UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to ________________

Commission file number 0-14112

JACK HENRY & ASSOCIATES, INC.

(Exact name of registrant as specified in its charter)

Delaware	43-1128385
(State or other jurisdiction of incorporation)	I.R.S. Employer Identification No.)

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

(Address of principal executive offices)
(Zip Code)

417-235-6652

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act.
Yes x No ___

APPLICABLE ONLY TO CORPORATE ISSUERS:
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of April 23, 2003, Registrant had 87,873,177 shares of common stock outstanding ($.01 par value).

JACK HENRY & ASSOCIATES, INC.

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Part I. Financial Information
Item 1. Financial Statements

JACK HENRY & ASSOCIATES, INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and Per Share Data)

	March 31, 2003	June 30, 2002
ASSETS	(Unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	$ 33,302	$ 17,765
Investments, at amortized cost	998	997
Trade receivables	62,761	131,431
Prepaid cost of product	17,054	17,663
Prepaid expenses and other	12,746	11,221
Deferred income taxes	850	900
Total	$ 127,711	$ 179,977
PROPERTY AND EQUIPMENT, net	$ 190,838	$ 173,775
OTHER ASSETS:		
Goodwill	44,542	40,335
Trade names	3,699	3,699
Customer relationships, net of amortization	60,568	63,130
Computer software, net of amortization	11,772	7,499
Prepaid cost of product	11,172	12,992
Other non-current assets	5,503	4,735
Total	$ 137,256	$ 132,390
Total assets	$ 455,805	$ 486,142
LIABILITES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 7,946	$ 9,051
Accrued expenses	9,322	11,352
Accrued income taxes	379	225
Deferred revenues	51,889	92,028
Total	$ 69,536	$ 112,656
DEFERRED REVENUES	14,288	16,947
DEFERRED INCOME TAXES	20,800	15,800
Total liabilities	$ 104,624	$ 145,403
STOCKHOLDERS' EQUITY		
Preferred stock - $1 par value; 500,000 shares authorized, none issued	-	-
Common stock - $0.01 par value: 250,000,000 shares authorized; shares issued at 03/31/03 and 6/30/02 were 90,519,856	905	905
Additional paid-in capital	168,447	168,061
Retained earnings	224,933	201,162
Treasury stock at cost - 2,654,179 shares at 3/31/03; 1,568,910 shares at 6/30/02	(43,104)	(29,389)
Total stockholders' equity	$ 351,181	$ 340,739
Total liabilities and stockholders' equity	$ 455,805	$ 486,142

See notes to condensed consolidated financial statements

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2003	2002	2003	2002
REVENUES				
License	$ 10,446	$ 17,657	$ 36,322	$ 48,445
Support and service	59,168	50,070	170,348	147,920
Hardware sales	21,665	24,825	67,398	73,864
Customer reimbursements	7,619	7,232	21,371	20,349
Total	$ 98,898	$ 99,784	$295,439	$290,578
COST OF SALES				
Cost of license	829	1,070	2,595	1,458
Cost of services	36,486	34,147	111,503	100,126
Cost of hardware	15,561	17,243	49,588	50,493
Customer reimbursement expenses	7,619	7,232	21,371	20,349
Total	$ 60,495	$ 59,692	$185,057	$172,426
GROSS PROFIT	$ 38,403	$ 40,092	$110,382	$118,152
OPERATING EXPENSES				
Selling and marketing	7,603	7,766	22,463	21,310
Research and development	4,052	2,952	11,565	9,405
General and administrative	7,457	8,502	21,205	24,664
Total	$ 19,112	$ 19,220	$ 55,233	55,379
OPERATING INCOME	19,291	20,872	55,149	62,773
INTEREST INCOME (EXPENSE)				
Interest income	134	365	512	1,755
Interest expense	(29)	(53)	(84)	(141)
Total	$ 105	$ 312	$ 428	$ 1,614
INCOME BEFORE INCOME TAXES	$ 19,396	21,184	55,577	64,387
PROVISION FOR INCOME TAXES	7,080	7,626	20,286	23,179
NET INCOME	$ 12,316	$ 13,558	$ 35,291	$ 41,208
Diluted net income per share	$ 0.14	$ 0.15	$ 0.40	$ 0.45
Diluted weighted average shares outstanding	88,940	92,483	89,110	92,485
Basic net income per share	$ 0.14	$ 0.15	$ 0.40	$ 0.46
Basic weighted average shares outstanding	87,742	89,608	87,836	89,181

See notes to condensed consolidated financial statements.

