

**American Software Second Quarter of Fiscal 2012 Results**

AMERICAN SOFTWARE, INC.

**Consolidated Statements of Operations Information**  
(In thousands, except per share data, unaudited)

	Second Quarter Ended			Six Months Ended		
	October 31,			October 31,		
	2011	2010	Pct Chg.	2011	2010	Pct Chg.
<b>Revenues:</b>						
License	\$ 7,048	\$ 4,266	65%	\$ 13,736	\$ 7,060	95%
Services & other	10,535	9,467	11%	19,802	18,698	6%
Maintenance	8,015	7,220	11%	15,769	14,289	10%
Total Revenues	25,598	20,953	22%	49,307	40,047	23%
<b>Cost of Revenues:</b>						
License	1,487	1,450	3%	3,322	2,143	55%
Services & other	7,589	6,657	14%	14,506	13,208	10%
Maintenance	1,888	1,845	2%	3,653	3,501	4%
Total Cost of Revenues	10,964	9,952	10%	21,481	18,852	14%
Gross Margin	14,634	11,001	33%	27,826	21,195	31%
<b>Operating expenses:</b>						
Research and development	2,610	2,537	3%	5,164	4,945	4%
Less: capitalized development	(661)	(628)	5%	(1,265)	(1,259)	0%
Sales and marketing	4,795	3,836	25%	9,101	7,153	27%
General and administrative	3,010	3,049	(1%)	6,126	5,891	4%
Provision for doubtful accounts	29	12	142%	120	40	200%
Amortization of acquisition-related intangibles	135	201	(33%)	270	415	(35%)
Severance expenses	-	219	nm	-	219	nm
Total Operating Expenses	9,918	9,226	8%	19,516	17,404	12%
Operating Earnings	4,716	1,775	166%	8,310	3,791	119%
Interest Income & Other, Net	103	637	(84%)	90	878	(90%)
Earnings Before Income Taxes	4,819	2,412	100%	8,400	4,669	80%
Income Tax Expense	1,838	938	96%	3,131	1,822	72%
Net Earnings	\$ 2,981	\$ 1,474	102%	\$ 5,269	\$ 2,847	85%
<b>Earnings per common share: (1)</b>						
Basic	\$ 0.11	\$ 0.06	83%	\$ 0.20	\$ 0.11	82%
Diluted	\$ 0.11	\$ 0.06	83%	\$ 0.20	\$ 0.11	82%
<b>Weighted average number of common shares outstanding:</b>						
Basic	26,263	25,706		26,197	25,623	
Diluted	26,825	25,986		26,802	25,955	

AMERICAN SOFTWARE, INC.

**NON-GAAP MEASURES OF PERFORMANCE**

(In thousands, except per share data, unaudited)

	Second Quarter Ended			Six Months Ended		
	October 31,			October 31,		
	2011	2010	Pct Chg.	2011	2010	Pct Chg.
<b>NON-GAAP EARNINGS PER SHARE:</b>						
<b>Net Earnings (GAAP Basis)</b>	\$ 2,981	\$ 1,474	102%	\$ 5,269	\$ 2,847	85%
Income tax expense	1,838	938	96%	3,131	1,822	72%
Interest Income & Other, Net	(103)	(637)	(84%)	(90)	(878)	(90%)
Amortization of intangibles	779	858	(9%)	1,565	1,108	41%
Depreciation	302	310	(3%)	611	619	(1%)
<b>EBITDA (earnings before interest, taxes, depreciation and amortization)</b>	5,797	2,943	97%	10,486	5,518	90%
Stock-based compensation	302	247	22%	586	475	23%
<b>Adjusted EBITDA</b>	\$ 6,099	\$ 3,190	91%	\$ 11,072	\$ 5,993	85%
<b>EBITDA , as a percentage of revenue</b>	23%	14%		21%	14%	
<b>Adjusted EBITDA , as a percentage of revenue</b>	24%	15%		22%	15%	

	Second Quarter Ended			Six Months Ended		
	October 31,			October 31,		
	2011	2010	Pct Chg.	2011	2010	Pct Chg.
<b>NON-GAAP EARNINGS PER SHARE:</b>						
<b>Net Earnings (GAAP Basis)</b>	\$ 2,981	\$ 1,474	102%	\$ 5,269	\$ 2,847	85%

Amortization of acquisition-related intangibles (2)	84	123	(32%)	169	253	(33%)
Stock-based compensation (2)	187	151	24%	368	490	(25%)
Severance expenses (2)	-	134	nm	-	134	nm
Adjusted Net Earnings	<u>\$ 3,252</u>	<u>\$ 1,882</u>	<u>73%</u>	<u>\$ 5,806</u>	<u>\$ 3,724</u>	<u>56%</u>
Adjusted non-GAAP diluted earnings per share	<u>\$ 0.12</u>	<u>\$ 0.07</u>	<u>71%</u>	<u>\$ 0.22</u>	<u>\$ 0.14</u>	<u>57%</u>

(1) - Basic per share amounts are the same for Class A and Class B shares. Diluted per share amounts for Class A shares are shown above. Diluted per share for Class B shares under the two-class method are \$0.11 and \$0.20 for the three and six months ended October 31, 2011, respectively. Diluted per share for Class B shares under the two-class method are \$0.06 and \$0.11 for the three and six months ended October 31, 2010, respectively.

(2) - Tax affected using the effective tax rate for the three and six months period ended October 31, 2011 and 2010.

nm- not meaningful

**American SOFTWARE, INC.**  
**Consolidated Balance Sheet Information**  
(In thousands)  
(Unaudited)

	October 31, 2011	April 30, 2011
Cash and Short-term Investments	\$ 45,316	\$ 44,567
Accounts Receivable:		
Billed	14,181	14,409
Unbilled	6,236	4,151
Total Accounts Receivable, net	<u>20,417</u>	<u>18,560</u>
Prepays & Other	3,018	2,918
Deferred Tax Asset	77	77
Current Assets	<u>68,828</u>	<u>66,122</u>
Investments - Non-current	8,937	10,844
PP&E, net	5,334	5,723
Capitalized Software, net	7,575	7,562
Goodwill	12,601	12,601
Other Intangibles, net	1,567	1,880
Other Non-current Assets	111	100
Total Assets	<u>\$ 104,953</u>	<u>\$ 104,832</u>
Accounts Payable	\$ 982	\$ 1,011
Accrued Compensation and Related costs	3,837	4,245
Dividend Payable	2,368	2,345
Other Current Liabilities	4,461	4,493
Deferred Revenues	15,938	17,307
Current Liabilities	<u>27,586</u>	<u>29,401</u>
Deferred Tax Liability - Long term	774	1,375
Shareholders' Equity	76,593	74,056
Total Liabilities & Shareholders' Equity	<u>\$ 104,953</u>	<u>\$ 104,832</u>