

American Software Third Quarter of Fiscal 2009 Result:

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

	Third Quarter Ended			Nine Months Ended		
	January 31,			January 31,		
	2009	2008	Pct Chg.	2009	2008	Pct Chg.
Revenues:						
License	\$ 4,722	\$ 4,336	9%	\$ 11,258	\$ 14,261	(21%)
Services & other	8,386	10,611	(21%)	26,729	32,032	(17%)
Maintenance	6,932	7,126	(3%)	21,099	21,121	0%
Total Revenues	<u>20,040</u>	<u>22,073</u>	<u>(9%)</u>	<u>59,086</u>	<u>67,414</u>	<u>(12%)</u>
Cost of Revenues:						
License	1,064	1,386	(23%)	3,870	4,620	(16%)
Services & other	5,925	7,246	(18%)	18,223	22,520	(19%)
Maintenance	1,778	1,940	(8%)	5,400	5,582	(3%)
Write-down of capitalized software development costs	-	1,196	nm	-	1,196	nm
Total Cost of Revenues	<u>8,767</u>	<u>11,768</u>	<u>(26%)</u>	<u>27,493</u>	<u>33,918</u>	<u>(19%)</u>
Gross Margin	<u>11,273</u>	<u>10,305</u>	<u>9%</u>	<u>31,593</u>	<u>33,496</u>	<u>(6%)</u>
Operating expenses:						
Research and development	2,247	2,237	0%	6,942	7,131	(3%)
Less: capitalized development	(482)	(480)	0%	(1,506)	(1,635)	(8%)
Sales and marketing	3,829	4,086	(6%)	11,097	11,298	(2%)
General and administrative	3,203	2,705	18%	9,077	9,392	(3%)
Provision for doubtful accounts	255	108	136%	309	183	69%
Acquisition related amortization of intangibles	87	87	0%	262	262	0%
Total Operating Expenses	<u>9,139</u>	<u>8,743</u>	<u>5%</u>	<u>26,181</u>	<u>26,631</u>	<u>(2%)</u>
Operating Earnings	<u>2,134</u>	<u>1,562</u>	<u>37%</u>	<u>5,412</u>	<u>6,865</u>	<u>(21%)</u>
Interest Income (expense) & Other, Net	(195)	143	nm	(1,518)	2,722	nm
Earnings Before Income Taxes and Minority Interest	<u>1,939</u>	<u>1,705</u>	<u>14%</u>	<u>3,894</u>	<u>9,587</u>	<u>(59%)</u>
Income Tax Expense	952	461	107%	1,552	3,397	(54%)
Minority Interest Expense	212	107	98%	487	557	(13%)
Net Earnings	<u>\$ 775</u>	<u>\$ 1,137</u>	<u>(32%)</u>	<u>\$ 1,855</u>	<u>\$ 5,633</u>	<u>(67%)</u>
Earnings per common share: (1)						
Basic	<u>\$ 0.03</u>	<u>\$ 0.04</u>	<u>(25%)</u>	<u>\$ 0.07</u>	<u>\$ 0.22</u>	<u>(68%)</u>
Diluted	<u>\$ 0.03</u>	<u>\$ 0.04</u>	<u>(25%)</u>	<u>\$ 0.07</u>	<u>\$ 0.21</u>	<u>(67%)</u>
Weighted average number of common shares outstanding:						
Basic	25,279	25,562		25,343	25,406	
Diluted	25,599	26,449		25,791	27,125	
Reconciliation of Adjusted Net Earnings:						
Net Earnings	\$ 775	\$ 1,137		\$ 1,855	\$ 5,633	
Acquisition related amortization of intangibles (2)	44	64		157	170	
Stock-based compensation (2)	103	158		374	372	
Write-down of capitalized software development costs (2)	-	873		-	773	
Adjusted Net Earnings	<u>\$ 922</u>	<u>\$ 2,232</u>	<u>(59%)</u>	<u>\$ 2,386</u>	<u>\$ 6,948</u>	<u>(66%)</u>
Adjusted Net Earnings per Diluted Share	<u>\$ 0.04</u>	<u>\$ 0.08</u>	<u>(50%)</u>	<u>\$ 0.09</u>	<u>\$ 0.26</u>	<u>(65%)</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 \$0.03 and \$0.04 for the three months ended January 31, 2009 and 2008, respectively, and \$0.07 and \$0.22 for the nine months ended January 31, 2009 and 2008, respectively.

(2) - Tax affected using the effective tax rate for the three and nine month period ended January 31, 2009
nm- not meaningful

American Software Third Quarter of Fiscal 2009 Result:

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

	January 31, 2009	April 30, 2008
Cash and Short-term investments	\$ 55,893	\$ 76,141
Accounts Receivable:		
Billed	11,077	12,563
Unbilled	2,112	3,311
Total Accounts Receivable, net	<u>13,189</u>	<u>15,874</u>
Prepays & Other	3,208	2,946
Current Assets	<u>72,290</u>	<u>94,961</u>
Investments - noncurrent	14,428	-
PP&E, net	7,263	6,903
Capitalized Software, net	4,405	4,657
Goodwill	11,709	11,912
Other Intangibles, net	1,073	1,586
Other Non-current Assets	190	198
Total Assets	<u>\$ 111,358</u>	<u>\$ 120,217</u>
Accounts Payable	\$ 893	\$ 1,578
Accrued Compensation and Related costs	2,108	2,260
Other Current Liabilities	3,100	3,694
Dividend Payable	2,271	2,286
Deferred Tax Liability - short term	147	640
Deferred Revenues	14,996	16,441
Current Liabilities	<u>23,515</u>	<u>26,899</u>
Deferred Tax Liability - long term	1,121	1,202
Minority Interest	6,133	5,621
Shareholders' Equity	80,589	86,495
Total Liabilities & Shareholders' Equity	<u>\$ 111,358</u>	<u>\$ 120,217</u>