

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

AMERICAN SOFTWARE, INC.

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

	First Quarter Ended		
	July 31,		
	2011	2010	Pct Chg.
Revenues:			
License	\$ 6,688	\$ 2,794	139%
Services & other	9,267	9,231	0%
Maintenance	7,754	7,069	10%
Total Revenues	<u>23,709</u>	<u>19,094</u>	<u>24%</u>
Cost of Revenues:			
License	1,835	693	165%
Services & other	6,917	6,551	6%
Maintenance	1,765	1,656	7%
Total Cost of Revenues	<u>10,517</u>	<u>8,900</u>	<u>18%</u>
Gross Margin	<u>13,192</u>	<u>10,194</u>	<u>29%</u>
Operating expenses:			
Research and development	2,554	2,408	6%
Less: capitalized development	(604)	(631)	(4%)
Sales and marketing	4,306	3,317	30%
General and administrative	3,116	2,842	10%
Provision for doubtful accounts	91	28	225%
Amortization of acquisition-related intangibles	135	214	(37%)
Total Operating Expenses	<u>9,598</u>	<u>8,178</u>	<u>17%</u>
Operating Earnings	<u>3,594</u>	<u>2,016</u>	<u>78%</u>
Interest Income & Other, Net	(13)	241	nm
Earnings Before Income Taxes	<u>3,581</u>	<u>2,257</u>	<u>59%</u>
Income Tax Expense	<u>1,293</u>	<u>884</u>	<u>46%</u>
Net Earnings	<u>\$ 2,288</u>	<u>\$ 1,373</u>	<u>67%</u>
<b>Earnings per common share: (1)</b>			
Basic	<u>\$ 0.09</u>	<u>\$ 0.05</u>	<u>80%</u>
Diluted	<u>\$ 0.09</u>	<u>\$ 0.05</u>	<u>80%</u>
<b>Weighted average number of common shares outstanding:</b>			
Basic	26,130	25,540	
Diluted	26,788	25,926	

AMERICAN SOFTWARE, INC.

**NON-GAAP MEASURES OF PERFORMANCE**

(In thousands, except per share data, unaudited)

	First Quarter Ended		
	July 31,		
	2011	2010	Pct Chg.
<b>NON-GAAP EARNINGS PER SHARE:</b>			
<b>Net Earnings (GAAP Basis)</b>	\$ 2,288	\$ 1,373	67%
Income tax provision	1,293	884	46%
Interest Income & Other, Net	13	(241)	(105%)
Amortization of intangibles	796	250	218%
Depreciation	300	309	(3%)
<b>EBITDA (earnings before interest, taxes, depreciation and amortization)</b>	<u>4,690</u>	<u>2,575</u>	<u>82%</u>
Stock-based compensation	284	228	25%
<b>Adjusted EBITDA</b>	<u>\$ 4,974</u>	<u>\$ 2,803</u>	<u>77%</u>

EBITDA , as a percentage of revenue	20%	13%
Adjusted EBITDA , as a percentage of revenue	21%	15%

	First Quarter Ended		
	July 31,		
	2011	2010	Pct Chg.
<b>NON-GAAP EARNINGS PER SHARE:</b>			
<b>Net Earnings (GAAP Basis)</b>	\$ 2,288	\$ 1,373	67%
Amortization of acquisition-related intangibles (2)	86	130	(34%)
Stock-based compensation (2)	180	139	29%
Adjusted Net Earnings	<u>\$ 2,554</u>	<u>\$ 1,642</u>	<u>56%</u>
Adjusted non-GAAP diluted earnings per share	<u>\$ 0.10</u>	<u>\$ 0.06</u>	<u>67%</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 \$0.09 and \$0.05 for the three months ended July 31, 2011 and 2010, respectively.

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

*nm- not meaningful*

American SOFTWARE, INC.		
Consolidated Balance Sheet Information		
(In thousands)		
(Unaudited)		
	July 31,	April 30,
	2011	2011
Cash and Short-term Investments	\$ 42,546	\$ 44,567
Accounts Receivable:		
Billed	14,546	14,409
Unbilled	5,450	4,151
Total Accounts Receivable, net	19,996	18,560
Prepays & Other	2,450	2,918
Deferred Tax Asset	77	77
Current Assets	<u>65,069</u>	<u>66,122</u>
Investments - Non-current	10,244	10,844
PP&E, net	5,543	5,723
Capitalized Software, net	7,540	7,562
Goodwill	12,601	12,601
Other Intangibles, net	1,721	1,880
Other Non-current Assets	100	100
Total Assets	<u>\$ 102,818</u>	<u>\$ 104,832</u>
Accounts Payable	\$ 908	\$ 1,011
Accrued Compensation and Related costs	2,444	4,245
Dividend Payable	2,360	2,345
Other Current Liabilities	4,825	4,493
Deferred Revenues	16,105	17,307
Current Liabilities	<u>26,642</u>	<u>29,401</u>
Deferred Tax Liability - Long term	1,065	1,375
Shareholders' Equity	75,111	74,056
Total Liabilities & Shareholders' Equity	<u>\$ 102,818</u>	<u>\$ 104,832</u>