JACK HENRY AND ASSOCIATES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Nine Months Ended March 31, 2003	Nine Months Ended March 31, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 35,291	$ 41,208
Adjustments to reconcile net income from continuing operations to cash from operating activities:		
Depreciation	17,751	15,250
Amortization	4,648	5,015
Deferred income taxes	5,050	6,184
Other, net	(51)	(76)
Changes in:		
Trade receivables	68,815	39,626
Prepaid expenses and other	778	(3,571)
Accounts payable	(1,116)	(7,960)
Accrued expenses	(2,032)	(2,266)
Income taxes (including tax benefit from exercise of stock options)	544	6,658
Deferred revenues	(42,917)	(17,459)
Net cash from operating activities	$ 86,761	$ 82,609
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(34,461)	(37,752)
Purchase of investments	(2,990)	(1,992)
Proceeds from maturity of investments	3,000	2,000
Purchase of customer contracts	(304)	-
Payment for acquisitions, net	(6,537)	(11,111)
Computer software developed	(4,121)	(991)
Other, net	(576)	170
Net cash from investing activities	$ (45,989)	$ (49,676)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock upon exercise of stock options	1,546	11,181
Proceeds from sale of common stock	598	600
Dividends paid	(9,214)	(8,472)
Principal payments on long-term debt	-	(315)
Purchase of treasury stock	(18,165)	(6,708)
Net cash from financing activities	$ (25,235)	$ (3,714)
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 15,537	$ 29,219
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	$ 17,765	$ 18,589
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 33,302	$ 47,808

Net cash paid for income taxes was $14,692 and $11,120 for the nine months ended March 31, 2003 and 2002, respectively.

The Company paid interest of $85 and $125 for the nine months ended March 31, 2003 and 2002, respectively.

See notes to condensed consolidated financial statements

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DESCRIPTION OF THE COMPANY

Jack Henry & Associates, Inc. ("JHA" or the "Company") is a computer software company which has developed or acquired several banking and credit union software systems. The Company's revenues are predominately earned by marketing those systems to financial institutions nationwide together with computer equipment (hardware) and by providing the conversion and software customization services for a financial institution to install a JHA software system. JHA also provides continuing support and services to customers using the systems either in-house or outsourced.

CONSOLIDATION

The condensed consolidated financial statements include the accounts of JHA and all of its wholly owned subsidiaries and all significant intercompany accounts and transactions have been eliminated.

COMPREHENSIVE INCOME

Comprehensive income for each of the three and nine-month periods ended March 31, 2003 and 2002, equals the Company's net income.

RECLASSIFICATION

To improve reporting disclosure, the Company has changed its reporting line items, with installation revenue moving from license revenue to support and service revenue and a new line item for license cost of sales. Where appropriate, prior period financial information has been reclassified to conform with the current period's presentation.

STOCK OPTIONS

As permitted under Statement of Financial Accounting Standards ("SFAS") No. 123, Accounting for Stock-Based Compensation, the Company has elected to continue to follow Accounting Principles Board Opinion ("APB") No. 25, Accounting for Stock Issued to Employees, in accounting for stock-based awards to employees. Under APB No. 25, the Company generally recognizes no compensation expense with respect to such awards, since the exercise price of the stock options awarded are equal to the fair market value of the underlying security on the grant date.

Pro forma information regarding net income and earnings per share is required in interim financial statements for interim periods beginning after December 15, 2002 by SFAS No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure for awards granted after December 31, 1994, as if the Company had accounted for its stock-based awards to employees under the fair value method of SFAS No. 123. The fair value of the Company's stock-based awards to employees was estimated as of the date of the grant using a Black-Scholes option pricing model.

The Company's pro forma information follows:

	(In Thousands, Except Per Share Data) Three Months Ended March 31,		Nine Months Ended March 31,	
	2003	2002	2003	2002
Net income, as reported	$ 12,316	$ 13,558	$ 35,291	$ 41,208
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	458	2,503	1,616	8,313
Pro forma net income	$ 11,858	$ 11,055	$ 33,675	$ 32,895
Diluted net income per share				
As reported	$ 0.14	$ 0.15	$ 0.40	$ 0.45
Pro forma	$ 0.13	$ 0.12	$ 0.38	$ 0.36

Basic net income per share					
	As reported	$ 0.14	$ 0.15	$ 0.40	$ 0.46
	Pro forma	$ 0.14	$ 0.12	$ 0.38	$ 0.37

OTHER SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set forth in Note 1 to the Company's consolidated financial statements included in its Annual Report on Form 10-K ("Form 10-K") for the fiscal year ended June 30, 2002.

