

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A NO. 1

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

DATE OF REPORT: APRIL 28, 2000

CHECKFREE HOLDINGS CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Delaware

(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

0-26802

(COMMISSION FILE NO.)

58-2360335

(IRS EMPLOYER
IDENTIFICATION NUMBER)4411 East Jones Bridge Road
Norcross, Georgia 30092
(678) 375-3000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER
INCLUDING AREA CODE OF REGISTRANT'S
PRINCIPAL EXECUTIVE OFFICES)Not Applicable
(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On December 20, 1999, CheckFree Holdings Corporation, a Delaware corporation (the "Company"), CheckFree Acquisition Corporation IV, a Delaware corporation and a wholly owned subsidiary of the Company ("CheckFree Acquisition"), and BlueGill Technologies, Inc., a Delaware Corporation ("BlueGill") entered into an Agreement and Plan of Merger, dated December 20, 1999, as amended (the "Merger Agreement"), whereby CheckFree Acquisition would be merged with and into BlueGill with BlueGill being the surviving entity as a wholly owned subsidiary of the Company (the "Acquisition"). Under the terms of the Merger Agreement, the Company agreed to acquire the stock of BlueGill in exchange for common stock, \$.01 par value, of the Company (the "Common Stock"). The Acquisition was completed on April 28, 2000. The total consideration paid by the Company was \$250,000,000. Pursuant to the terms of the Merger Agreement, 5,000,000 shares of Common Stock were issued. The shares of Common Stock received by the stockholders of BlueGill have been registered under the Securities Act of 1933, as amended. BlueGill is an international software development company and the leader in electronic billing and payment. BlueGill software provides a powerful platform for electronic billing and payment by transforming legacy systems into interactive Web applications for managing customer relationships. BlueGill software is installed at financial service institutions, telecommunications companies, utilities, and service bureaus in North America, South America and Europe.

The Company's Board of Directors approved the issuance of the 5,000,000 shares on December 14, 1999. The shares of Common Stock received by the stockholders of BlueGill have been registered under the Securities Act of 1933, as amended.

The transaction was accomplished through arms-length negotiations between the Company's management and BlueGill's management. BlueGill's stockholders approved the Acquisition on April 26, 2000. There was no material relationship between the stockholders of BlueGill and the Company or any of the Company's affiliates, any of the Company's directors or officers, or any associate of any such Company director or officer, prior to this transaction.

In addition, on July 7, 2000, the Company entered into an Amended and Restated Merger Agreement to acquire the business of TransPoint, a joint venture among Microsoft Corporation, First Data Corporation, Citibank, N.A., and various subsidiaries of each of these entities. Through a series of mergers, the entities that own the TransPoint business will become our wholly-owned subsidiaries. In connection with these transactions, the Company will issue an aggregate of 17,000,000 shares of its common stock to the owners of the TransPoint business. A copy of the Merger Agreement has been filed with the Company's S-4 Registration Statement, filed with the Securities and Exchange Commission on July 7, 2000.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) FINANCIAL STATEMENTS OF BUSINESS ACQUIRED.

The financial statements of BlueGill Technologies, Inc. as audited by its independent auditors for the periods reflected therein are found on the Company's Form 8-K/A No.1 dated March 16, 2000, filed on April 27, 2000, and incorporated herein by reference.

(b) PRO FORMA FINANCIAL INFORMATION.

The following is a list of the pro forma condensed combining financial information for CheckFree, BlueGill and TransPoint, for CheckFree and BlueGill, and for CheckFree and the TransPoint Entities filed with this report:

Unaudited Pro Forma Condensed Combining Balance Sheet
with BlueGill Technologies, Inc. and TransPoint
as of March 31, 2000..... F-1

Unaudited Pro Forma Condensed Combining Statements
of Operations with BlueGill Technologies, Inc.
and TransPoint for the Year Ended June 30, 1999..... F-2

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(c) EXHIBITS.

EXHIBIT NO.	DESCRIPTION
2(a)	Agreement and Plan of Merger, dated as of December 20, 1999, among CheckFree Holdings Corporation, CheckFree Acquisition Corporation IV, and BlueGill Technologies, Inc. (Reference is made to Appendix A to Registration Statement on Form S-4, as amended (Registration No. 333-32644), filed with the Securities Exchange Commission on March 16, 2000, and incorporated herein by reference).
2(b)	Amendment to Agreement and Plan of Merger, dated April 27, 2000, among CheckFree Holdings Corporation, CheckFree Acquisition Corporation IV, and BlueGill Technologies, Inc. (Reference is made to Exhibit 2(b) to Current Report on Form 8-K dated April 28, 2000, filed with the Securities and Exchange Commission on May 15, 2000, and incorporated herein by reference).

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.

CHECKFREE HOLDINGS CORPORATION

Date: July 7, 2000

By: /s/ David Mangum

David Mangum, Executive Vice
President and Chief Financial Officer

CHECKFREE HOLDINGS CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINING BALANCE SHEET
WITH BLUEGILL TECHNOLOGIES, INC. AND TRANSPORT
AS OF MARCH 31, 2000

	HISTORICAL AMOUNTS				TOTAL
	CHECKFREE HOLDINGS	BLUEGILL	TRANSPORT	PRO FORMA ADJUSTMENTS	
	(IN THOUSANDS)				
ASSETS:					
Current Assets:					
Cash and cash equivalents.....	\$125,043	\$ 15,044	\$ 8,019	\$ 100,000(1)	\$ 248,106
Investments.....	26,292	--	--	--	26,292
Accounts receivable, net.....	53,343	1,151	--	--	54,494
Prepaid expenses and other assets.....	11,716	189	750	--	12,655
Deferred income taxes.....	9,444	--	--	--	9,444
Total current assets.....	225,838	16,384	8,769	100,000	350,991
Property and equipment, net.....	84,461	1,453	763	--	86,677
Capitalized software, net.....	23,006	--	9,926	195,673(1)	221,705
				(6,900)(2)	
Goodwill, net.....	29,539	--	--	1,017,985(1)	1,047,524
Other intangible assets, net.....	12,224	--	--	577,500(1)	589,724
Investments.....	52,869	--	--	--	52,869
Deferred income taxes.....	34,436	--	--	--	34,436
Other noncurrent assets.....	13,760	2	--	--	13,762
Total assets.....	\$476,133	\$ 17,839	\$ 19,458	\$ 1,884,258	\$2,397,688
LIABILITIES AND STOCKHOLDERS' EQUITY:					
Current liabilities:					
Accounts payable.....	\$ 6,573	\$ 1,294	\$ 11,853	\$ --	\$ 19,720
Accrued liabilities.....	41,032	228	4,547	3,925(1)	50,907
				1,175(3)	
Deferred income taxes.....	--	--	--	88,410(1)	88,410
Current portion of long-term obligations....	6,533	159	--	--	6,692
Deferred revenue.....	29,638	1,191	4,500	--	35,329
Total current liabilities.....	83,776	2,872	20,900	93,510	201,058
Accrued rent and other.....	6,653	--	--	--	6,653
Obligations under capital leases -- less current portion.....	820	337	--	--	1,157
Convertible subordinated notes.....	172,500	--	--	--	172,500
Minority interest.....	--	--	40,329	(40,329)(1)	--
Deferred income taxes.....	--	--	--	221,933(1)	221,933
Total liabilities.....	263,749	3,209	61,229	275,114	603,301
Redeemable preferred stock.....	--	25,963	--	(25,963)(1)	--
Stockholders' equity:					
Common stock.....	531	7	--	210(1)	748
Additional paid-in capital.....	517,912	1,753	--	1,588,108(1)	2,106,598
				(1,175)(3)	
Other.....	(281)	(650)	--	650(1)	(281)
Member's capital deficiency.....	--	--	(41,771)	41,771(1)	--
Accumulated deficit.....	(305,778)	(12,443)	--	12,443(1)	(312,678)
				(6,900)(2)	
Total stockholders' equity.....	212,384	(11,333)	(41,771)	1,635,107	1,794,387
Total liabilities and stockholders' equity.....	\$476,133	\$ 17,839	\$ 19,458	\$ 1,884,258	\$2,397,688

See Notes to Unaudited Pro Forma Condensed Combining Financial Information.

