

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

FORM 8-K

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): OCTOBER 21, 2003

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

Delaware	0-26802	58-2360335
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(STATE OR OTHER JURISDICTION OF INCORPORATION)	(COMMISSION FILE NO.)	(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 7. FINANCIAL STATEMENTS AND EXHIBITS.

(C) EXHIBITS.

EXHIBIT NO.	DESCRIPTION
99.1*	CheckFree Corporation's Press Release issued October 21, 2003.

* Such press release is being "furnished" and not "filed," as described in Item 12 of this Current Report on Form 8-K.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On October 21, 2003, CheckFree Corporation ("CheckFree") issued a press release announcing its financial results for the first quarter ended September 30, 2003, and its expectations for the second quarter ended December 31, 2003 and fiscal 2004. Pursuant to General Instruction F of Form 8-K, a copy of such press release is furnished as an exhibit to this Form 8-K and is incorporated herein by reference. The information in this Form 8-K, including the exhibit hereto, shall not be treated as "filed" for purposes of the Securities Exchange Act of 1934, as amended.

CheckFree will host a conference call at 5:30 p.m. (EDT) on October 21, 2003 to review its financial results for the first quarter ended September 30, 2003, and its expectations for second quarter ended December 31, 2003 and fiscal 2004. To phone into the conference call, dial 1-800-243-6403 anytime after 5:15 p.m. (EDT) and ask for the conference call hosted by Peter Kight. CheckFree will also broadcast the call on the Internet. The live conference call will be accessible through the Investor Center section of the CheckFree corporate Web site at <http://www.checkfreecorp.com>. A digital replay of the call will be available on the same Web site after 7:30 p.m. (EDT).

Certain of the CheckFree's statements contained or incorporated by reference in this Form 8-K are not purely historical, and as such are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These include statements regarding management's intentions, plans, beliefs, expectations or projections of the future, and include statements regarding forecasts and expectations of revenue, earnings, cash flows, sequential transaction growth for the second quarter of fiscal 2004 and fiscal 2004 as a whole, and consumer adoption of electronic billing and payment services. Forward-looking statements involve risks and uncertainties, including without limitation, the various risks inherent in CheckFree's business, and other risks and uncertainties detailed from time to time in CheckFree's periodic reports filed with the Securities and Exchange Commission, including its Form 10-K for the year ended June 30, 2003 (filed September 15, 2003). One or more of these factors have affected, and could in the future affect, CheckFree's business and financial results in future periods, and could cause actual results to differ materially from plans and projections. There can be no assurance that the forward-looking statements contained or incorporated by reference in this Form 8-K will prove to be accurate, and issuance of such forward-looking statements should not be regarded as a representation by CheckFree, or any other person, that the objectives and plans of CheckFree will be achieved. All forward-looking statements contained or incorporated by reference in this Form 8-K are based on information presently available to management, and CheckFree assumes no obligation to update any forward-looking statements.

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 CORPORATION

Date: October 21, 2003

By: /s/ David E. Mangum

David E. Mangum, Executive Vice
President and Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
99.1*	CheckFree Corporation's Press Release issued October 21, 2003.

* Furnished with this report.

[CHECKFREE LOGO]

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FOR IMMEDIATE RELEASE

CHECKFREE ANNOUNCES FISCAL 2004 FIRST QUARTER RESULTS

- Increase in electronic billing and payment access points boosts consumer adoption metrics--
- Transaction growth modestly ahead of expectations--

ATLANTA (October 21, 2003) - CheckFree Corporation (NASDAQ: CKFR) today announced first quarter revenue growth of 9 percent to \$141.3 million as compared to the same period last year. The Company's GAAP (Generally Accepted Accounting Principles) net loss was \$6.7 million or a loss per share of \$0.07, and underlying net income was \$19.4 million, or \$0.21 per share. Free cash flow was \$21.6 million for the quarter, a 50 percent increase over the same period last year, as outlined in Attachment A.

GAAP Results: Net loss for the first quarter was \$6.7 million, compared to \$16.2 million for the same quarter last year. Loss per share was \$0.07 for the first quarter of fiscal 2004, compared to a loss per share of \$0.18 for the first quarter of last year. GAAP net cash provided by operating activities was \$27.0 million for the first quarter of fiscal 2004, a 12 percent increase over the same quarter last year.