2. RECENT ACCOUNTING PRONOUNCEMENTS

SFAS No.144, Accounting for the Impairment or Disposal of Long-Lived Assets, was issued in August 2001. This Statement addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This Statement supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, and the accounting and reporting provisions of APB No. 30, Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, for the disposal of a segment of a business (as previously defined in that Opinion). The provisions of this Statement are effective for financial statements issued for fiscal years beginning after December 15, 2001 (July 1, 2002 for JHA), and interim periods within those fiscal years, with early application encouraged. The adoption of this standard on July 1, 2002 did not have a material effect on the Company's consolidated financial position or results of operations.

In April 2002, the Financial Accounting Standards Board ("FASB") issued SFAS No. 145, Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Corrections. Under this new standard, gains and losses from extinguishments of debt should be classified as extraordinary items only if they meet the criteria in APB Opinion No. 30. Applying the provision of APB Opinion No. 30 will distinguish transactions that are part of an entity's recurring operations from those that are unusual or infrequent or that meet the criteria for classification as an extraordinary item. The adoption of this standard on July 1, 2002, did not have a material effect on the Company's consolidated financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities, which is effective for any activity initiated after December 31, 2002. This standard addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies the Emerging Issues Task Force ("EITF") Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). This standard requires that a liability for a cost associated with an exit or disposal activity be recognized and measured initially at fair value only when the liability is incurred. The accounting for similar events and circumstances will be the same, thereby improving the comparability and representational faithfulness of reported financial information. The adoption of this standard on January 1, 2003 did not have a material impact on its consolidated financial position or results of operations.

Effective November 22, 2002, the EITF reached a consensus regarding EITF Issue No. 02-16, Accounting by a Customer, Including a Reseller, for Cash Consideration Received from a vendor. This consensus requires that payments from a vendor be classified as a reduction to the price of the vendor's goods and taken as a reduction to cost of sales unless the payments are (1) a reimbursement for costs incurred to sell the product or (2) a payment for assets or services provided. The consensus also requires that payments from a vendor be recognized as a reduction to cost of sales on a rational and systematic basis. This consensus is effective for fiscal years beginning after December 15, 2002 (July 1, 2003 for JHA). The Company does not expect the adoption of this consensus to have a material impact on its consolidated financial position or results of operation.

In November 2002, FASB Interpretations No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statements No. 5, 57, and 107 ("FIN 45") was issued. FIN 45 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that is has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing a guarantee. The initial recognition and initial measurement provisions of this Interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002, irrespective of the guarantor's fiscal year-end. The disclosure requirements in this Interpretation are effective for financial statements of interim or annual periods ending after December 15, 2002. The adoption of this Interpretation on January 1, 2003 did not have a material effect on the Company's consolidated financial position or results of operations.

In December 2002, the FASB issued SFAS No. 148. SFAS No. 148 amends SFAS No. 123, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock base-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS No. 148 is effective for financial statements for fiscal years ending after December 15, 2002. JHA has elected to continue to account for its stock based compensation in accordance with the provisions of APB No. 25 as interpreted by FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation, an Interpretation of APB Opinion No. 25", ("FIN 44") and present the pro forma disclosures required by SFAS No. 123.

3. INTERIM FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission and in accordance with accounting principles generally accepted in the United States of America applicable to interim condensed consolidated financial statements, and do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete consolidated financial statements. The condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes, which are included in its Form 10-K for the year ended June 30, 2002.

In the opinion of management of the Company, the accompanying condensed consolidated financial statements reflect all adjustments necessary (consisting solely of normal recurring adjustments) to present fairly the financial position of the Company as of March 31, 2003 the results of its operations and its cash flows for the three and nine-month periods ended March 31, 2003 and 2002.

The results of operations for the period ended March 31, 2003 are not necessarily indicative of the results to be expected for the entire year.

4. ADDITIONAL INTERIM FOOTNOTE INFORMATION

The following additional information is provided to update the notes to the Company's annual consolidated financial statements for developments during the nine months ended March 31, 2003:

Stock Repurchase Program

On October 4, 2002, the Company's Board of Directors increased its existing stock repurchase authorization by 3.0 million shares to 6.0 million total shares. On September 21, 2001, the Board of Directors had originally approved a program to repurchase up to 3.0 million shares of common stock. As of March 31, 2003, 3,009,384 shares have been purchased for $49.1 million. No additional shares were purchased in the three-month period ended March 31, 2003. During the nine month period ended March 31, 2003, the Company purchased 1,356,200 shares for $18.2 million. During the three and nine-month periods March 31, 2003, the Company issued 168,234 and 222,921 shares upon exercise of stock options and 16,654 and 48,010 shares to the Employee Stock Purchase Plan, respectively, leaving a balance of 2,654,179 treasury shares at a cost of $43.1 million at March 31, 2003.