CHECKFREE HOLDINGS CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS
WITH BLUEGILL TECHNOLOGIES, INC. AND TRANSPPOINT
FOR THE YEAR ENDED JUNE 30, 1999

	HISTORICAL AMOUNTS			PRO FORMA ADJUSTMENTS	TOTAL
	CHECKFREE HOLDINGS	BLUEGILL	TRANSPPOINT		
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
Revenues:					
Processing and servicing.....	\$201,059	\$ --	\$ --	\$ --	\$ 201,059
License fees.....	15,975	2,517	--	--	18,492
Maintenance fees.....	17,746	48	--	--	17,794
Other.....	15,351	925	--	--	16,276
Total revenues.....	250,131	3,490	--	--	253,621
Expenses:					
Cost of processing, servicing and support.....	146,704	969	3,062	--	150,735
Research and development.....	21,085	1,457	26,560	--	49,102
Sales and marketing.....	32,354	2,318	11,302	--	45,974
General and administrative.....	31,466	2,045	2,404	424,622(4)	460,537
Depreciation and amortization.....	24,630	106	1,870	--	26,606
In-process research and development.....	2,201	--	--	--	2,201
Total expenses.....	258,440	6,895	45,198	424,622	735,155
Net gain on dispositions of assets.....	4,576	--	--	--	4,576
Loss from operations.....	(3,733)	(3,405)	(45,198)	(424,622)	(476,958)
Other:					
Minority interest.....	--	--	2,064	(2,064)(5)	--
Interest, net.....	2,181	194	464	--	2,839
Loss before income taxes.....	(1,552)	(3,211)	(42,670)	(426,686)	(474,119)
Income tax benefit.....	(12,009)	--	--	(88,410)(4)	(100,419)
Net income (loss).....	\$ 10,457	\$(3,211)	\$(42,670)	\$(338,276)	\$(373,700)
Basic earnings (loss) per share:					
Net income (loss) per common share.....	\$ 0.20				\$ (5.04)
Equivalent number of shares.....	52,444			21,714(1)	74,158
Diluted earnings (loss) per share:					
Net income (loss) per common share.....	\$ 0.18				\$ (5.04)
Equivalent number of shares.....	56,529			17,629(6)	74,158

See Notes to Unaudited Pro Forma Condensed Combining Financial Information.

CHECKFREE HOLDINGS CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS
 WITH BLUEGILL TECHNOLOGIES, INC. AND TRANSPORT
 FOR THE NINE MONTHS ENDED MARCH 31, 2000

	HISTORICAL AMOUNTS			PRO FORMA ADJUSTMENTS	TOTAL
	CHECKFREE HOLDINGS	BLUEGILL	TRANSPORT		
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
Revenues:					
Processing and servicing.....	\$189,430	\$ --	\$ --	\$ --	\$ 189,430
License fees.....	10,295	4,578	--	--	14,873
Maintenance fees.....	13,571	349	--	--	13,920
Other.....	8,399	1,180	7	--	9,586
Total revenues.....	221,695	6,107	7	--	227,809
Expenses:					
Cost of processing, servicing and support.....	133,684	1,496	13,856	--	149,036
Research and development.....	24,276	2,142	5,997	--	32,415
Sales and marketing.....	29,522	5,602	13,980	--	49,104
General and administrative.....	28,837	4,463	1,858	--	35,158
Depreciation and amortization.....	23,789	272	2,755	284,492(4)	311,308
In-process research and development.....	--	--	--	--	--
Total expenses.....	240,108	13,975	38,446	284,492	577,021
Net gain on dispositions of assets.....	--	--	--	--	--
Loss from operations.....	(18,413)	(7,868)	(38,439)	(284,492)	(349,212)
Other:					
Minority interest.....	--	--	5,608	(5,608)(5)	--
Interest, net.....	(83)	619	1,054	--	1,590
Loss before income taxes.....	(18,496)	(7,249)	(31,777)	(290,100)	(347,622)
Income tax benefit.....	(6,718)	--	--	(52,718)(4)	(59,436)
Net income (loss).....	\$(11,778)	\$(7,249)	\$(31,777)	\$ (237,382)	\$(288,186)
Basic earnings (loss) per share:					
Net income (loss) per common share.....	\$ (0.23)				\$ (3.90)
Equivalent number of shares.....	52,246			21,714(1)	73,960
Diluted earnings (loss) per share:					
Net income (loss) per common share.....	\$ (0.23)				\$ (3.90)
Equivalent number of shares.....	52,246			21,714(1)	73,960

See Notes to Unaudited Pro Forma Condensed Combining Financial Information

CHECKFREE HOLDINGS CORPORATION

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINING FINANCIAL INFORMATION
WITH BLUEGILL TECHNOLOGIES, INC. AND TRANSPORT

1. Adjustment to reflect the issuance of CheckFree Holdings common stock, options and related direct acquisition expenses as the total purchase price for the net assets of BlueGill and the TransPoint business, and the elimination of BlueGill's redeemable preferred stock and stockholders' equity and revaluation of TransPoint's capitalized software costs and the elimination of TransPoint's minority interest and member's capital deficiency. The fair market values of intangible assets are preliminary estimates based on independent appraisals and current facts and circumstances.

(IN THOUSANDS)

Cash.....	\$ 100,000	
Capitalized software, net.....	195,673	
Goodwill, net.....	1,017,985	
Other intangible assets, net.....	577,500	
BlueGill redeemable preferred stock.....	25,963	
BlueGill common stock.....	7	
BlueGill additional paid in capital.....	1,753	
TransPoint minority interest.....	40,329	
CheckFree Holdings common stock.....		\$ 217
CheckFree Holdings additional paid in capital.....		1,589,861
BlueGill accumulated deficit.....		12,443
BlueGill other equity.....		650
TransPoint member's capital deficiency.....		41,771
Current deferred income tax liability.....		88,410
Long-term deferred income tax liability.....		221,933
Accrued acquisition expenses.....		3,925
	-----	-----
Totals.....	\$1,959,210	\$1,959,210
	=====	=====

The following chart indicates the components of the estimated purchase prices of the acquisitions inherent in the adjusting entry:

	BLUEGILL ACQUISITION	TRANSPORT ACQUISITION	COMBINED TOTAL
	-----	-----	-----
		(IN THOUSANDS)	
CheckFree Holdings common stock.....	\$221,449	\$1,350,083	\$1,571,532
Issuance of CheckFree Holdings options.....	18,546	--	18,546
TransPoint cash infusion.....	--	(100,000)	(100,000)
Estimated direct acquisition costs.....	600	3,325	3,925
	-----	-----	-----
Total estimated purchase price.....	\$240,595	\$1,253,408	\$1,474,003
	=====	=====	=====

The combined estimated purchase price will be issued in exchange for the net assets of BlueGill and TransPoint on their respective closing dates.

The purchase price of BlueGill reflects the issuance of 4,713,736 shares of CheckFree Holdings common stock at \$46.98 per share which is the average closing price of CheckFree Holdings common stock for the three trading days preceding and the three trading days following the closing of the acquisition. Under the terms of the BlueGill merger agreement, CheckFree Holdings has also issued 634,145 CheckFree Holdings options to replace BlueGill options, 286,264 of which are already vested. The value of the assumed CheckFree Holdings option grant is based on a Black-Scholes valuation model assuming a \$46.98 stock price, an average strike price of \$2.18, an average life of 2.9 years, a risk-free interest rate of 6.47% and volatility of 83.4%.

The purchase price of TransPoint and the entering into the related commercial agreements reflects the assumed issuance of 17,000,000 shares of CheckFree Holdings common stock at \$79.42 per share, which is the average end of day price of CheckFree Holdings common stock for the three trading days preceding and the three days following the announcement of the acquisition. Under the terms of the merger agreement, the TransPoint business is to have \$100 million in cash immediately prior to the closing of the Transfers.

