

## American Software First Quarter of Fiscal 2009 Results

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

	First Quarter Ended		
	July 31,		
	2008	2007	Pct Chg.
Revenues:			
License	\$ 2,742	\$ 5,120	(46%)
Services & other	9,331	9,787	(5%)
Maintenance	7,125	6,815	5%
Total Revenues	<u>19,198</u>	<u>21,722</u>	<u>(12%)</u>
Cost of Revenues:			
License	1,288	1,685	(24%)
Services & other	6,008	6,823	(12%)
Maintenance	1,814	1,761	3%
Total Cost of Revenues	<u>9,110</u>	<u>10,269</u>	<u>(11%)</u>
Gross Margin	<u>10,088</u>	<u>11,453</u>	<u>(12%)</u>
Operating expenses:			
Research and development	2,336	2,435	(4%)
Less: capitalized development	(507)	(525)	(3%)
Sales and marketing	3,796	3,392	12%
General and administrative	3,094	3,517	(12%)
Acquisition related amortization of intangibles	88	88	0%
Total Operating Expenses	<u>8,807</u>	<u>8,907</u>	<u>(1%)</u>
Operating Earnings	<u>1,281</u>	<u>2,546</u>	<u>(50%)</u>
Interest Income (expense) & Other, Net	(136)	916	nm
Earnings Before Income Taxes and Minority Interest	<u>1,145</u>	<u>3,462</u>	<u>(67%)</u>
Income Tax Expense	448	1,271	(65%)
Minority Interest Expense	87	236	(63%)
Net Earnings	<u>\$ 610</u>	<u>\$ 1,955</u>	<u>(69%)</u>
<b>Earnings per common share: (1)</b>			
Basic	<u>\$ 0.02</u>	<u>\$ 0.08</u>	<u>(75%)</u>
Diluted	<u>\$ 0.02</u>	<u>\$ 0.07</u>	<u>(71%)</u>
<b>Weighted average number of common shares outstanding:</b>			
Basic	25,393	25,126	
Diluted	25,984	26,819	
<b>Reconciliation of Adjusted Net Earnings:</b>			
Net Earnings	\$ 610	\$ 1,955	
Acquisition related amortization of intangibles (2)	54	87	
Stock-based compensation (2)	131	179	
Adjusted Net Earnings	<u>\$ 795</u>	<u>\$ 2,221</u>	<u>(64%)</u>
Adjusted Net Earnings per Diluted Share	<u>\$ 0.03</u>	<u>\$ 0.08</u>	<u>(63%)</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 \$0.02 and \$0.08 for the three months ended July 31, 2008 and 2007.

(2) - Tax affected  
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>2008</b>	<b>2008</b>
Cash and Short-term investments	\$ 73,704	\$ 76,141
Accounts Receivable:		
Billed	11,104	12,563
Unbilled	2,840	3,311
Total Accounts Receivable, net	<u>13,944</u>	<u>15,874</u>
Prepays & Other	2,866	2,946
Current Assets	<u>90,514</u>	<u>94,961</u>
PP&E, net	7,277	6,903
Capitalized Software, net	4,563	4,657
Goodwill	11,669	11,912
Other Intangibles, net	1,262	1,586
Non-current Assets	191	198
Total Assets	<u>\$ 115,476</u>	<u>\$ 120,217</u>
Accounts Payable	\$ 709	\$ 1,578
Accrued Compensation and Related costs	1,705	2,260
Other Current Liabilities	3,606	3,694
Dividend Payable	2,283	2,286
Deferred Tax Liability	610	640
Deferred Revenues	15,315	16,441
Current Liabilities	<u>24,228</u>	<u>26,899</u>
Deferred Tax Liability	1,076	1,202
Minority Interest	5,781	5,621
Shareholders' Equity	84,391	86,495
Total Liabilities & Shareholders' Equity	<u>\$ 115,476</u>	<u>\$ 120,217</u>