Acquisition of Credit Union Solutions, Inc. (CUSI)

On November 15, 2002, the Company acquired all the outstanding shares of CUSI for $5.0 million in cash. CUSI provides in-house data processing software, related hardware and services to smaller credit unions, primarily those with assets less than $50 million. This acquisition expands the potential market for the Company, as the Company's existing core products were too expensive to sell to credit unions of this size. The purchase price for CUSI was allocated to the assets and liabilities acquired based on then estimated fair values at the acquisition date, resulting in allocation to goodwill of $2.4 million, software of $1.2 million, and customer contracts of $0.7 million, of which software and customer contracts are being amortized on a straight-line basis over periods of ten and twenty years, respectively. The accompanying consolidated financial statements do not include any revenues and expenses related to this acquisition prior to the closing date.

Acquisition of National Bancorp Data Services, LLC (NBDS)

On January 1, 2003, the Company acquired all the outstanding membership interests in NBDS for $2.1 million in cash. NBDS provides item processing and imaging services to financial institutions in the greater Chicago, Illinois area. This acquisition expands our geographic footprint for item processing centers and expands the potential market for outsourcing customers. The purchase price for NBDS was allocated to the assets and liabilities acquired based on then estimated fair values at the acquisition date resulting in allocation to goodwill of $1.8 million. The accompanying consolidated financial statements do not include any revenues and expenses related to this acquisition prior to the closing date.

5. SHARES USED IN COMPUTING NET INCOME PER SHARE

	(In Thousands) Three Months Ended March 31,		Nine Months Ended March 31,	
	2003	2002	2003	2002
Weighted average number of common shares outstanding - basic	87,742	89,608	87,836	89,181
Common stock equivalents	1,198	2,875	1,274	3,304
Weighted average number of common and common equivalent shares outstanding - diluted	88,940	92,483	89,110	92,485

Per share information is based on the weighted average number of common shares outstanding for the periods ended March 31, 2003 and 2002. Stock options have been included in the calculation of income per share to the extent they are dilutive.

Non dilutive stock options to purchase approximately 5,996,888 and 6,027,280 shares and 775,222 and 642,164 shares for the three and nine month periods ended March 31, 2003 and 2002, respectively, were not included in the computation of diluted income per common share.

6. BUSINESS SEGMENT INFORMATION

The Company is a leading provider of integrated computer systems that perform data processing (available for in-house or outsourced installations) for banks and credit unions. The Company evaluates the performance of the banking and credit union segments and allocates resources to them based on various factors, including prospects for growth, return on investment and return on revenues.

	(In Thousands) Three Months Ended March 31,		Nine Months Ended March 31,	
	2003	2002	2003	2002
Revenues				
Bank systems and services	$ 84,384	$ 84,391	$252,854	$246,918
Credit union systems and services	14,514	15,393	42,585	43,660
Total	$ 98,898	$ 99,784	$295,439	$290,578
Gross Profit				
Bank systems and services	$ 34,599	$ 35,171	$ 98,861	$104,001
Credit union systems and services	3,804	4,921	11,521	14,151
Total	$ 38,403	$ 40,092	$110,382	$118,152

(In Thousands)

	March 31, 2003	June 30, 2002
Property and equipment, net		
Bank systems and services	$188,206	$170,882
Credit union systems and services	2,632	2,893
Total	$190,838	$173,775
Identified intangible assets, net		
Bank systems and services	$ 50,325	$ 49,531
Credit union systems and services	25,714	24,797
Total	$ 76,039	$ 74,328
Goodwill		
Bank systems and services	$ 27,314	$ 25,491
Credit union systems and services	17,228	14,844
Total	$ 44,542	$ 40,335

7. SUBSEQUENT EVENT

On April 11, 2003, the Company granted approximately 3,670,000 stock options to approximately 2,100 full time employees, or 94% of all full time employees as of that date. The options were issued at the exercise price of $10.84 per share, which represented the fair value as of that date and vest in two equal portions based on stock price performance. The first portion vests and becomes fully exercisable two years following the grant date, but may vest earlier if the Company's common stock achieves a closing price of 125% or more of the exercise price on 10 consecutive trading days. The second portion vests four years following the grant date, but may vest earlier if the stock closes at or above 150% of the exercise price on 10 or more consecutive trading days.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