The following table provides the preliminary allocation of the purchase price inherent in the adjusting entry:

	BLUEGILL ACQUISITION	TRANSPPOINT ACQUISITION	COMBINED
	-----	-----	-----
	(IN THOUSANDS)		
In process research and development.....	\$ 6,900	\$ --	\$ 6,900
Current technologies and products.....	13,700	185,000	198,700
	-----	-----	-----
Sub-total capitalized software, net.....	20,600	185,000	205,600
Goodwill, net.....	193,007	824,978	1,017,985
Other intangible assets:			
Workforce in place.....	2,600	--	2,600
Customer list.....	10,600	25,000	35,600
Tradename.....	15,100	29,000	44,100
Strategic agreements.....	--	494,000	494,000
Covenants not to compete.....	1,200	--	1,200
	-----	-----	-----
Sub-total other intangible assets.....	29,500	548,000	577,500
Deferred income taxes.....	(17,142)	(293,200)	(310,342)
Net assets of respective company:			
Cash and cash equivalents.....	15,044	8,019	23,063
Property and equipment.....	1,452	763	2,215
Other, net.....	(1,866)	(20,152)	(22,018)
	-----	-----	-----
Sub-total net assets.....	14,630	(11,370)	3,260
	-----	-----	-----
Total purchase price.....	\$240,595	\$1,253,408	\$1,494,003
	=====	=====	=====

Details of specific technologies and the related useful lives of all intangible assets are described in the Notes to Unaudited Pro Forma Condensed Combining Financial Information for CheckFree Holdings and TransPoint on page F-12 and CheckFree Holdings and BlueGill on page F-19.

2. Adjustment to write off the balance of in-process research and development. As the amounts are non-deductible for federal and state tax purposes, there is no related income tax benefit resulting from the charge. Refer to Note B in the Notes to Unaudited Pro Forma Condensed Combining Financial Information for CheckFree Holdings and TransPoint on page F-14 and CheckFree Holdings and BlueGill on page F-21 for a detailed description of in-process research and development for the respective acquisition. The amount of in-process research and development is \$6.9 million for BlueGill and \$0 for TransPoint.

x

(IN THOUSANDS)

Accumulated deficit.....	\$6,900	
Capitalized software, net.....		\$6,900

3. Adjustment to accrue the cost of registering CheckFree Holdings shares to be issued for BlueGill of \$500,000 and registering CheckFree Corporation shares to be issued for TransPoint of \$675,000.

(IN THOUSANDS)

Additional paid-in capital.....	\$1,175	
Accrued liabilities.....		\$1,175

4. Adjustment to reflect additional amortization expense and the related income tax benefit associated with the intangible assets acquired.

	BLUEGILL	TRANSPPOINT	COMBINED ADJUSTMENT	
	-----	-----	-----	
	(IN THOUSANDS)			
YEAR ENDED JUNE 30, 1999				
Depreciation and amortization.....	\$61,826	\$362,796	\$424,622	
Current deferred income tax liability....	9,290	79,120	88,410	
Capitalized software, net.....	3,938	61,667		\$ 65,605
Goodwill, net.....	38,601	164,996		203,597
Other intangible assets, net.....	19,287	136,133		155,420
Income tax benefit.....	9,290	79,120		88,410
			-----	-----
Total.....			\$513,032	\$513,032
			=====	=====
NINE MONTHS ENDED MARCH 31, 2000				
Depreciation and amortization.....	\$34,145	\$250,347	\$284,492	
Current deferred income tax liability....	2,078	50,640	52,718	
Capitalized software, net.....	2,954	46,250		\$ 49,204
Goodwill, net.....	28,951	123,747		152,698
Other intangible assets, net.....	2,240	80,350		82,590
Income tax benefit.....	2,078	50,640		52,718
			-----	-----
Total.....			\$337,210	\$337,210
			=====	=====

Goodwill amortization is non-deductible for federal and state income tax purposes. A blended effective income tax rate of 40% was applied to the deductible amortization to determine the related income tax benefit in the entries above.

5. Adjustment to reflect the elimination of minority interest recorded in the period due to the acquisition of all of the ownership interest in TransPoint by CheckFree Holdings.

6. When combined with BlueGill's historical loss, TransPoint's historical loss and the combined pro forma adjustments, the historical CheckFree Holdings net income for the year ended June 30, 1999 resulted in a combined net loss. As a result, due to the anti-dilutive effect on earnings per share, the equivalent number of shares for purposes of determining diluted earnings per share, was reduced to agree with the equivalent number of shares for basic earnings per share. The following chart identifies by type of potentially dilutive security, the number of additional shares that could potentially dilute basic earnings per share in the future and the number of shares issued for both BlueGill and TransPoint.

(IN THOUSANDS)	
CheckFree Holdings common shares issued for:	
TransPoint.....	13,000
BlueGill.....	4,714
Potentially dilutive securities:	
Options and warrants.....	(4,085)

Net adjustment to dilutive shares outstanding.....	17,629
	=====

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINING FINANCIAL INFORMATION

Note A: Management believes that the assumptions used in preparing the Unaudited Pro Forma Condensed Combining Balance Sheet and the Unaudited Pro Forma Condensed Combining Statement of Operations provide a reasonable basis for presenting the significant effects of the acquisitions of BlueGill and TransPoint; that the pro forma adjustments give appropriate effect to those assumptions; and that the pro forma adjustments are properly applied in the Unaudited Pro Forma Condensed Combining Balance Sheet and Statement of Operations.

Note B: The Unaudited Pro Forma Condensed Combining Balance Sheet of CheckFree Holdings, BlueGill and TransPoint has been prepared as if the acquisitions were completed as of March 31, 2000 and were accounted for as purchases.

CheckFree Holdings issued 4,713,736 shares of CheckFree Holdings common stock in the BlueGill merger with a fair market value of \$46.98 per share. CheckFree Holdings also issued 634,145 CheckFree Holdings options to replace BlueGill options, 286,264 of which are already vested. The excess of fair value over the strike price of options issued per the merger agreement carry a value of \$18,546,000. CheckFree Holdings incurred \$600,000 of direct acquisition costs. The total purchase price of \$240,595,000 was allocated to the assets acquired and liabilities assumed based on BlueGill's March 31, 2000 balance sheet.

CheckFree Holdings will issue 17,000,000 shares of its common stock at an assumed value of \$79.42 for the net assets of TransPoint and the entering into of the related commercial agreements. Under the merger agreement, TransPoint is to have \$100 million of cash immediately prior to the closing of the mergers. CheckFree Holdings expects to incur approximately \$3,325,000 of direct acquisition costs. The total purchase price of \$1,253,408,000 was allocated to assets acquired and liabilities assumed based on TransPoint's March 31, 2000 balance sheet.

The allocation of the BlueGill and TransPoint purchase prices among their related identifiable tangible and intangible assets and purchased in-process research and development is based on preliminary estimates of the fair market value of those assets. Final determination of the allocation of the purchase prices will be based on independent appraisals that CheckFree Holdings expects to have completed shortly after the respective acquisitions are consummated. For a detailed description of in-process research and development charges, see Note B for TransPoint on page F-14 and Note B for BlueGill on page F-21.

Note C: CheckFree Holdings' statement of operations for the year ended June 30, 1999, has been combined with the BlueGill statement of operations and the TransPoint statement of operations for the twelve months ended June 30, 1999. CheckFree Holdings' statement of operations for the nine month period ended March 31, 2000 has been combined with the BlueGill statement of operations and the TransPoint statement of operations for the nine months ended March 31, 2000. Actual statements of operations of CheckFree Holdings and BlueGill, and CheckFree Holdings and TransPoint will be combined from the effective date of the respective acquisitions, with no retroactive restatement.

Note D: The unaudited pro forma condensed combining statement of operations for CheckFree Holdings, BlueGill and TransPoint have been prepared as if the merger was completed as of July 1, 1998, the beginning of the earliest period presented. The unaudited pro forma combined net income (loss) per share is based on the weighted average number of shares of CheckFree Holdings common stock outstanding during the periods, adjusted to give effect to shares assumed to be issued had the acquisitions taken place as of July 1, 1998.

