

FOR IMMEDIATE RELEASE

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## **American Software Reports Preliminary Fourth Quarter and Fiscal Year 2011 Results**

***Company achieves 41<sup>st</sup> consecutive quarter of profitability, License Fee Revenue increase 151%, GAAP Net Earnings Increase 107% for the quarter***

**ATLANTA (June 21, 2011)** American Software, Inc. (NASDAQ: AMSWA) today reported preliminary financial results for the fourth quarter of fiscal year 2011, delivering a 151% increase in fourth quarter license fee revenue and a 107% increase in GAAP net earnings when compared to the same period last year. The Company has achieved 41 consecutive quarters of profitability and 31 consecutive quarters of providing dividend distributions to shareholders.

Key fourth quarter financial highlights:

- Total revenues for the quarter ended April 30, 2011 were \$25.2 million, an increase of 33% over the comparable period last year.
- Software license fee revenues for the quarter ended April 30, 2011 were \$8.0 million, an increase of 151% over the same period last year.
- Services and other revenues for the quarter ended April 30, 2011 were \$9.6 million, an increase of 8% over the same period last year.
- Maintenance revenues for the quarter ended April 30, 2011 were \$7.6 million, an increase of 11% over the comparable period last year.
- Operating earnings for the quarter ended April 30, 2011 were \$3.6 million, an increase of 171% compared to the same period last year.
- GAAP net earnings for the quarter ended April 30, 2011 were \$2.8 million or \$0.10 per fully diluted share, an increase of 107% over the fourth quarter of fiscal 2010.
- Adjusted net earnings for the quarter ended April 30, 2011, which excludes stock-based compensation expense and acquisition-related amortization of intangibles, were \$3.0 million or \$0.11 per fully diluted share, an increase of 81% compared to \$1.7 million or \$0.06 per fully diluted share for the same period last year, which excluded stock-based compensation expense, acquisition-related amortization of intangibles and expenses related to the Optiant acquisition by Logility, Inc.

- Adjusted EBITDA increased 133% to \$5.0 million in the quarter ended April 30, 2011, from \$2.1 million in the quarter ended April 30, 2010. Adjusted EBITDA represents GAAP net income adjusted for amortization of intangibles, depreciation, interest income, income tax provision, stock-based compensation, acquisition-related costs and other significant non-routine operating and non-operating income and expense items.

Key fiscal 2011 year financial highlights:

- Total revenues for the twelve months ended April 30, 2011 were \$85.6 million, a 14% increase over the previous fiscal year.
- Software license fee revenue for the twelve-month period was \$19.2 million, a 24% increase compared to the previous year.
- Services and other revenues were \$37.0 million, a 14% increase compared to the previous year.
- Maintenance revenues were \$29.4 million, a 7% increase over the last year.
- For the twelve months ended April 30, 2011, the Company reported operating earnings of \$9.2 million, a 26% increase over the previous year.
- GAAP net earnings for the 12 months ended April 30, 2011, were \$7.4 million or \$0.28 per fully diluted share, a 27% increase compared to \$5.7 million or \$0.22 per fully diluted share for the previous year.
- Adjusted net earnings year to date as of April 30, 2011, which excludes stock-based compensation expenses, acquisition-related amortization of intangibles and severance expenses, were \$8.6 million or \$0.33 per fully diluted share, compared to \$7.3 million or \$0.28 per fully diluted share for the prior fiscal year, which excluded stock-based compensation expenses, acquisition-related amortization of intangibles, stock-based compensation and other expenses related to the Logility tender offer and the Optiant acquisition by Logility, Inc.

The Company is including adjusted EBITDA, adjusted net earnings and adjusted net earnings per share in the summary financial information provided with this press release as supplemental information relating to its operating results. This financial information is not in accordance with, or an alternative for, GAAP compliant financial information and may be different from non-GAAP net earnings and non-GAAP per share measures used by other companies. The Company believes that this presentation of adjusted net earnings and adjusted net earnings per share provides useful information to investors regarding certain additional financial and business trends relating to its financial condition and results of operations.

The overall financial condition of the Company remains strong, with no debt and with cash and investments of approximately \$55.4 million as of April 30, 2011. During the fourth quarter, the Company increased cash and investments by approximately \$2.9 million from the preceding quarter. As of April 30, 2011, cash and investments increased by approximately \$1.5 million compared to April 30, 2010 while the Company paid approximately \$9.3 million in shareholder dividends during fiscal year 2011.

“The Company delivered a strong finish to fiscal year 2011, achieving a 107% increase in GAAP net earnings fueled by a 151% increase in license fee revenue,” stated James C. Edenfield, president and CEO of American Software. “For fiscal year 2011, we welcomed 92 new customers, signed license agreements with customers in 23 countries and continued our healthy investment in research and development. With 41 consecutive quarters of profitability combined with consistent growth in our global customer base, American Software is well positioned with a robust portfolio of innovative enterprise application solutions and deep supply chain management expertise.”

“Our focus is on helping companies leverage their supply chains to create operational, market and brand advantages that drive results in both good and difficult economic environments,” continued Edenfield. “Leaders are investing in supply chain technology to accelerate the sales and operations planning (S&OP) process, streamline new product introductions, optimize inventory investments, and harness the benefits of a global marketplace to increase profits.”

“Our sustained profitability has allowed the Company to provide a tangible benefit to our shareholders with a quarterly dividend for 31 consecutive quarters,” said Edenfield. “On May 16, 2011 our Board of Directors authorized the Company's next quarterly dividend of \$0.09 per common share, which is payable on September 9, 2011 to shareholders of record at the close of business on August 19, 2011. This will mark the 32<sup>nd</sup> consecutive quarter in which the Board of Directors has declared a dividend distribution to our shareholders.”