Underlying Results: Underlying net income for the first quarter was \$19.4 million, compared to \$14.1 million for the same quarter of last year. Underlying earnings per share were \$0.21 for the first quarter of fiscal 2004, compared to \$0.16 for the first quarter of last year. Underlying net income and earnings per share exclude revenue associated with warrants issued to a third party, the amortization of acquisition-related intangible assets, the cumulative effect upon adoption of SFAS 142, and related income tax benefits. A reconciliation of CheckFree's underlying results to its GAAP results is included in Attachment A.

"We experienced consistent performance across all business units this quarter, with each contributing according to plan," said Pete Kight, CheckFree Chairman and Chief Executive Officer. "Specifically, in our Electronic Commerce division we saw all of our distribution channels contribute to the growth of key payment processing and electronic bill delivery metrics. Accelerated growth in both access points and consumer adoption reflects the strength of these results. In our Investment Services business, we saw a slight lift in portfolios under management for the first time in some time -- a good sign for a market that has been challenged by a weakened economy in recent years."

"Our expanded international presence for enterprise reconciliation solutions and growing interest in our electronic check conversion solution contributed to our execution in a traditionally slow sales quarter for our Software business," Knight continued. "These collective results position us well for the remainder of fiscal 2004 and set a solid foundation on which to build and strengthen our market position as the financial e-commerce leader."

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The Company also reported that its Electronic Commerce unit processed 126.7 million transactions for the quarter, a 5 percent increase over the previous quarter; delivered 14.7 million electronic bills, an increase of 27 percent over the previous quarter; and increased the number of fully enabled electronic billing and payment distribution points to more than 1,000. In its Investment Services unit, CheckFree signed three clients to its Multiple Strategy Portfolios solution, and increased portfolios under management from more than 1.2 million to 1.3 million during the quarter. In its Software business, CheckFree expanded its U.K.-based sales presence to include enterprise reconciliation through its RECON-Plus Frontier solution. Refer to Attachment B for details on the financial performance of CheckFree's divisions in the first quarter of fiscal 2004, and Attachment C for core electronic billing and payment metrics.

EXPECTATIONS FOR SECOND QUARTER AND FISCAL YEAR

"For the second quarter of 2004, we project revenue in the range of \$143 to \$148 million, and GAAP earnings per share in the range of \$0.01 to \$0.04," said CheckFree Chief Financial Officer David Mangum, "This equates to underlying earnings per share in the range of \$0.22 to \$0.24."

"Sequential quarterly transaction growth for the second quarter should be in the range of 4 to 6 percent, reflecting solid growth across all distribution points and expected additional in-house runoff," Mangum continued. "We anticipate improved seasonal performance from our Software division and incremental progress from our Investment Services unit."

"Our full-year guidance on earnings per share remains unchanged at breakeven to modestly positive on a GAAP basis, or \$0.93 to \$0.97 on an underlying basis; and we expect free cash flow to continue on track, with growth approaching 20 percent," Mangum concluded.

The difference between GAAP and underlying earnings is due to acquisition-related intangible amortization expense.

USE OF NON-GAAP FINANCIAL INFORMATION

Management evaluates the operations of the Company using the metrics of underlying income, underlying earnings per share, and free cash flow. These non-GAAP financial measures exclude or include items that represent either non-cash charges that do not impact the Company's free cash flow, or other items, which are evaluated separately as they arise. Therefore, the Company believes that its underlying results and free cash flow calculations provide useful information to investors because they are consistent with its internal performance measurements. Further, the Company considers free cash flow to be a measure of liquidity and believes that it provides useful information to management and investors about the amount of cash generated by the Company after the acquisition of property and equipment, which can be used for strategic and other purposes. CheckFree's underlying results and free cash flow are not prepared in accordance with GAAP. These measures should be considered in addition to, and not as a substitute for, our GAAP results.