Note E: The unaudited pro forma condensed combining statement of operations do not include a charge for the value of the estimated \$6.9 million (no income tax effect) of purchased research and development arising from the merger with BlueGill, which will be expensed at acquisition, as this expense will have no continuing impact.

CHECKFREE HOLDINGS CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINING BALANCE SHEET
WITH TRANSPORT
AS OF MARCH 31, 2000

	HISTORICAL AMOUNTS			TOTAL
	CHECKFREE HOLDINGS	TRANSPORT	PRO FORMA ADJUSTMENTS	
	(IN THOUSANDS)			
ASSETS:				
Current assets:				
Cash and cash equivalents.....	\$ 125,043	\$ 8,019	\$ 100,000(1)	\$ 233,062
Investments.....	26,292	--	--	26,292
Accounts receivable, net.....	53,343	--	--	53,343
Prepaid expenses and other assets.....	11,716	750	--	12,466
Deferred income taxes.....	9,444	--	--	9,444
	-----	-----	-----	-----
Total current assets.....	225,838	8,769	100,000	334,607
Property and equipment, net.....	84,461	763	--	85,224
Capitalized software, net.....	23,006	9,926	175,073(1)	208,005
Goodwill, net.....	29,539	--	824,978(1)	854,517
Other intangible assets, net.....	12,224	--	548,000(1)	560,224
Investments.....	52,869	--	--	52,869
Deferred income taxes.....	34,436	--	--	34,436
Other noncurrent assets.....	13,760	--	--	13,760
	-----	-----	-----	-----
Total assets.....	\$ 476,133	\$ 19,458	\$1,648,051	\$2,143,642
	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDER'S EQUITY:				
Current liabilities:				
Accounts payable.....	\$ 6,573	\$ 11,853	\$ --	\$ 18,426
Accrued liabilities.....	41,032	4,547	3,325(1)	49,579
			675(2)	
Deferred income taxes.....	--	--	79,120(1)	79,120
Current portion of long-term obligations...	6,533	--	--	6,533
Deferred revenue.....	29,638	4,500	--	34,138
	-----	-----	-----	-----
Total current liabilities.....	83,776	20,900	83,120	187,796
Accrued rent and other.....	6,653	--	--	6,653
Obligations under capital leases -- less current portion.....	820	--	--	820
Convertible subordinated notes.....	172,500	--	--	172,500
Minority interest.....	--	40,329	(40,329)(1)	--
Deferred income taxes.....	--	--	214,081(1)	214,081
	-----	-----	-----	-----
Total liabilities.....	263,749	61,229	256,872	581,850
Stockholders' equity:				
Common stock.....	531	--	170(1)	701
Additional paid-in capital.....	517,912	--	1,349,913(1)	1,867,150
			(675)(2)	
Members' capital deficiency.....	--	(41,771)	41,771(1)	--
Other.....	(281)	--	--	(281)
Accumulated deficit.....	(305,778)	--	--	(305,778)
	-----	-----	-----	-----
Total stockholder's equity.....	212,384	(41,771)	1,391,179	1,561,792
	-----	-----	-----	-----
Total liabilities and stockholders' equity.....	\$ 476,133	\$ 19,458	\$1,648,051	\$2,143,642
	=====	=====	=====	=====

See Notes to Unaudited Pro Forma Condensed Combining Financial Information

CHECKFREE HOLDINGS CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS
 WITH TRANSPORT
 FOR THE YEAR ENDED JUNE 30, 1999

	HISTORICAL AMOUNTS		PRO FORMA ADJUSTMENTS	TOTAL
	CHECKFREE HOLDINGS	TRANSPORT		

	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
Revenues:				
Processing and servicing.....	\$201,059	\$ --	\$ --	\$ 201,059
License fees.....	15,975	--	--	15,975
Maintenance fees.....	17,746	--	--	17,746
Other.....	15,351	--	--	15,351
	-----	-----	-----	-----
Total revenues.....	250,131	--	--	250,131
Expenses:				
Cost of processing, servicing and support...	146,704	3,062	--	149,766
Research and development.....	21,085	26,560	--	47,645
Sales and marketing.....	32,354	11,302	--	43,656
General and administrative.....	31,466	2,403	--	33,869
Depreciation and amortization.....	24,630	1,870	362,796(3)	389,296
In-process research and development.....	2,201	--	--	2,201
	-----	-----	-----	-----
Total expenses.....	258,440	45,197	362,796	666,433
Net gain on dispositions of assets.....	4,576	--	--	4,576
	-----	-----	-----	-----
Loss from operations.....	(3,733)	(45,197)	(362,796)	(411,726)
Other:				
Minority interest.....	--	2,063	(2,063)(4)	--
Interest, net.....	2,181	464	--	2,645
	-----	-----	-----	-----
Loss before income taxes.....	(1,552)	(42,670)	(364,859)	(409,081)
Income tax benefit.....	(12,009)	--	(79,120)(3)	(91,129)
	-----	-----	-----	-----
Net income (loss).....	\$ 10,457	\$(42,670)	\$(285,739)	\$(317,952)
	=====	=====	=====	=====
Basic earnings (loss) per share:				
Net income (loss) per common share.....	\$ 0.20			\$ (4.58)
	=====			=====
Equivalent number of shares.....	52,444		17,000(1)	69,444
	=====		=====	=====
Diluted earnings (loss) per share:				
Net income (loss) per common share.....	\$ 0.18			\$ (4.58)
	=====			=====
Equivalent number of shares.....	56,529		12,915(5)	69,444
	=====		=====	=====

See Notes to Unaudited Pro Forma Condensed Combining Financial Information

CHECKFREE HOLDINGS CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS
WITH TRANSPORT
FOR THE NINE MONTHS ENDED MARCH 31, 2000

	HISTORICAL AMOUNTS			
	CHECKFREE HOLDINGS	TRANSPORT	PRO FORMA ADJUSTMENTS	TOTAL
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
Revenues:				
Processing and servicing.....	\$189,430	\$ --	\$ --	\$ 189,430
License fees.....	10,295	--	--	10,295
Maintenance fees.....	13,571	--	--	13,571
Other.....	8,399	7	--	8,406
Total revenues.....	221,695	7	--	221,702
Expenses:				
Cost of processing, servicing and support...	133,684	13,856	--	147,540
Research and development.....	24,276	5,997	--	30,273
Sales and marketing.....	29,522	13,980	--	43,502
General and administrative.....	28,837	1,858	--	30,695
Depreciation and amortization.....	23,789	2,755	250,347(3)	276,891
In-process research and development.....	--	--	--	--
Total expenses.....	240,108	38,446	250,347	528,901
Net gain on dispositions of assets.....	--	--	--	--
Loss from operations.....	(18,413)	(38,439)	(250,347)	(307,199)
Other:				
Minority interest.....	--	5,608	(5,608)(4)	--
Interest, net.....	(83)	1,054	--	971
Loss before income taxes.....	(18,496)	(31,777)	(255,955)	(306,228)
Income tax benefit.....	(6,718)	--	(50,640)(3)	(57,358)
Net income (loss).....	\$(11,778)	\$(31,777)	\$(205,315)	\$(248,870)
Basic earnings (loss) per share:				
Net income (loss) per common share.....	\$ (0.23)			\$ (3.59)
Equivalent number of shares.....	52,246		17,000(1)	69,246
Diluted earnings (loss) per share:				
Net income (loss) per common share.....	\$ (0.23)			\$ (3.59)
Equivalent number of shares.....	52,246		17,000(1)	69,246

See Notes to Unaudited Pro Forma Condensed Combining Financial Information

CHECKFREE HOLDINGS CORPORATION

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINING FINANCIAL INFORMATION
WITH TRANSPPOINT

1. Adjustment to reflect the issuance of CheckFree Holdings common stock and related acquisition expenses as the total purchase price for the net assets of TransPoint, and the revaluation of TransPoint's capitalized software costs and the elimination of TransPoint's minority interest and member's capital deficiency, net of a contractual infusion of \$100 million of cash by TransPoint. The fair market values of intangible assets are preliminary estimates based on an independent appraisal, and current facts and circumstances. The final value of intangible assets will change with any change in the final purchase price and any resulting change could be material.