Background and Overview

Jack Henry and Associates, Inc. provides integrated computer systems for in-house and outsourced data processing to community and regional banks, credit unions and other financial institutions. The Company has developed and acquired banking and credit union application software systems that we market, together with compatible computer hardware, to financial institutions throughout the United States. The Company also performs data conversion and software installation for the implementation of our systems and provides continuing customer support and services after the systems are installed. For our customers who prefer not to make an up-front investment in software and hardware, we provide our full range of products and services on an outsourced basis through our eight data centers and fifteen item processing centers, as of April 1, 2003, located across the United States.

A detailed discussion of the major components of the results of operations for the three and nine-month periods ended March 31, 2003 compared to the same periods in the previous year follows:

REVENUE - Revenue decreased 1% to $98.9 million for the three months ended March 31, 2003 from $99.8 million for the same period last year. Non-hardware revenues increased 3% to $77.2 million, accounting for 78% of third quarter fiscal 2003 revenues, compared to $75.0 million in the third quarter a year ago, representing 75% of revenue. License fee revenue decreased 41% to $10.4 million compared to $17.7 million in the third quarter a year ago. Support and service revenue increased 18% to $59.2 million for the three months ended March 31, 2003 compared to $50.1 million in the same period in the previous year. Customer reimbursement revenue increased 5% from $7.2 million to $7.6 million for the three-month periods ended March 31, 2002 and 2003, respectively. Hardware revenue decreased 13% to $21.7 million or 22% of total revenue from to $24.8 million or 25% of total revenues for the third quarter in the previous year.

For the nine months ended March 31, 2003, revenue increased 2% to $295.4 million from $290.6 million for the same period last year. Non-hardware revenues increased 5% to $228.0 million, accounting for 77% of the year to date revenues, compared to $216.7 million for the same period a year ago, representing 75% of revenue. License fee revenue decreased 25% to $36.3

million compared to $48.4 million for the same period a year ago. Support and service revenue increased 15% to $170.3 million for the nine months ended March 31, 2003 compared to $147.9 million last year. Customer reimbursement revenue increased 5% from $20.3 million to $21.4 million for the nine months ended March 31, 2002 and 2003, respectively. Hardware revenues decreased 9% to $67.4 million, or 23% of total revenue, for the nine months ended March 31, 2003, compared to $73.9 million and represented 25% of total revenues for the nine months ended March 31, 2002.

We believe that the current decline in licensing and hardware revenue is due to the industry-wide softness and reduction in spending in the capital goods marketplace. Our complementary products and support and services have remained strong contributors for the fiscal year 2003. Support and service revenue growth of $9.1 million for the three months and $22.4 million for the nine months ended March 31, 2003 compared to the same periods last year is composed of $1.8 million and $7.4 million growth in outsourcing services, $1.4 million and $4.3 million growth in ATM and debit card processing services, $5.2 million and $11.1 million growth in in-house support revenue, and $0.7 million increase and $0.5 million decrease in installation services, respectively.

Our backlog increased at March 31, 2003 to $172.8 million ($64.2 in-house and $108.6 outsourcing) from $141.7 million ($52.8 in-house and $88.9 outsourcing) at June 30, 2002 and $136.5 million ($54.0 in-house and $82.5 outsourcing) at March 31, 2002.

COST OF SALES - Cost of sales increased 1% for the three months ended March 31, 2003, from $59.7 million for the three months ended March 31, 2002 to $60.5 million. Cost of licensing decreased $0.2 million to $0.8 million for the three months ended March 31, 2003, compared to $1.0 million, in the same period in the prior year. Cost of services increased 7% to $36.5 million from $34.1 million. Customer reimbursement expenses increased 5% to $7.6 million from $7.2 million for the same three month period last year. Cost of hardware decreased 10% to $15.6 million for the three months ended March 31, 2003 from $17.2 million for the same three-month period last year.

Cost of sales increased 7% for the nine months ended March 31, 2003, to $185.1 million from $172.4 million for the same period ended March 31, 2002. Cost of licensing increased $1.1 million to $2.6 million compared to $1.5 million. Cost of services increased 11% to $111.5 million from $100.1 million. Customer reimbursement expenses increased this fiscal year 5% to $21.4 million this year from $20.3 million for the same nine-month period in the prior year. Cost of hardware decreased 2% to $49.6 million for the nine months ended March 31, 2003 from $50.5 million for the same nine months last year.

