

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	19,198	21,722	(12%)
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	9,110	10,269	(11%)
Gross Margin	10,088	11,453	(12%)
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	8,807	8,907	(1%)
Operating Earnings	1,281	2,546	(50%)
Interest Income (expense) & Other, Net	(136)	916	nm
Earnings Before Income Taxes and Minority Interest	1,145	3,462	(67%)
Income Tax Expense	448	1,271	(65%)
Minority Interest Expense	87	236	(63%)
Net Earnings	\$ 610	\$ 1,955	(69%)
Earnings per common share: (1)			
Basic	\$ 0.02	\$ 0.08	(75%)
Diluted	\$ 0.02	\$ 0.07	(71%)
Weighted average number of common shares outstanding:			
Basic	25,393	25,126	
Diluted	25,984	26,819	
Reconciliation of Adjusted Net Earnings:			
Net Earnings	\$ 610	\$ 1,955	
Acquisition related amortization of intangibles (2)	54	87	
Stock-based compensation (2)	131	179	
Adjusted Net Earnings	\$ 795	\$ 2,221	(64%)
Adjusted Net Earnings per Diluted Share	\$ 0.03	\$ 0.08	(63%)

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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

AMERICAN SOFTWARE, INC. Consolidated Balance Sheet Information (In thousands) (Unaudited)		
	July 31, 2008	April 30, 2008
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	13,944	15,874
Prepays & Other	2,866	2,946
Current Assets	90,514	94,961
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	24,228	26,899
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>