(IN THOUSANDS)

Cash.....	\$ 100,000	
Capitalized software, net.....	175,073	
Goodwill, net.....	824,978	
Other intangible assets, net.....	548,000	
TransPoint minority interest.....	40,329	
CheckFree Holdings common stock.....		\$ 170
CheckFree Holdings additional paid-in capital.....		1,349,913
TransPoint member's capital deficiency.....		41,771
Current deferred income tax liability.....		79,120
Long term deferred income tax liability.....		214,081
Accrued acquisition expenses.....		3,325
	-----	-----
Totals.....	\$1,688,380	\$1,688,380
	=====	=====

The following chart indicates the components of the estimated purchase price inherent in the adjusting entry:

(IN THOUSANDS)

CheckFree Holdings common stock.....	\$1,350,083
TransPoint cash infusion.....	(100,000)
Estimated direct acquisition costs.....	3,325

Total estimated purchase price.....	\$1,253,408
	=====

The estimated purchase price will be issued in exchange for the net assets of TransPoint on the closing date.

The purchase price reflects the assumed issuance of 17,000,000 shares of CheckFree Holdings common stock at \$79.42 per share, which is the average end of day price of CheckFree Holdings common stock for the three trading days preceding and the three days following the announcement of the acquisition of TransPoint. Under the terms of the merger and contribution agreement, TransPoint will have \$100 million in cash at the effective time of the closing of the mergers.

The following table provides the allocation of the purchase price inherent in the adjusting entry:

	(IN THOUSANDS)
In-process research and development (Note B).....	\$ 0
Current technology and products:	
BIS/communications (estimated life of 3 years).....	26,000
Service center (estimated life of 3 years).....	85,000
Delivery applications (estimated life of 3 years).....	50,000
Payments/interface (estimated life of 3 years).....	24,000

Sub-total IPRD and current technology and products.....	185,000
Goodwill (estimated life of 5 years).....	824,978
Other intangible assets:	
Customer list (estimated life of 3 years).....	25,000
Tradename (estimated life of 1 year).....	29,000
Strategic agreements (estimated life of 5 years).....	494,000

Sub-total other intangible assets.....	548,000
Deferred income taxes.....	(293,200)
Net assets of TransPoint:	
Cash and cash equivalents.....	8,019
Property and equipment.....	763
Liabilities assumed.....	(20,901)
Other, net.....	749

Sub-total net assets.....	(11,370)

Total Purchase Price.....	\$1,253,408
	=====

The useful lives of the various intangible assets identified are based on management's preliminary estimates. Under the caption of current technology and products, lives are based on assumptions regarding the time expected for the indicated technology or product to become obsolete, which are driven primarily by planned future development work designed to replace the existing technology or product. The useful life assigned to goodwill is based upon currently acceptable lives for these assets. The useful life CheckFree Holdings assigned to the customer list is based on the estimate of the future revenue base from the existing customers. The useful life CheckFree Holdings assigned to tradename is based on the estimated time that will pass before CheckFree Holdings discontinues the use of the related name. CheckFree Holdings assigned a five-year life to the strategic agreements to coincide with the contractual life of the related agreements. CheckFree Holdings will amortize these intangible assets on a straight-line basis over their estimated useful lives.

2. Adjustment to accrue the cost of registering CheckFree Holdings shares of its common stock to be issued for TransPoint.

	(IN THOUSANDS)
Additional paid-in capital.....	\$675
Accrued liabilities.....	\$675

3. Adjustment to reflect additional amortization expense and the related income tax benefit associated with the intangible assets acquired from TransPoint.

(IN THOUSANDS)

YEAR ENDED JUNE 30, 1999

Depreciation and amortization.....	\$362,796	
Current deferred income tax liability.....	79,120	
Capitalized software, net.....		\$ 61,667
Goodwill, net.....		164,996
Other intangible assets, net.....		136,133
Income tax benefit.....		79,120
	-----	-----
Total.....	\$441,916	\$441,916
	=====	=====

NINE MONTHS ENDED MARCH 31, 2000

Depreciation and amortization.....	\$250,347	
Current deferred income tax liability.....	50,640	
Capitalized software, net.....		\$ 46,250
Goodwill, net.....		123,747
Other intangible assets, net.....		80,350
Income tax benefit.....		50,640
	-----	-----
Total.....	\$300,987	\$300,987
	=====	=====

Goodwill amortization is non-deductible for federal and state income tax purposes. A blended effective income tax rate of 40% was applied to the deductible amortization to determine the related income tax benefit in the entries above.

4. Adjustment to reflect the elimination of minority interest recorded in the period due to the acquisition of all of the ownership interest in TransPoint by CheckFree Corporation.

5. When combined with TransPoint's historical loss and the pro forma adjustments, the historical CheckFree Holdings' net income for the year ended June 30, 1999 resulted in a combined net loss. As a result, due to the anti-dilutive effect on earnings per share, the equivalent number of shares for purposes of determining diluted earnings per share, was reduced to agree with the equivalent number of shares for basic earnings per share. The following chart identifies by type of potentially dilutive security, the number of additional shares that could potentially dilute basic earnings per share in the future and the number of shares issued for TransPoint.

(IN THOUSANDS)

CheckFree Corporation common shares issued for TransPoint.....	17,000
Potentially dilutive securities:	
Options and warrants.....	(4,085)

Net adjustment to dilutive shares outstanding.....	12,915
	=====

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINING FINANCIAL INFORMATION

Note A: Management believes that the assumptions used in preparing the Unaudited Pro Forma Condensed Combining Balance Sheet and the Unaudited Pro Forma Condensed Combining Statement of Operations provide a reasonable basis for presenting the significant effects of the acquisition of TransPoint; that the pro forma adjustments give appropriate effect to those assumptions; and that the pro forma adjustments are properly applied in the Unaudited Pro Forma Condensed Combining Balance Sheet and Statement of Operations.

Note B: The Unaudited Pro Forma Condensed Combining Balance Sheet of CheckFree Holdings and TransPoint has been prepared as if the mergers were completed as of March 31, 2000, and was accounted for as a purchase. CheckFree Holdings will issue 17,000,000 shares of CheckFree Holdings common stock valued at \$79.42 for the net assets of TransPoint. Under the terms of the merger agreement, TransPoint will have \$100 million of cash immediately prior to the closing of the mergers. CheckFree Holdings expects to incur approximately \$3.3 million of direct acquisition costs. The total purchase price of \$1,253,408,000 was allocated to assets acquired and liabilities assumed based on TransPoint's March 31, 2000 balance sheet.

The allocation of the TransPoint purchase price among the identifiable tangible and intangible assets is based on preliminary estimates of the fair market value of those assets. Final determination of the allocation of the purchase price will be based on independent appraisals that CheckFree Holdings expects to have completed shortly after the mergers are consummated.

TransPoint released the latest version of their electronic billing and payment processing system just one week prior to the announcement of the merger and contribution agreement. As a result, at this time, the value of in-process research and development is nominal and therefore not reflected. However, CheckFree Holdings will reassess the fair market value of the assets and liabilities assumed from TransPoint at the time of closing and CheckFree Holdings expects a portion of the purchase price to be allocated to in-process research and development at that time. Due to uncertainties regarding the specific products or technology enhancements that will be included in the next release and the specific date of the closing, CheckFree Holdings cannot currently provide a reasonable estimate of the expected value of in-process research and development.

Note C: CheckFree Holdings' statement of operations for the year ended June 30, 1999, has been combined with the TransPoint statement of operations for the twelve months ended June 30, 1999. CheckFree Holdings' statement of operations for the nine month period ended March 31, 2000 has been combined with the TransPoint statement of operations for the nine months ended March 31, 2000. Actual income statements of CheckFree Holdings and TransPoint will be combined from the effective date of the mergers, with no retroactive restatement.