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CONFERENCE CALL ON THE INTERNET

CheckFree will broadcast its first quarter conference call at 5:30 p.m. (EDT) today. To phone into the conference call, dial 1-800-243-6403 anytime after 5:15 p.m. (EDT) and ask for the conference call hosted by Peter Kight. CheckFree will also broadcast the call on the Internet. The live conference call will be accessible through the Investor Center section of the CheckFree corporate Web site at <http://www.checkfreecorp.com>. A digital replay of the call will be available on the same Web site after 7:30 p.m. (EDT).

ABOUT CHECKFREE (www.checkfreecorp.com)

CheckFree (NASDAQ: CKFR) is the leading provider of financial electronic commerce services and products. Founded in 1981 and celebrating its 23rd year in e-commerce, CheckFree is comprised of three divisions: Electronic Commerce, Software, and Investment Services. CheckFree launched the first fully integrated electronic billing and payment solution in 1997. In the quarter ended September 30, 2003, more than 11 million consumers initiated online payments through services offered by CheckFree's ELECTRONIC COMMERCE division. Electronic billing and payment is available through more than a thousand financial services organizations, including banks, brokerage firms, Internet portals and personal financial management (PFM) software. At these sites, consumers are able to electronically receive and pay about 300 bills, representing the bills most common to a U.S. household. CheckFree delivers nearly 15 million e-bills each quarter. CheckFree INVESTMENT SERVICES provides a broad range of investment management services to thousands of financial institutions nationwide. The division's clients manage more than 1.3 million portfolios totaling more than \$700 billion in assets.

CheckFree's SOFTWARE division provides solutions through three operating units: CheckFree ACH Solutions, CheckFree Financial and Compliance Solutions (CFACS), and CheckFree i-Solutions. CheckFree ACH Solutions provides software and services that are used to process more than two-thirds of the nation's nine billion Automated Clearing House payments, while CFACS provides reconciliation and compliance software and services to more than 500 organizations in the banking, brokerage, utility, retail, insurance and credit card industries, among others. CheckFree i-Solutions is the leading provider of e-billing and e-statement software and services for both business-to-consumer and business-to-business applications, with more billers as clients than all of its competitors have combined.

Certain of the Company's statements in this press release are not purely historical, and as such are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These include statements regarding management's intentions, plans, beliefs, expectations or projections of the future, and include statements in this document regarding forecasts and expectations of revenue, earnings, cash flows, sequential transaction growth for the second quarter of fiscal 2004 and fiscal 2004 as a whole, and consumer adoption of electronic billing and payment services (paragraphs 4, 5, 7, 8, 9 and 10). Forward-looking statements involve risks and uncertainties, including without limitation, the various risks inherent in the Company's business, and other risks and uncertainties detailed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission, including the Company's Form 10-K for the year ended June 30, 2003 (filed September 15, 2003). One or more of these factors have affected, and could in the future affect, the Company's business and financial results in future periods, and could cause actual results to differ materially from plans and projections. There can be no assurance that the forward-looking statements made in this document will prove to be accurate, and issuance of such forward-looking statements should not be regarded as a representation by the Company, or any other person, that the objectives and plans of the Company will be achieved. All forward-looking statements made in this press release are based on information presently available to management, and the Company assumes no obligation to update any forward-looking statements.

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CHECKFREE CORPORATION AND SUBSIDIARIES
 Consolidated Condensed Statements of Operations
 (Unaudited)
 (In thousands, except per share data)

	Three Months Ended September 30,	
	2003	2002
Revenue:		
Processing and servicing	\$124,245	\$ 114,491
License fees	4,962	4,209
Maintenance fees	6,701	6,186
Other	5,356	5,349
Total revenue	141,264	130,235
Expenses:		
Cost of processing, servicing and support	59,288	58,767
Research and development	14,903	12,235
Sales and marketing	12,325	13,206
General and administrative	11,523	10,300
Depreciation and amortization	50,613	56,878
Total expenses	148,652	151,386
Loss from operations	(7,388)	(21,151)
Interest, net	(1,624)	(1,216)
Loss before income taxes and cumulative effect of accounting change	(9,012)	(22,367)
Income tax benefit	(2,343)	(9,085)
Loss before cumulative effect of accounting change	(6,669)	(13,282)
Cumulative effect of accounting change	-	(2,894)
Net loss	\$ (6,669)	\$ (16,176)
Basic and diluted loss per share:		
Basic and diluted net loss per share before cumulative effect of accounting change	\$ (0.07)	\$ (0.15)
Cumulative effect of accounting change	-	(0.03)
Net loss per common share	\$ (0.07)	\$ (0.18)
Equivalent number of shares	89,463	88,378

