

# American Software First Quarter of Fiscal 2010 Results

AMERICAN SOFTWARE, INC.

Consolidated Statements of Operations Information

(In thousands, except per share data)

(Unaudited)

	First Quarter Ended		
	July 31,		
	2009	2008	Pct Chg.
Revenues:			
License	\$ 4,144	\$ 2,742	51%
Services & other	6,873	9,331	(26%)
Maintenance	6,817	7,125	(4%)
Total Revenues	<u>17,834</u>	<u>19,198</u>	<u>(7%)</u>
Cost of Revenues:			
License	856	1,288	(34%)
Services & other	4,624	6,008	(23%)
Maintenance	1,711	1,814	(6%)
Total Cost of Revenues	<u>7,191</u>	<u>9,110</u>	<u>(21%)</u>
Gross Margin	<u>10,643</u>	<u>10,088</u>	<u>6%</u>
Operating expenses:			
Research and development	2,229	2,336	(5%)
Less: capitalized development	(559)	(507)	10%
Sales and marketing	3,700	3,796	(3%)
General and administrative	3,821	3,094	23%
Recovery of doubtful accounts	(320)	-	nm
Acquisition related amortization of intangibles	88	88	0%
Stock option compensation charge related to the Logility tender offer	230	-	nm
Total Operating Expenses	<u>9,189</u>	<u>8,807</u>	<u>4%</u>
Operating Earnings	<u>1,454</u>	<u>1,281</u>	<u>14%</u>
Interest Income (Expense) & Other, Net	618	(136)	nm
Earnings Before Income Taxes and Noncontrolling Interest	<u>2,072</u>	<u>1,145</u>	<u>81%</u>
Income Tax Expense	801	448	79%
Net Earnings	<u>\$ 1,271</u>	<u>\$ 697</u>	<u>82%</u>
Noncontrolling Interest Expense	90	87	3%
Net Earnings attributable to American Software, Inc.	<u>\$ 1,181</u>	<u>\$ 610</u>	<u>94%</u>
<b>Earnings per common share: (1)</b>			
Basic	<u>\$ 0.05</u>	<u>\$ 0.02</u>	<u>150%</u>
Diluted	<u>\$ 0.05</u>	<u>\$ 0.02</u>	<u>150%</u>
<b>Weighted average number of common shares outstanding:</b>			
Basic	25,302	25,393	
Diluted	25,741	25,984	
<b>Reconciliation of Adjusted Net Earnings:</b>			
Net Earnings	\$ 1,181	\$ 610	
Acquisition-related amortization of intangibles (2)	54	54	
Stock-based compensation (2)	112	131	
Stock option compensation charge related to the Logility tender offer (2)	141	-	
Expenses related to the Logility tender offer (3)	543	-	
Adjusted Net Earnings	<u>\$ 2,031</u>	<u>\$ 795</u>	<u>155%</u>
Adjusted Net Earnings per Diluted Share	<u>\$ 0.08</u>	<u>\$ 0.03</u>	<u>167%</u>

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(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 \$0.05 and \$0.02 for the three months ended July 31, 2009 and 2008, respectively.

(2) - Tax affected using the effective tax rate for the three month period ended July 31, 2009 and 2008.

(3) - Not tax affected due to no tax deduction recorded on these expenses

*nm- not meaningful*

<b>AMERICAN SOFTWARE, INC.</b>		
<b>Consolidated Balance Sheet Information</b>		
<b>(In thousands)</b>		
<b>(Unaudited)</b>		
	<b>July 31,</b>	<b>April 30,</b>
	<b>2009</b>	<b>2009</b>
Cash and Short-term Investments	\$ 45,064	\$ 54,000
Accounts Receivable:		
Billed	10,212	10,234
Unbilled	3,000	2,995
Total Accounts Receivable, net	13,212	13,229
Prepays & Other	2,445	2,886
Deferred Tax Asset	280	246
Current Assets	61,001	70,361
Investments - Non-current	15,972	17,094
PP&E, net	7,100	7,189
Capitalized Software, net	5,278	4,859
Goodwill	11,709	11,709
Other Intangibles, net	836	950
Other Non-current Assets	145	157
Total Assets	<u>\$ 102,041</u>	<u>\$ 112,319</u>
Accounts Payable	\$ 1,138	\$ 822
Accrued Compensation and Related costs	1,752	2,374
Dividend Payable	2,278	2,277
Accrued Tender Offer Payable	3,073	-
Other Current Liabilities	3,217	3,355
Deferred Revenues	15,651	16,101
Current Liabilities	27,109	24,929
Deferred Tax Liability - long term	1,163	1,163
American Software's Shareholders' Equity	73,769	79,839
Noncontrolling Interest in subsidiary	-	6,388
Total Shareholders' Equity	73,769	86,227
Total Liabilities & Shareholders' Equity	<u>\$ 102,041</u>	<u>\$ 112,319</u>