Note D: The unaudited pro forma condensed combining statements of operations for CheckFree Holdings and TransPoint have been prepared as if the mergers were completed as of July 1, 1998, the beginning of the earliest period presented. The unaudited pro forma combined net income (loss) per share is based on the weighted average number of shares of CheckFree Holdings common stock outstanding during the periods, adjusted to give effect to shares assumed to be issued had the mergers taken place as of July 1, 1998.

CHECKFREE HOLDINGS CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINING BALANCE SHEET
WITH BLUEGILL TECHNOLOGIES, INC.
AS OF MARCH 31, 2000

	HISTORICAL AMOUNTS			TOTAL
	CHECKFREE HOLDINGS	BLUEGILL	PRO FORMA ADJUSTMENTS	
	(IN THOUSANDS)			
ASSETS:				
Current Assets:				
Cash and cash equivalents.....	\$125,043	\$15,044	\$ --	\$140,087
Investments.....	26,292	--	--	26,292
Accounts receivable, net.....	53,343	1,151	--	54,494
Prepaid expenses and other assets.....	11,716	189	--	11,905
Deferred income taxes.....	9,444	--	--	9,444
	-----	-----	-----	-----
Total current assets.....	225,838	16,384	--	242,222
Property and equipment, net.....	84,461	1,453	--	85,914
Capitalized software, net.....	23,006	--	20,600(1)	36,706
			(6,900)(2)	
Goodwill, net.....	29,539	--	193,007(1)	222,546
Other intangible assets, net.....	12,224	--	29,500(1)	41,724
Investments.....	52,869	--	--	52,869
Deferred income taxes.....	34,436	--	--	34,436
Other noncurrent assets.....	13,760	2	--	13,762
	-----	-----	-----	-----
Total assets.....	\$476,133	\$17,839	\$236,207	\$730,179
	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDER'S EQUITY:				
Current liabilities:				
Accounts payable.....	\$ 6,573	\$ 1,294	\$ --	\$ 7,867
Accrued liabilities.....	41,032	228	600(1)	42,360
			500(3)	
Deferred income taxes.....	--	--	9,290(1)	9,290
Current portion of long-term obligations.....	6,533	159	--	6,692
Deferred revenue.....	29,638	1,191	--	30,829
	-----	-----	-----	-----
Total current liabilities.....	83,776	2,872	10,390	97,038
Accrued rent and other.....	6,653	--	--	6,653
Obligations under capital leases -- less				
current portion.....	820	337	--	1,157
Convertible subordinated notes.....	172,500	--	--	172,500
Deferred income taxes.....	--	--	7,852(1)	7,852
	-----	-----	-----	-----
Total liabilities.....	263,749	3,209	18,242	285,200
Redeemable preferred stock.....	--	25,963	(25,963)(1)	--
Stockholders' equity:				
Common stock.....	531	7	40(1)	578
Additional paid-in capital.....	517,912	1,753	238,195(1)	757,360
			(500)(3)	
Other.....	(281)	(650)	650(1)	(281)
Accumulated deficit.....	(305,778)	(12,443)	12,443(1)	(312,678)
			(6,900)(2)	
	-----	-----	-----	-----
Total stockholder's equity.....	212,384	(11,333)	243,928	444,979
	-----	-----	-----	-----
Total liabilities and stockholders' equity.....	\$476,133	\$17,839	\$236,207	\$730,179
	=====	=====	=====	=====

See Notes to Unaudited Pro Forma Condensed Combining Financial Information

CHECKFREE HOLDINGS CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS
 WITH BLUEGILL TECHNOLOGIES, INC.
 FOR THE YEAR ENDED JUNE 30, 1999

	HISTORICAL AMOUNTS			
	CHECKFREE	BLUEGILL	PRO FORMA	TOTAL
	HOLDINGS		ADJUSTMENTS	
	-----	-----	-----	-----
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
Revenues:				
Processing and servicing.....	\$201,059	\$ --	\$ --	\$201,059
License fees.....	15,975	2,517	--	18,492
Maintenance fees.....	17,746	48	--	17,794
Other.....	15,351	925	--	16,276
	-----	-----	-----	-----
Total revenues.....	250,131	3,490	--	253,621
Expenses:				
Cost of processing, servicing and support...	146,704	969	--	147,673
Research and development.....	21,085	1,457	--	22,542
Sales and marketing.....	32,354	2,318	--	34,672
General and administrative.....	31,466	2,045	--	33,511
Depreciation and amortization.....	24,630	106	61,826(4)	86,562
In-process research and development.....	2,201	--	--	2,201
	-----	-----	-----	-----
Total expenses.....	258,440	6,895	61,826	327,161
Net gain on dispositions of assets.....	4,576	--	--	4,576
	-----	-----	-----	-----
Loss from operations.....	(3,733)	(3,405)	(61,826)	(68,964)
Other:				
Interest, net.....	2,181	194	--	2,375
	-----	-----	-----	-----
Loss before income taxes.....	(1,552)	(3,211)	(61,826)	(66,589)
Income tax benefit.....	(12,009)	--	(9,290)(4)	(21,299)
	-----	-----	-----	-----
Net income (loss).....	\$ 10,457	\$(3,211)	\$(52,536)	\$(45,290)
	=====	=====	=====	=====
Basic earnings (loss) per share:				
Net income (loss) per common share.....	\$ 0.20			\$ (0.79)
	=====			=====
Equivalent number of shares.....	52,444		4,714(1)	57,158
	=====		=====	=====
Diluted earnings (loss) per share:				
Net income (loss) per common share.....	\$ 0.18			\$ (0.79)
	=====			=====
Equivalent number of shares.....	56,529		629(5)	57,158
	=====		=====	=====

See Notes to Unaudited Pro Forma Condensed Combining Financial Information

CHECKFREE HOLDINGS CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS
 WITH BLUEGILL TECHNOLOGIES, INC.
 FOR THE NINE MONTHS ENDED MARCH 31, 2000

	HISTORICAL AMOUNTS			
	CHECKFREE	BLUEGILL	PRO FORMA	TOTAL
	HOLDINGS		ADJUSTMENTS	
	-----	-----	-----	-----
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
REVENUES:				
Processing and servicing.....	\$189,430	\$ --	\$ --	\$189,430
License fees.....	10,295	4,578	--	14,873
Maintenance fees.....	13,571	349	--	13,920
Other.....	8,399	1,180	--	9,579
	-----	-----	-----	-----
Total revenues.....	221,695	6,107	--	227,802
Expenses:				
Cost of processing, servicing and support...	133,684	1,496	--	135,180
Research and development.....	24,276	2,142	--	26,418
Sales and marketing.....	29,522	5,602	--	35,124
General and administrative.....	28,837	4,463	--	33,300
Depreciation and amortization.....	23,789	272	34,145(4)	58,206
In-process research and development.....	--	--	--	--
	-----	-----	-----	-----
Total expenses.....	240,108	13,975	34,145	288,228
Net gain on dispositions of assets.....	--	--	--	--
	-----	-----	-----	-----
Loss from operations.....	(18,413)	(7,868)	(34,145)	(60,426)
Other:				
Interest, net.....	(83)	619	--	536
	-----	-----	-----	-----
Loss before income taxes.....	(18,496)	(7,249)	(34,145)	(59,890)
Income tax benefit.....	(6,718)	--	(2,078)(4)	(8,796)
	-----	-----	-----	-----
Net income (loss).....	\$(11,778)	\$(7,249)	\$(32,067)	\$(51,094)
	=====	=====	=====	=====
Basic earnings (loss) per share:				
Net income (loss) per common share.....	\$ (0.23)			\$ (0.90)
	=====			=====
Equivalent number of shares.....	52,246		4,714(1)	56,960
	=====		=====	=====
Diluted earnings (loss) per share:				
Net income (loss) per common share.....	\$ (0.23)			\$ (0.90)
	=====			=====
Equivalent number of shares.....	52,246		4,714(1)	56,960
	=====		=====	=====

See Notes to Unaudited Pro Forma Condensed Combining Financial Information

CHECKFREE HOLDINGS CORPORATION

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINING FINANCIAL INFORMATION
WITH BLUEGILL TECHNOLOGIES, INC.