CHECKFREE CORPORATION AND SUBSIDIARIES
 Consolidated Condensed Balance Sheets
 (Unaudited)
 (In thousands)

	September 30, 2003	June 30, 2003
	-----	-----
Current assets:		
Cash, cash equivalents and investments	\$ 312,391	\$ 282,032
Accounts receivable, net	86,592	81,626
Deferred income taxes	41,657	41,202
Other current assets	9,995	12,243
	-----	-----
Total current assets	450,635	417,103
Property and equipment, net	91,569	94,853
Capitalized software and intangible assets, net	906,026	946,976
Investments	112,036	121,615
Other	8,721	6,723
	-----	-----
Total assets	\$ 1,568,987	\$ 1,587,270
	=====	=====
Current liabilities:		
Accounts payable, accrued liabilities and other	\$ 63,989	\$ 73,739
Deferred revenues	37,744	36,543
	-----	-----
Total current liabilities	101,733	110,282
Accrued rent and other	3,354	3,419
Long-term obligations, less current portion	3,774	4,192
Deferred income taxes	21,011	28,728
Convertible subordinated notes	172,500	172,500
Net stockholders' equity	1,266,615	1,268,149
	-----	-----
Total liabilities and stockholders' equity	\$ 1,568,987	\$ 1,587,270
	=====	=====

Attachment A
CALCULATION OF FREE CASH FLOW

	Three Months Ended September 30,	
	2003	2002

	(in millions)	
Cash provided by operating activities	\$ 27.0	\$ 24.0
Less: capital expenditures	5.4	9.6

Free cash flow	\$ 21.6	\$ 14.4
	=====	

The Company defines free cash flow as GAAP net cash from operating activities less capital expenditures.

RECONCILIATION OF GAAP NET LOSS TO UNDERLYING NET INCOME
AND EARNINGS (LOSS) PER SHARE

	Three Months Ended September 30,	
	2003	2002

	(in thousands, except per share data)	
Total revenue per GAAP	\$ 141,264	\$ 130,235
Warrants issued to third party	-	(644)

Total underlying revenue	\$ 141,264	\$ 129,591
	=====	
Net loss per GAAP	\$ (6,669)	\$ (16,176)
Warrants issued to third party	-	(644)
Amortization of intangible assets	40,494	46,157
Tax benefit of underlying adjustments	(14,467)	(18,130)
Cumulative effect of accounting change (1)	-	2,894

Underlying net income	\$ 19,358	\$ 14,101
	=====	
GAAP basic and diluted weighted average shares outstanding	89,463	88,378
Impact of dilutive options and warrants	1,895	196

Underlying diluted weighted average shares outstanding	91,358	88,574
	=====	
GAAP basic and diluted loss per share	\$ (0.07)	\$ (0.18)
	=====	
Underlying diluted earnings per share	\$ 0.21	\$ 0.16
	=====	

(1) Effective July 1, 2002, the Company adopted SFAS No. 142 - Accounting for Goodwill and Other Intangible Assets. Upon adoption of SFAS No. 142 the Company no longer amortizes goodwill.

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ATTACHMENT A (CONTINUED)

CHECKFREE CORPORATION AND SUBSIDIARIES
 Supplemental Underlying Consolidated Condensed Statements of Operations
 (Unaudited)
 (In thousands, except per share data)

	Three Months Ended September 30,	
	2003	2002
Revenue:		
Processing and servicing	\$ 124,245	\$ 113,847
License fees	4,962	4,209
Maintenance fees	6,701	6,186
Other	5,356	5,349
Total revenue	141,264	129,591
Expenses:		
Cost of processing, servicing and support	59,288	58,767
Research and development	14,903	12,235
Sales and marketing	12,325	13,206
General and administrative	11,523	10,300
Depreciation and amortization	10,119	10,721
Total expenses	108,158	105,229
Income from operations	33,106	24,362
Interest, net	(1,624)	(1,216)
Income before income taxes	31,482	23,146
Income tax expense	12,124	9,045
Net income	\$ 19,358	\$ 14,101
Basic income per share:		
Net income per common share	\$ 0.22	\$ 0.16
Equivalent number of shares	89,463	88,378
Diluted income per share:		
Net income per common share	\$ 0.21	\$ 0.16
Equivalent number of shares	91,358	88,574

