

American Software Fourth Quarter and Fiscal 2006 Result:

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

	Fourth Quarter Ended			Twelve Months Ended		
	April 30,		Pct Chg.	April 30,		Pct Chg.
	2006	2005		2006	2005	
Revenues:						
License	\$ 4,499	\$ 3,446	31%	\$ 17,884	\$ 12,310	45%
Services & other	9,782	9,814	0%	34,693	32,771	6%
Maintenance	6,181	5,340	16%	24,053	19,463	24%
Total Revenues	20,462	18,600	10%	76,630	64,544	19%
Cost of Revenues:						
License	1,317	1,030	28%	4,147	4,191	(1%)
Services & other	7,444	6,646	12%	26,046	22,718	15%
Maintenance	1,614	1,524	6%	6,590	5,729	15%
Write-down of capitalized software development costs	-	703	nm	-	703	nm
Total Cost of Revenues	10,375	9,903	5%	36,783	33,341	10%
Gross Margin	10,087	8,697	16%	39,847	31,203	28%
Operating expenses:						
Research and development	2,506	2,013	24%	9,133	7,698	19%
Less: capitalized development	(653)	(666)	(2%)	(2,424)	(2,750)	(12%)
Sales and marketing	3,486	3,283	6%	13,797	12,344	12%
General and administrative	3,297	3,340	(1%)	12,982	11,160	16%
Acquisition related amortization of intangibles	88	87	1%	351	204	72%
Total Operating Expenses	8,724	8,057	8%	33,839	28,656	18%
Operating Earnings	1,363	640	113%	6,008	2,547	136%
Interest Income & Other, Net	885	214	314%	3,574	2,282	57%
Earnings Before Income Taxes and Minority Interest	2,248	854	163%	9,582	4,829	98%
Income Tax Expense	(873)	(286)	205%	(3,632)	(1,623)	124%
Minority Interest Income/ (Expense)	(186)	35	nm	(931)	78	nm
Net Earnings	\$ 1,189	\$ 603	97%	\$ 5,019	\$ 3,284	53%
Earnings per common share:						
Basic:	\$ 0.05	\$ 0.03	67%	\$ 0.21	\$ 0.14	50%
Diluted:	\$ 0.05	\$ 0.02	150%	\$ 0.20	\$ 0.13	54%
Weighted average number of common shares outstanding:						
Basic	24,301	23,904		24,086	23,734	
Diluted	25,549	25,162		25,099	24,474	
Reconciliation of Adjusted Net Earnings:						
Net Earnings	\$ 1,189	\$ 603		\$ 5,019	\$ 3,284	
Write-down of capitalized software development costs	-	703		-	703	
Acquisition related amortization of intangibles	88	87		351	204	
Write-down of minority investment	121	-		281	100	
Minority interest - Logility Tax Benefit	-	-		270	-	
Adjusted Net Earnings	\$ 1,398	\$ 1,393		\$ 5,921	\$ 4,291	
Adjusted Net Earnings per Diluted Share	\$ 0.05	\$ 0.06		\$ 0.24	\$ 0.18	

nm- not meaningful

American Software Fourth Quarter and Fiscal 2006 Results

Selected Balance Sheet Items
(in thousands)
(Unaudited)

	April 30,	
	2006	2005
Cash and Short & Long-term investments	\$ 62,648	\$ 59,061
Accounts Receivable:		
Billed	11,302	9,008
Unbilled	4,514	3,503
Total Accounts Receivable, net	15,816	12,511
Prepays & Other	2,573	2,238
PP&E, net	7,669	7,977
Capitalized Software, net	6,711	6,637
Goodwill	11,120	10,344
Other Intangibles	1,893	2,138
Deferred Income Tax Asset	-	1,972
Non-current Assets	1,461	1,466
Total Assets	<u>\$ 109,891</u>	<u>\$ 104,344</u>
Accounts Payable	\$ 917	\$ 1,313
Other Current Liabilities	7,555	5,747
Dividend Payable	1,712	1,677
Deferred Income Tax Liability -Short Term	-	121
Deferred Revenues	15,306	13,731
Current Liabilities	25,490	22,589
Deferred Income Tax Liability -Long Term	870	-
Minority Interest	4,139	3,978
Shareholders' Equity	79,392	77,777
Total Liabilities & Shareholders' Equity	<u>\$ 109,891</u>	<u>\$ 104,344</u>