1. Adjustment to reflect the issuance of CheckFree Holdings common stock, CheckFree Holdings options and related acquisition expenses as the total purchase price for the net assets of BlueGill, and the elimination of BlueGill's redeemable preferred stock and shareholders' equity. The fair market values of intangible assets are preliminary estimates based on an independent appraisal, and current facts and circumstances. The final value of intangible assets will change with any change in the final purchase price and any resulting change could be material.

(IN THOUSANDS)

Capitalized software, net.....	\$ 20,600	
Goodwill, net.....	193,007	
Other intangible assets, net.....	29,500	
BlueGill redeemable preferred stock.....	25,963	
BlueGill common stock.....	7	
BlueGill additional paid-in capital.....	1,753	
CheckFree Holdings common stock.....		\$ 47
CheckFree Holdings additional paid-in capital.....		239,948
BlueGill accumulated deficit.....		12,443
BlueGill other equity.....		650
Current deferred income tax liability.....		9,290
Long term deferred income tax liability.....		7,852
Accrued acquisition expenses.....		600
	-----	-----
Totals.....	\$270,830	\$270,830
	=====	=====

The following chart indicates the components of the purchase price inherent in the adjusting entry:

(IN THOUSANDS)

CheckFree Holdings common stock.....	\$221,449
Issuance of CheckFree Holdings options.....	18,546
Direct acquisition costs.....	600

Total estimated purchase price.....	\$240,595
	=====

The purchase price reflects the issuance of 4,713,736 shares of CheckFree Holdings common stock at \$46.98 per share which is the average end of day price of CheckFree Holdings stock for the three trading days preceding and the three days following the closing of the acquisition of BlueGill. Under the terms of the merger agreement, CheckFree Holdings also issued 634,145 CheckFree Holdings options to replace BlueGill options, of which 286,264 are already vested. The value of the CheckFree Holdings option grant is based on a Black-Scholes valuation model assuming a \$46.98 stock price, an average strike price of \$2.18, an average life of 2.9 years, a risk-free interest rate of 6.47% and volatility of 83.4%.

The following table provides the allocation of the purchase price inherent in the adjusting entry:

	(IN THOUSANDS)
In-process research and development (Note B).....	\$ 6,900
Current technology and products:	
Print/extraction (estimated life of 3 years).....	4,600
Data management engine (estimated life of 4 years).....	5,700
API or application protocol interfaces (estimated life of 2 years).....	1,000
Web applications (estimated life of 5 years).....	2,400

Sub-total IPR&D and current technology and products.....	20,600
Goodwill (estimated life of 5 years).....	193,007
Other intangible assets:	
Workforce in place (estimated life of 3 years).....	2,600
Customer list (estimated life of 5 years).....	10,600
Tradenname (estimated life of 1 year).....	15,100
Covenants not to compete (estimated life of 1 year).....	1,200

Sub-total other intangible assets.....	29,500
Deferred income taxes.....	(17,142)
Net assets of BlueGill:	
Cash and cash equivalents.....	15,044
Property and equipment.....	1,452
Other, net.....	(1,866)

Sub-total net assets.....	14,630

Total Purchase Price.....	\$240,595
	=====

The useful lives of the various intangible assets identified are based on management's estimates. Under the caption of current technology and products, lives are based on assumptions regarding the time expected for the indicated technology or product to become obsolete, which are driven primarily by planned future development work designed to replace the existing technology or product. The useful life assigned to goodwill is based upon currently acceptable lives for these assets. The useful life on workforce in place is based on CheckFree Holdings' estimate of the average tenure expected from the BlueGill employee base. The useful life CheckFree Holdings assigned to the customer base is based on CheckFree Holdings' estimate of the future revenue base from the existing customers. Although the BlueGill tradenname is widely known at this time, CheckFree Holdings currently has no plans to continue to utilize the name once the technologies of BlueGill and CheckFree Holdings are consolidated in to a single product offering, which CheckFree Holdings expects to take place within one year of the merger. CheckFree Holdings assigned a one-year life to the covenants not to compete to coincide with the contractual life of the related agreements. CheckFree Holdings will amortize these intangible assets on a straight-line basis over their estimated useful lives.

2. Adjustment to write off the balance of in-process research and development. As the amount is not deductible for federal or state income tax purposes, there is no related income tax benefit resulting from the charge. Refer to Note B for an explanation of in process research and development.

	(IN THOUSANDS)
Accumulated deficit.....	\$6,900
Capitalized software, net.....	\$6,900

3. Adjustment to accrue the cost of registering CheckFree Holdings shares to be issued for BlueGill.

	(IN THOUSANDS)
Additional paid-in capital.....	\$500
Accrued liabilities.....	\$500

4. Adjustment to reflect additional amortization expense and the related income tax benefit associated with the intangible assets acquired from BlueGill.

(IN THOUSANDS)

YEAR ENDED JUNE 30, 1999

Depreciation and amortization.....	\$61,826	
Current deferred income tax liability.....	9,290	
Capitalized software, net.....		\$ 3,938
Goodwill, net.....		38,601
Other intangible assets, net.....		19,287
Income tax benefit.....		9,290
	-----	-----
Total.....	\$71,116	\$71,116
	=====	=====

NINE MONTHS ENDED MARCH 31, 2000

Depreciation and amortization.....	\$34,145	
Current deferred income tax liability.....	2,078	
Capitalized software, net.....		\$ 2,954
Goodwill, net.....		28,951
Other intangible assets, net.....		2,240
Income tax benefit.....		2,078
	-----	-----
Total.....	\$36,223	\$36,223
	=====	=====

Goodwill amortization is non-deductible for federal and state income tax purposes. A blended effective income tax rate of 40% was applied to the deductible amortization to determine the related income tax benefit in the entries above.

5. When combined with BlueGill's historical loss and the pro forma adjustments, the historical CheckFree Holdings' net income for the year ended June 30, 1999 resulted in a combined net loss. As a result, due to the anti-dilutive effect on earnings per share, the equivalent number of shares for purposes of determining diluted earnings per share, was reduced to agree with the equivalent number of shares for basic earnings per share. The following chart identifies by type of potentially dilutive security, the number of additional shares that could potentially dilute basic earnings per share in the future and the number of shares issued for BlueGill.

CheckFree Holdings common shares issued for BlueGill.....	4,714
Potentially dilutive securities:	
Options and warrants.....	(4,085)
Other.....	--

Total potentially dilutive securities.....	(4,085)

Net adjustment to dilutive shares outstanding.....	629
	=====

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINING FINANCIAL INFORMATION

Note A: Management believes that the assumptions used in preparing the Unaudited Pro Forma Condensed Combining Balance Sheet and the Unaudited Pro Forma Condensed Combining Statement of Operations provide a reasonable basis for presenting the significant effects of the acquisition of BlueGill; that the pro forma adjustments give appropriate effect to those assumptions; and that the pro forma adjustments are properly applied in the Unaudited Pro Forma Condensed Combining Balance Sheet and Statement of Operations.

Note B: The unaudited pro forma condensed balance sheet of CheckFree Holdings and BlueGill has been prepared as if the merger was completed as of March 31, 2000, and was accounted for as a purchase. CheckFree Holdings issued 4,713,736 shares of its common stock with a fair market value of \$46.98 per share and 634,145 options, 286,264 of which are already vested. The total purchase price of \$240,595,000 was allocated to assets acquired and liabilities assumed based on BlueGill's March 31, 2000 balance sheet.

The allocation of the BlueGill purchase price among the identifiable tangible and intangible assets and purchased in process research and development is based on preliminary estimates of the fair market value of those assets. Final determination of the allocation of the purchase price will be based on independent appraisals that CheckFree Holdings expects to have completed shortly after the merger is consummated.

BlueGill currently has five general technologies and application suites under development that meet the specific requirements of SFAS No. 2 for qualification as in-process research and development or IPRD. Critical elements of SFAS No. 2's definition of IPRD are that:

- the product has not yet demonstrated its technological feasibility; and
- the product does not have an alternative future use.