Attachment B
RECONCILIATION OF GAAP RESULTS TO UNDERLYING RESULTS BY SEGMENT

	Three Months Ended September 30,	
	2003	2002
	-----	-----
	(in thousands)	
ELECTRONIC COMMERCE:		
Total revenue per GAAP	\$106,555	\$ 96,643
Warrants issued to third party	-	(644)
	-----	-----
Total underlying revenue	\$106,555	\$ 95,999
	=====	=====
Operating loss per GAAP	\$ (5,599)	\$(16,661)
Warrants issued to third party	-	(644)
Amortization of intangible assets	39,521	43,757
	-----	-----
Underlying operating income	\$ 33,922	\$ 26,452
	=====	=====
INVESTMENT SERVICES:		
Revenue (GAAP and underlying)	\$ 20,293	\$ 20,523
	=====	=====
Operating income per GAAP	\$ 4,686	\$ 4,099
Amortization of intangible assets	232	745
	-----	-----
Underlying operating income	\$ 4,918	\$ 4,844
	=====	=====
SOFTWARE:		
Revenue (GAAP and underlying)	\$ 14,416	\$ 13,069
	=====	=====
Operating income (loss) per GAAP	\$ 1,487	\$ (566)
Amortization of intangible assets	741	1,655
	-----	-----
Underlying operating income	\$ 2,228	\$ 1,089
	=====	=====
CORPORATE:		
Operating (loss) per GAAP	\$ (7,962)	\$ (8,023)
	-----	-----
Underlying operating loss	\$ (7,962)	\$ (8,023)
	=====	=====

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Attachment C
CORE ELECTRONIC BILLING AND PAYMENT METRICS

	9/30/03	6/30/03	Quarter Ended 3/31/03	12/31/02	9/30/02
----- (in millions, except revenue/transaction, percentages and distribution points)					
TRANSACTIONS					
FULL SERVICE TRANSACTIONS					
Revenue	\$85.5	\$82.6	\$81.5	\$75.1	\$71.6
Active Subscribers(1)	4.6	4.2	3.9	3.5	3.2
Transactions	94.3	87.5	80.3	74.9	67.2
Revenue/Transaction(2)	\$0.91	\$0.94	\$1.01	\$1.00	\$1.07
PAYMENT SERVICES TRANSACTIONS					
Revenue	\$11.9	\$12.3	\$12.8	\$13.9	\$14.7
Transactions	32.4	32.7	31.6	30.1	29.5
Revenue/Transaction(2)	\$0.37	\$0.37	\$0.41	\$0.46	\$0.50
TOTAL TRANSACTIONS	126.7	120.2	111.9	105.0	96.7
OTHER REVENUE	\$9.2	\$11.2	\$10.3	\$9.2	\$9.7(3)
e-BILL DELIVERY					
Electronic bills distributed	14.7	11.5	8.8	6.8	4.8
Quarterly sequential growth	27%	31%	30%	41%	26%
ELECTRONIC RATE					
Electronic payment rate	76%	75%	74%	73%	73%
CONSUMER ONLINE ACCESS					
Distribution points for EBP	1,028	949	842	784	657
CUSTOMER REACH(4)					
Consumers initiating payments	11	10	9	8	7

- (1) "Active" refers to subscribers who have viewed or paid a bill in the last 90 days at a Consumer Service Provider that outsources essentially all of its EBP functions to CheckFree.
- (2) Revenue/Transaction is derived by dividing all services and transaction revenue earned in the category by the number of transactions tracked in the category.
- (3) Excludes a \$0.6 million non-cash increase to GAAP Other Revenue of \$10.3 million for warrants issued to a third party.
- (4) Represents the consumers initiating payments through CheckFree-managed services.

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