TYLER TECHNOLOGIES REPORTS 2001 EARNINGS Annual Revenues Increase 26% and EBITDA Triples From Prior Year

Dallas, Texas, March 6, 2002 -- Dallas-based Tyler Technologies, Inc. (NYSE: TYL) today reported earnings for the quarter and year ended December 31, 2001. Tyler provides a broad array of software products and related professional services to meet the information management needs of counties, cities, schools and other local government offices nationwide.

Revenues from continuing operations for the year ended December 31, 2001 increased 26% to $117.9 million from $93.2 million in 2000. For the year ended December 31, 2001, EBITDA, or earnings from continuing operations before interest, income taxes, depreciation, amortization and recovery of acquisition costs previously expensed, more than tripled to $13.0 million, or $0.27 per diluted share, from $4.3 million, or $0.09 per diluted share, for the prior year.

Income from continuing operations before income taxes for 2001 was $1.8 million, compared with a pretax loss of $10.3 million in 2000. The Company's effective income tax rate for 2001 was 85%, primarily because of the effects of non-deductible goodwill amortization. Income from continuing operations for the year ended December 31, 2001 was $272,000, or $0.01 per share, compared to a loss from continuing operations of $7.5 million, or $0.17 per share, for the year ended December 31, 2000.

Effective January 1, 2002, Tyler will adopt the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets", which will result in lower amortization expense for acquisition intangibles and a lower effective income tax rate from 2002 forward. Had the Company reported its 2001 results on the basis required by SFAS No. 142, pro forma income from continuing operations would have been $3.2 million, or $0.07 per share, and the Company's 2001 effective income tax rate would have been approximately 40.2%.

Revenues from continuing operations in the fourth quarter of 2001 grew 20% to $31.2 million from $26.0 million in the fourth quarter of 2000. For the fourth quarter of 2001, EBITDA was $4.3 million, or $0.09 per share, compared to EBITDA of $3.5 million, or $0.07 per diluted share, in the third quarter of 2001 and EBITDA of $2.2 million, or $0.05 per share, in the fourth quarter of 2000.

Pretax income from continuing operations was $1.3 million for the three months ended December 31, 2001, compared with a pretax loss of $1.8 million for the same period in the prior year, and more than double the pretax income of $614,000 in the third quarter of 2001. Income from continuing operations for the quarter ended December 31, 2001 was $163,000, or $0.00 per share, compared to a loss from continuing operations of $1.3 million, or $0.03 per share, for the quarter ended December 31, 2000.

"We are pleased with the tremendous improvement in our results for 2001," said John M. Yeaman, Tyler's President. "Last year we said that our targets for 2001 included revenue growth in excess of 20%, sequential quarterly improvement in our operating results, positive EBITDA throughout the year, and a return to profitability in the second half of the year. We achieved all of those targets. The fourth quarter of 2001 marked our third consecutive profitable quarter, with increasing EBITDA and pretax earnings in each quarter of the year. Our year-over-year revenue growth of 26%, our EBITDA of $13.0 million, and our earnings per share of $0.01 for the year all met or exceeded consensus analyst estimates."

"Each of our revenue categories improved from 2000. Software license revenues increased sequentially in each quarter of the year. Professional services revenue increased by over 41%, led by strength in our appraisal outsourcing business. Growth of our recurring revenues was also robust in 2001, with a 23% increase in maintenance revenues compared to 2000. We also reduced selling, general and administrative expenses from $32.8 million, or 35.2% of revenues, in 2000, to $31.1 million, or 26.4% of revenues, in 2001," added Mr. Yeaman.

"We are particularly gratified to have achieved these improved results during such difficult economic times," continued Mr. Yeaman. "Our results reflect the hard work of the talented men and women of Tyler Technologies, the appeal of our broad offerings of products and services, the strength of our customer relationships, and the demand for technology in the local government market.

�We generated cash flow from operating activities of over $12.7 million in 2001, and enter 2002 with a very solid balance sheet and a growing cash position. Our backlog of signed contracts and deferred revenue balance, both indicators of future revenues, remain strong at the end of 2001.�

�Tyler is looking forward to continued improvement in our results in 2002. We believe that in the year 2001 we achieved a level of critical mass in our business from which our future growth will be increasingly profitable. While we anticipate positive year-over-year earnings comparisons throughout the year, we expect that the second half of the year will be significantly stronger than the first half. For the year ending December 31, 2002 as a whole, we expect revenue growth of 20% over 2001, with EBITDA growth of 30% to 45%. Earnings per share from continuing operations are expected to increase by 80% to 90% over 2001 earnings per share of $0.07, as adjusted for the effects of adopting SFAS No. 142. The Company expects to have an effective income tax rate in 2002 of approximately 40%. Our planned capital spending for 2002 is approximately $10 million, including $6.5 million of capitalized software development, and we anticipate generating significant free cash flow after capital expenditures,� concluded Mr. Yeaman.

Tyler Technologies has scheduled a conference call for today at 10:30 a.m. Central Time, to discuss the Company's 2001 earnings and outlook for 2002. The conference call can be accessed by visiting the Company's homepage at http://www.tylertechnologies.com or at http://www.companyboardroom.com. A replay will be available on each of those Web sites following the conference call.

Based in Dallas, Tyler Technologies is a leading provider of end-to-end information management solutions and e-government services to local governments. Tyler partners with clients to make local government more accessible to the public, more responsive to needs of citizens, and more efficient. Tyler's client base includes nearly 6,000 local government offices in 49 states, Canada and Puerto Rico. More information about Tyler Technologies can be found on the World Wide Web at www.tylertechnologies.com.

Tyler Technologies, Inc. has included in this press release "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 concerning its business and operations. Tyler Technologies expressly disclaims any obligation to release publicly any updates or revisions to these forward-looking statements to reflect any change in its expectations. These expectations and the related statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. The risks and uncertainties which forward-looking statements are subject to include, but are not limited to, changes in competition, changes in general economic conditions, changes in the budgets and regulatory environments of the Company's customers, risks associated with the development of new products and the enhancement of existing products, the ability to attract and retain qualified personnel, and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

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