25,360	64%
Support and service	87,726	76,717	14%	171,374	149,241	15%
Hardware	26,086	23,613	10%	46,983	47,069	0%
Total	135,960	112,730	21%	260,056	221,670	17%
COST OF SALES						
Cost of license	1,734	252	>100%	3,343	1,165	>100%
Cost of support and service	60,946	51,696	18%	116,976	100,745	16%
Cost of hardware	18,531	16,073	15%	34,426	32,394	6%
Total	81,211	68,021	19%	154,745	134,304	15%

GROSS PROFIT	54,749	44,709	22%	105,311	87,366	21%
Gross Profit Margin	40%	40%		40%	39%	
OPERATING EXPENSES						
Selling and marketing	11,920	8,531	40%	22,652	17,303	31%
Research and development	6,741	5,912	14%	12,883	11,231	15%
General and administrative	8,127	7,673	6%	15,592	14,678	6%
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Total	26,788	22,116	21%	51,127	43,212	18%
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OPERATING INCOME	27,961	22,593	24%	54,184	44,154	23%
INTEREST INCOME (EXPENSE)						
Interest income	359	281	28%	818	568	44%
Interest expense	(14)	(3)	>100%	(17)	(29)	-41%
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Total	345	278	24%	801	539	49%
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INCOME BEFORE INCOME TAXES	28,306	22,871	24%	54,985	44,693	23%
PROVISION FOR INCOME TAXES	10,614	8,348	27%	20,619	16,313	26%
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NET INCOME	\$ 17,692	\$ 14,523	22%	\$ 34,366	\$ 28,380	21%
	=====	=====		=====	=====	
Diluted net income per shar	\$ 0.19	\$ 0.16		\$ 0.37	\$ 0.31	
	=====	=====		=====	=====	
Diluted weighted avg shares outstanding	92,957	92,000		92,721	91,534	
	=====	=====		=====	=====	

Consolidated Balance Sheet Highlights
(In Thousands-unaudited)

	December 31,		% Change
	2004	2003	
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Cash, cash equivalents and investments	\$ 23,512	\$ 109,535	-79%
Trade receivables	\$ 87,921	\$ 67,832	30%
TOTAL ASSETS	\$ 661,588	\$ 548,375	21%
Accounts payable and accrued expenses	\$ 29,529	\$ 16,081	84%
Deferred revenue	\$ 109,742	\$ 97,882	12%
STOCKHOLDERS' EQUITY	\$ 482,362	\$ 406,802	19%

(THIRTY)