Cost of services and customer reimbursements increased for the three and nine-months ended March 31, 2003, primarily due to the increase in outsourcing, ATM and debit card transactions processing and in-house support revenue. While license revenue decreased for the three and nine-months ended March 31, 2003, the cost of software license decreased slightly for the three months and increased significantly for the nine months due to our increased sales of third party software. Cost of service employee related expense increased 6% and 9% or $1.2 million and $6.1 million, respectively, for the three and nine-month periods ended March 31, 2003 to support the increase in support and services revenues. There was also an increase of 24% or $2.9 million in cost of services depreciation and amortization expense for the nine months ended March 31, 2003 compared to the prior year due to capital expenditures for infrastructure and equipment in relation to support and services being placed in service during the prior twelve months.

Cost of hardware decreased 10% for the third quarter compared to the 13% decrease in hardware revenues due to the industry wide continued slow down in technology spending coupled with the effect of reduced incentives earned from hardware suppliers. The cost of hardware decreased 2% for the nine months ended March 31, 2003 compared to the 9% decrease in hardware revenue. In addition, during the first and second quarters of the fiscal year, the changes in revenue and cost of hardware were significantly impacted by large hardware discounts offered by vendors that we passed through to our customers, which created an increase in units sold, but at reduced levels of total revenue and profit margins. These special discounts, as distinguished from dealer incentives, were offered for a limited time, and we do not anticipate them to be repeated in the near term. Based on current economic conditions and vendor incentives being offered, we do not anticipate other significant changes in hardware costs and related margins in the immediate future.

GROSS PROFIT - Gross profit decreased 4% to $38.4 million or 39% of revenue in the third quarter of 2003, compared to $40.1 million or 40% of revenue in the third quarter of 2002. Non-hardware margin was 42% for this quarter compared to 43% in the same quarter last year. Hardware margin decreased to

28% from 31% for the three months ended March 31, 2003 and 2002, respectively.

Gross profit decreased 7% to $110.4 million or 37% of revenue for the nine months ended March 31, 2003, compared to $118.1 million or 41% of revenue for the same period in the prior year. Non-hardware margin was 41% for the nine months ended March 31, 2003 compared to 44% for the same period last year. For the first nine months of fiscal 2003, hardware margin was 26% compared to 32% for the same period last year.

Gross profit margins decreased primarily due to sales mix of products and reduced vendor incentives.

OPERATING EXPENSES - Total operating expenses decreased 1% to $19.1 million in the three months ended March 31, 2003 compared to $19.2 million in the same period for the prior year. Selling and marketing expenses decreased 2%, research and development expenses increased 37% and general and administrative expenses decreased 12% in the same three-month period in the prior year.

For the nine months ending March 31, 2003 and 2002, operating expenses were $55.2 million and $55.4 million, respectively. Selling and marketing expenses increased 5%, research and development expenses increased 23% and general and administrative expenses decreased 14% as compared to same nine months ended March 31, 2002.

Selling and marketing expense decreased 2% for the three months primarily due to lower sales commission expense relating to lower license revenue in the current quarter and increased 5% for the nine months ended March 31, 2003, due to an increase in personnel costs related to the increased size of our sales force in the credit union segment. Research and development increased 37% and 23% for the three and nine-months ended March 31, 2003, respectively, primarily due to increases in personnel to allow for continued development of new products and improvement of existing products. General and administrative expenses decreased 12% and 14% for the three and nine-months ended March 31, 2003, respectively, mainly due to continued efforts to control expenses by management, lower health care costs in relation to employee head count, and a reduction in depreciation expense due to certain corporate fixed assets becoming fully depreciated.

INTEREST INCOME (EXPENSE) - Net interest income for the three and nine-months ended March 31, 2003 reflects decreases of $231,000 and $1.2 million respectively, when compared to the same periods last year primarily due to lower interest rates on our cash investments.

PROVISION FOR INCOME TAXES - The provision for income taxes was $7.1 million, or 36.5% of income before income taxes for the three months ended March 31, 2003 compared with $7.6 million or 36% of income before income taxes for the same period last year. The provision for income taxes was $20.3 million, or 36.5% of income before income taxes for the nine months ended March 31, 2003 compared with $23.2 million or 36% of income before income taxes for the same period last year.

NET INCOME - Net income for the third quarter was $12.3 million or $0.14 per diluted share compared to $13.6 million, or $.15 per diluted share in the same period last year. For the nine months ended March 31, 2003, net income was $35.3 million or $0.40 per diluted share compared to $41.2 million or $.45 per diluted share for the same period last year.