These in-process technologies and applications include print and extraction technology, the Data Management Engine technology, API technology, web applications and OFX payment technology. Their descriptions are found below.

Print and extraction technology. Print and extraction technology allows for the extraction and print parsing of a biller's legacy billing information through to BlueGill's products. The following features of the print/extraction technology are under development:

- SmartXpress 3.0.0 that comprises updates to accommodate core changes to BlueGill's DME 2.2.0;
- Record Data Loader, which is an input module that allows for Record Data Type management by converting flat file data into XML-s for storage in the DME; and
- Internationalization Language, which allows for the management of Asian languages (e.g. Japan, China, Korea, Hong Kong, and Taiwan) through Double Byte Character Set (DBCS) and Unicode development.

Data Management Engine technology. The DME technology allows for archiving of transactions and linkage of data to the necessary environment within the BlueGill network. The DME is the main translator of input data to output data. The following features are under development:

- Xerox Metacode Support, which is Xerox print support on the AIX, Solaris and HP-UX platforms;
- AFP to PDF performance, which provides three times improvement in throughput of data through the DME; and
- MVS Port (OS/390), which ports the source code to the MVS platform.

APIs. The API technology encompasses knowledge engineering procedures and expert system analysis, design and development. The API technology works in between the print/extraction and parsing modules and

the web applications or templates. The API "surrounds" the DME as its interface to these other technologies. The following features are under development:

- BlueGill Engine 3.0.0. -- Pure JAVA Front End Interface, which provides a pure JAVA version of the public API set;
- BlueGill Engine 4.0.0 -- Pure JAVA Back End Interface, which provides a pure JAVA version of the data base engine; and
- CheckFree Holdings E-Bill 3.1 Format Support, which provides batch mode support for the CheckFree Holdings E-Bill 3.1 format.

Web Applications. The web application technologies help in the design of industry specific templates for electronic billing and statement presentation. The following features are under development:

- i-Insurance Template for the insurance industry billing statement templates; and
- Market Direct 2.0, which provides one-to-one marketing capabilities with end users.

Payments or OFX. The payments or OFX technology will allow for bill publishing services to be integrated with the i-Series products and bill consolidators. The following features are under development:

- OFX Bill Publisher Server, which is the core OFX engine integrated with the i-Series engine support and Bill Publisher component to link to consolidators;
- Payment Infrastructure, which is the underpinnings for interfacing with various payment solutions (e.g. ACH, PaymentTech, Cybercash); and
- International CSP Model, which is an international version of the domestic CSP model.

There are risks and uncertainties associated with the completion of these in-process technologies. These risks include:

- Not Technologically Feasible.

The acquired IPRD had not demonstrated technological or commercial feasibility as of the transaction date for BlueGill. Significant risks exist because BlueGill is unsure of the obstacles it will encounter in the form of market acceptance, time and cost necessary to produce a technologically feasible product. SFAS No. 2 does not specifically require an analysis of the development effort expended relative to an acquisition date. It is reasonable to assume, however, that an IPRD project would require a significant amount of time and cost in order to modify for CheckFree Holdings' use in the marketplace. Should the proposed technology fail to become viable, it is unlikely that CheckFree Holdings would be able to realize any value from the sale of the technology to another party.

- No Alternative Future Use.

The acquired IPRD consists of BlueGill's work to date on its products. The products are very specific to the tasks and markets for which it is intended. As is typically the case with software, there are no alternative uses for the in-process work in the event that the product does not become feasible for CheckFree Holdings. The development effort for the acquired IPRD does not possess an alternative future use for CheckFree Holdings under the terms of SFAS No. 2.

- If the BlueGill project underway fails, there will be a very limited life to the existing product because the continuing pace of technological developments in the marketplace will have rendered them non-competitive. In the event of a failure, the technology acquired, as embodied in either current or in-process products, will have no alternative use and would be written off as a loss by CheckFree Holdings.
- As of the valuation date, all of the IPRD technologies were subject to numerous technological, timing, cost and market risks. In addition to these risks already mentioned, another major risk associated with the technologies pertains to the language it's written in. According to BlueGill's management, all of

the base code may go to the JAVA computer language, causing large sections of the codes to be re-written.

The following table represents information regarding the status of the various in-process research and development projects acquired:

	ESTIMATED STAGE OF COMPLETION	ESTIMATED COMPLETION DATE	EXPECTED COST TO COMPLETE	VALUATION
	-----	-----	-----	-----
			(IN THOUSANDS)	
Print/Extraction.....	38%	December 2000	\$ 748	\$1,900
Data Management Engine.....	19%	November 2000	110	1,300
APIS.....	46%	November 2000	703	2,300
Web Applications.....	50%	July 2000	183	1,400
Payments/OFX.....	10%	December 2000	333	0
			-----	-----
Total.....			\$2,077	\$6,900
			=====	=====

The method used to allocate the purchase consideration to IPRD was the modified income approach. Under the income approach, fair value reflects the present value of the projected free cash flows that will be generated by the IPRD projects and that is attributable to the acquired technology, if successfully completed. The modified income approach takes the income approach, modified to include the following factors:

- analysis of the stage of completion of each project;
- exclusion of value related to research and development yet-to-be completed as part of the on-going IPRD projects; and
- the contribution of existing technologies and applications.

The projected revenue used in the income approach are based upon the incremental revenues associated with a portion of the project related to BlueGill's technology likely to be generated upon completion of the project and the beginning of commercial sales, as estimated by management. The projections assume that the projects will be successful and the project's development and commercialization are as set forth by management. The discount rate used in this analysis is an after tax rate of 25%.

Note C: CheckFree Holdings' statement of operations for the year ended June 30, 1999, has been combined with the BlueGill statement of operations for the twelve months ended June 30, 1999. CheckFree Holdings' statement of operations for the nine-month period ended March 31, 2000 has been combined with the BlueGill statement of operations for the nine-month period ended March 31, 2000. Actual income statements of CheckFree Holdings and BlueGill will be combined from the effective date of the merger, with no retroactive restatement.

Note D: The unaudited pro forma condensed combining statement of operations for CheckFree Holdings and BlueGill have been prepared as if the merger was completed as of July 1, 1998, the beginning of the earliest period presented. The unaudited pro forma combined net income (loss) per share is based on the weighted average number of shares of CheckFree Holdings common stock outstanding during the periods, adjusted to give effect to shares assumed to be issued had the merger taken place as of July 1, 1998.

Note E: The unaudited pro forma condensed combining statement of operations do not include a charge for the value of the estimated \$6.9 million (no income tax effect) of purchased research and development arising from the merger, which will be expensed at acquisition, as this expense will not have a continuing impact.

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
2(a)	Agreement and Plan of Merger, dated as of December 20, 1999, among CheckFree Holdings Corporation, CheckFree Acquisition Corporation IV, and BlueGill Technologies, Inc. (Reference is made to Appendix A to Registration Statement on Form S-4, as amended (Registration No. 333-32644), filed with the Securities Exchange Commission on March 16, 2000, and incorporated herein by reference).
2(b)	Amendment to Agreement and Plan of Merger, dated April 27, 2000, among CheckFree Holdings Corporation, CheckFree Acquisition Corporation IV, and BlueGill Technologies, Inc. (Reference is made to Exhibit 2(b) to Current Report on Form 8-K dated April 28, 2000, filed with the Securities and Exchange Commission on May 15, 2000, and incorporated herein by reference).
23	Consent of Arthur Andersen LLP.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Form 8-K/A NO. 1 of our report dated February 28, 2000, included in CheckFree Holdings Corporation's Current Report on Form 8-K/A No. 1 dated March 16, 2000, which is a part of the Registration Statement File No. 0-26802. It should be noted that we have not audited any financial statements of the company subsequent to December 31, 1999 or performed any audit procedures subsequent to the date of our report.

/s/ Arthur Andersen LLP

Arthur Andersen LLP

Ann Arbor, Michigan,
July 7, 2000.