

American Software First Quarter of Fiscal 2011 Results

AMERICAN SOFTWARE, INC.
 Consolidated Statements of Operations Information
 (In thousands, except per share data)
 (Unaudited)

	First Quarter Ended		
	July 31,		
	2010	2009	Pct Chg.
Revenues:			
License	\$ 2,794	\$ 4,144	(33%)
Services & other	9,231	6,873	34%
Maintenance	7,069	6,817	4%
Total Revenues	<u>19,094</u>	<u>17,834</u>	<u>7%</u>
Cost of Revenues:			
License	693	856	(19%)
Services & other	6,551	4,624	42%
Maintenance	1,656	1,711	(3%)
Total Cost of Revenues	<u>8,900</u>	<u>7,191</u>	<u>24%</u>
Gross Margin	<u>10,194</u>	<u>10,643</u>	<u>(4%)</u>
Operating expenses:			
Research and development	2,408	2,229	8%
Less: capitalized development	(631)	(559)	13%
Sales and marketing	3,317	3,700	(10%)
General and administrative	2,842	3,821	(26%)
Provision/(Recovery) of doubtful accounts	28	(320)	nm
Amortization of acquisition-related intangibles	214	88	143%
Stock option compensation charge related to the Logility tender offer	-	230	nm
Total Operating Expenses	<u>8,178</u>	<u>9,189</u>	<u>(11%)</u>
Operating Earnings	<u>2,016</u>	<u>1,454</u>	<u>39%</u>
Interest Income (Expense) & Other, Net	241	618	(61%)
Earnings Before Income Taxes and Noncontrolling Interest	<u>2,257</u>	<u>2,072</u>	<u>9%</u>
Income Tax Expense	884	801	10%
Net Earnings	<u>\$ 1,373</u>	<u>\$ 1,271</u>	<u>8%</u>
Net earnings attributable to noncontrolling interests	<u>-</u>	<u>90</u>	<u>nm</u>
Net Earnings attributable to American Software, Inc.	<u>\$ 1,373</u>	<u>\$ 1,181</u>	<u>16%</u>
Earnings per common share: (1)			
Basic	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>0%</u>
Diluted	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>0%</u>
Weighted average number of common shares outstanding:			
Basic	25,540	25,302	
Diluted	25,926	25,741	
Reconciliation of Adjusted Net Earnings:			
Net Earnings	\$ 1,373	\$ 1,181	
Amortization of acquisition-related intangibles (2)	130	54	
Stock-based compensation (2)	139	112	
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>\$ 1,642</u>	<u>\$ 2,031</u>	<u>(19%)</u>
Adjusted Net Earnings per Diluted Share	<u>\$ 0.06</u>	<u>\$ 0.08</u>	<u>(25%)</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 \$0.05 for the three months ended July 31, 2010 and 2009.

(2) - Tax affected using the effective tax rate for the three month period ended July 31, 2010 and 2009.

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

nm- not meaningful

AMERICAN SOFTWARE, INC.		
Consolidated Balance Sheet Information		
(In thousands)		
(Unaudited)		
	July 31,	April 30,
	2010	2010
Cash and Short-term Investments	\$ 36,703	\$ 38,030
Accounts Receivable:		
Billed	9,137	8,721
Unbilled	2,646	2,419
Total Accounts Receivable, net	11,783	11,140
Prepays & Other	2,365	3,373
Current Assets	50,851	52,543
Investments - Non-current	16,163	15,849
PP&E, net	6,444	6,490
Capitalized Software, net	7,515	6,890
Goodwill	12,601	12,601
Other Intangibles, net	2,432	2,677
Other Non-current Assets	107	125
Total Assets	<u>\$ 96,113</u>	<u>\$ 97,175</u>
Accounts Payable	\$ 1,197	\$ 986
Accrued Compensation and Related costs	1,556	2,949
Dividend Payable	2,296	2,284
Other Current Liabilities	3,388	1,986
Deferred Tax Liability - Current	63	63
Deferred Revenues	14,412	15,147
Current Liabilities	22,912	23,415
Deferred Tax Liability - Long term	1,073	1,480
Shareholders' Equity	72,128	72,280
Total Liabilities & Shareholders' Equity	<u>\$ 96,113</u>	<u>\$ 97,175</u>