Business Segment Discussion

Revenues in the bank systems and services business segment remained flat at $84.4 million for the three months ended March 31, 2003 and 2002. Gross profit decreased 2% from $35.2 million in the third quarter of the previous year to $34.6 million in the current third quarter. Gross profit margin decreased slightly to 41% from 42% for the current third quarter compared to the same quarter in the previous year.

Revenues in the bank systems and services business segment increased 2% from $246.9 million to $252.9 million for the nine months ended March 31, 2002 and 2003, respectively. Gross profit decreased 5% to $98.9 million for the nine months ended March 31, 2003 from $104.0 million for the same period ended March 31, 2002. Gross profit margin decreased 7% to 39% from 42% for the current nine months compared to the same period in the previous year primarily due to a decrease in license deliveries, which has the highest gross margin of all products and services.

Revenues in the credit union systems and services business segment decreased 6% from $15.4 million to $14.5 million for the third quarter ended March 31, 2002 and 2003. Gross profit decreased 23% from $4.9 million in the third quarter of the previous year to $3.8 million in the current third quarter.

Gross profit margin decreased in the current third quarter compared to the same quarter in the previous year from 29% to 26%. The credit union segment gross profit margin was also impacted by a decrease in license deliveries, increases in personnel costs and customer reimbursements, and a reduction in hardware margins due to reduced vendor incentives.

Revenues in the credit union systems and services business segment decreased slightly by 2% to $42.6 million in the first nine months of fiscal 2003 from $43.7 million for the same nine month period last year. Gross profit decreased 19% from $14.2 million in the first nine months of the previous year to $11.5 million in the current nine months of fiscal 2003. Gross profit margin decreased this year as compared to the same period last year from 32% to 27%. The credit union segment gross profit margin was also impacted by a decrease in license deliveries, increases in personnel costs and customer reimbursements plus a reduction in hardware margins due to reduced vendor incentives.

All gross profit margins decreased in the three and nine-month periods ending March 31, 2003 primarily due to a decline in licensing revenue relating to an industry wide software slowdown along with higher employee costs, overall higher depreciation expense and reduced vendor incentives as described above.

FINANCIAL CONDITION

Liquidity

The Company's cash and cash equivalents and investments increased to $34.3 million at March 31, 2003, from $18.7 million at June 30, 2002. Cash provided by operations was $86.8 million for the nine months ended March 31, 2003 as compared to $82.6 million for the nine months ended March 31, 2002, primarily due to collection of annual in-house support fees billed at June 30, 2002 resulting in a reduction in trade receivables of $68.8 million offset by a reduction in deferred revenues of $42.9 million. Cash used in investing activities for the nine months ended March 31, 2003, of $46.0 million included capital expenditures of $34.5 million, primarily for expansion at our Monett and Birmingham offices, plus acquisitions and capitalization of software costs aggregating $10.7 million. Financing activities used cash of $25.2 million during the nine months ended March 31, 2003, of which the majority was used to purchase treasury stock for $18.2 million. In addition, dividends paid during the nine-month period ended March 31, 2003, were $9.2 million.

JHA has available credit lines totaling $58.0 million at March 31, 2003.

Capital Requirements and Resources

JHA generally uses existing resources and funds generated from operations to meet its capital requirements. Capital expenditures totaling $34.5 million and $37.8 million for the nine month periods ended March 31, 2003 and 2002, respectively, were made for expansion of facilities and additional equipment. These additions were funded from cash generated by operations. The total consolidated capital expenditures of JHA are not expected to exceed $52 million for fiscal year 2003.

On September 21, 2001, the Company's Board of Directors approved a stock buyback of the Company's common stock of up to 3.0 million shares, and approved an increase on October 4, 2002 to 6.0 million shares. Stock buybacks totaling $18.2 million and $6.7 million for the nine months periods ended March 31, 2003 and 2002, respectively, were funded with cash from operations.

On April 11, 2003, the Company granted approximately 3,670,000 stock options to approximately 2,100 full time employees, or 94% of all full time employees as of that date. The options were issued at the exercise price of $10.84 per share, which represented the fair value as of that date and vest in two equal portions based on stock price performance. The first portion vests and becomes fully exercisable two years following the grant date, but may vest earlier if the Company's common stock achieves a closing price of 125% or more of the exercise price on 10 consecutive trading days. The second portion vests four years following the grant date, but may vest earlier if the stock closes at or above 150% of the exercise price on 10 or more consecutive trading days.

The Company paid a $0.035 per share cash dividend on February 27, 2003 to stockholders of record on February 12, 2003, which was funded from operations. In addition, the Company's Board of Directors, subsequent to March 31, 2003, declared a quarterly cash dividend of $0.035 per share on its common stock payable May 16, 2003 to stockholders of record on May 1, 2003. This dividend will be funded with cash generated from operations.

Critical Accounting Policies

The Company regularly reviews its selection and application of significant accounting policies and related financial disclosures. The application of these accounting policies requires that management make estimates and judgments. The estimates that affect the application of our most critical accounting policies and require our most significant judgments are outlined in Management's Discussion and Analysis of Financial Condition and Results of Operations - "Critical Accounting Policies" - contained in our annual report on Form 10-K for the year ended June 30, 2002.

Forward Looking Statements

The Management's Discussion and Analysis of Results of Operations and Financial Condition and other portions of this report contain forward-looking statements within the meaning of federal securities laws. Actual results are subject to risks and uncertainties, including both those specific to the Company and those specific to the industry, which could cause results to differ materially from those contemplated. The risks and uncertainties include, but are not limited to, the matters detailed at Risk Factors in its Annual Report on Form 10-K for the fiscal year ended June 30, 2002. Undue reliance should not be placed on the forward-looking statements. The Company does not undertake any obligation to publicly update any forward-look statements.

CONCLUSION

JHA's results of operations and its financial position continued to be good with solid earnings, strong cash flow and no debt as of and for the nine months ended March 31, 2003. This reflects the continuing attitude of cooperation and commitment by each employee, management's ongoing cost control efforts and commitment to deliver top quality products and services to the markets it serves.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Market risk refers to the risk that a change in the level of one or more market prices, interest rates, indices, volatilities, correlations or other market factors such as liquidity, will result in losses for a certain financial instrument or group of financial instruments. We are currently exposed to credit risk on credit extended to customers and interest risk on investments in U.S. government securities. We actively monitor these risks through a variety of controlled procedures involving senior management. We do not currently use any derivative financial instruments. Based on the controls in place, credit worthiness of the customer base and the relative size of these financial instruments, we believe the risk associated with these exposures will not have a material adverse effect on our consolidated financial position or results of operations.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Controls and Procedures

Within 90 days prior to the filing of this report, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), an evaluation of the effectiveness of the Company's disclosure controls and procedures was performed. Based on this evaluation, the CEO and CFO have concluded that the Company's disclosure controls and procedures are effective to ensure that material information is recorded, processed, summarized and reported by management of the Company on a timely basis in order to comply with the Company's disclosure obligations under the Securities Exchange Act of 1934 and the SEC rules thereunder.

There have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of their last evaluation.

PART II. OTHER INFORMATION

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

99.1 Written Statement of the Chief Executive Officer dated May 15, 2003.
99.2 Written Statement of the Chief Financial Officer dated May 15, 2003.

(b) Reports on Form 8-K

On January 3, 2003, the Company filed a Form 8-K with respect to the acquisition of National Bancorp Data Services, LLC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on behalf of the undersigned thereunto duly authorized.

JACK HENRY & ASSOCIATES, INC.

Date: May 15, 2003

/s/ Michael E. Henry

Michael E. Henry
Chairman of the Board
Chief Executive Officer

Date: May 15, 2003

/s/ Kevin D. Williams

Kevin D. Williams
Treasurer and Chief Financial Officer

CERTIFICATION

I, Michael E. Henry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jack Henry & Associates, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ Michael E. Henry

Michael E. Henry
Chief Executive Officer

CERTIFICATION

I, Kevin D. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jack Henry & Associates, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ Kevin D. Williams

Kevin D. Williams
Chief Financial Officer

EXHIBIT 99.1

Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Executive Officer of Jack Henry & Associates, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 15, 2003

*/s/ Michel E. Henry

Michael E. Henry
Chief Executive Officer

"A signed original of this written statement required by Section 906 has been provided to Jack Henry & Associates, Inc. and will be retained by Jack Henry & Associates, Inc. and furnished to the Securities and Exchange Commission or its staff upon request."

EXHIBIT 99.2

Written Statement of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Financial Officer of Jack Henry & Associates, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 15, 2003

*/s/ Kevin D. Williams

Kevin D. Williams
Chief Financial Officer

"A signed original of this written statement required by Section 906 has been provided to Jack Henry & Associates, Inc. and will be retained by Jack Henry & Associates, Inc. and furnished to the Securities and Exchange Commission or its staff upon request."