**Additional highlights for the fourth quarter of fiscal year 2011 include:**

***Customers:***

- Notable new and existing customers placing orders with the Company in the fourth quarter include: Apria Healthcare, Augusta Sportswear, Blommer Chocolate Company, Covidien Latin America, Cycling Sports Group, Foschini Retail Group, Lakeside Foods, Lifetime Brands, Ocean Beauty Seafoods, Polar Electro Oy, Porta Mouldings Pty, Redwing Shoe Company, and Tumi.
- During the quarter, software license agreements were signed with customers located in 11 countries including: Australia, Brazil, Canada, China, Finland, France, Japan, South Africa, Sweden, the United Kingdom, and the United States.
- Logility announced that American Italian Pasta Company, Continental Mills, Griffith Laboratories Worldwide, Inc., and Huhtamaki were recognized as recipients of the Logility Leadership Award, presented for supply chain excellence powered by Logility Voyager Solutions at the 2011 Connections Conference: *Navigate Your Voyage to Supply Chain Excellence*.
- Logility announced that Swiss Valley Farms, a four-state dairy cooperative with 1,000 members and annual sales in excess of \$300 million, has successfully deployed Logility Voyager Solutions™ to improve forecast accuracy and help the company expand into new international markets.
- Logility and Diversey, a leading global provider of commercial cleaning, sanitation and hygiene solutions, presented together at the IE Group's Integrated Business Planning Summit in Zurich, Switzerland on how to translate demand plans into successful supply plans as well as the drivers

for successful sales and operations planning and the importance of flexibility throughout the process.

- Three Logility Voyager Solutions customer executives, Michael Burke, director, supply chain planning, Continental Mills; Marilyn Anderson, vice president, global planning, logistics and customer service, Diversey; and Cliff Engle, senior vice president of supply chain, Fender Musical Instruments Corporation; were selected as *Supply & Demand Chain Executive's 2011 Pros to Know*. Burke, Anderson and Engle, three of the 30 individuals honored in the 11th annual listing, are recognized for their excellence in leading initiatives that have helped to better position their companies to take advantage of changing market conditions.
- New Generation Computing® (NGC), a wholly-owned subsidiary of the Company, announced that Jaya Apparel Group LLC (formerly L'Koral LLC) is implementing NGC's Extended PLM software across all the company's divisions. The rapidly growing apparel company specializes in contemporary women's fashion for the industry's top retailers and brands. Jaya's 10 divisions include Patterson J. Kincaid and Elizabeth and James, a modern lifestyle brand designed by Mary-Kate and Ashley Olsen.
- NGC announced that Granada Sales Corp., a private-label manufacturer of women's loungewear and sleepwear, is implementing NGC's Enterprise Resource Planning (ERP) software to boost productivity and efficiency in every area of Granada's business and financial operations.
- NGC announced that Lakeshore Learning Materials, a rapidly growing, innovative developer and retailer of educational toys and learning materials for children, is implementing NGC's PLM solution for product design and development.
- NGC announced that Land 'N Sea, a private-label women and children's apparel manufacturer, selected NGC's PLM and Global Sourcing software. NGC will help Land 'N Sea respond even faster to fashion trends, improve collaboration and efficiency throughout the product development and production process, and deliver extraordinary service to retailers, such as Wal-Mart, J.C. Penney, T.J. Maxx and Kmart.
- NGC announced that Valley Manufacturing, a full-package manufacturer of high-quality sportswear and sleepwear for U.S. brands, implemented NGC's Enterprise Resource Planning (ERP) software to bring new efficiency and productivity to the company's expanding business.

#### ***Company and Technology:***

- Logility, a wholly-owned subsidiary of the Company, was voted one of Atlanta's Top Workplaces. The award was based on an Atlanta Journal-Constitution survey completed by employees of Atlanta-area organizations and was featured in the Sunday, April 17 edition of the Atlanta Journal-Constitution.
- Logility announced the availability of the latest version of Logility Voyager Solutions™. The award-winning supply chain management suite now includes enhancements to multi-tier vendor minimums, substitution logic, role-based workflow, and global visibility of demand, inventory and supply which allow companies to gain insight from all areas of the supply chain and collaborate more effectively with partners and suppliers.
- Logility was honored for the 11th consecutive year by *Consumer Goods Technology* magazine readers as a top supply chain management solution provider. In addition, Logility was once again voted number one in customer experience in supply chain execution.

- Demand Management, Inc. a wholly-owned subsidiary of Logility, announced that *Supply & Demand Chain Executive Magazine* recognized company president Bill Harrison as one of its 2011 Provider Pros to Know.

### **About American Software, Inc.**

Atlanta-based American Software (NASDAQ: AMSWA) provides demand-driven supply chain management and enterprise software solutions, backed by more than 40 years of industry experience, that drive value for companies regardless of market conditions. Logility, Inc., a wholly-owned subsidiary of American Software, is a leading provider of supply chain management solutions for companies of all sizes. Logility Voyager Solutions™ is a comprehensive suite, which includes supply chain visibility; demand, inventory and replenishment planning; Sales and Operations Planning (S&OP); inventory and supply optimization; manufacturing planning and scheduling; transportation planning and management; and warehouse management. Demand Management, Inc., a wholly-owned subsidiary of Logility, delivers supply chain solutions to small and midsized manufacturers, distributors and retailers. Demand Management's Demand Solutions® suite is widely deployed and globally recognized for forecasting, demand planning and point-of-sale analysis. Logility and Demand Management proudly serve customers such as Arch Chemicals, Avery Dennison Corporation, McCain Foods, Pernod Ricard, Sigma Aldrich, and VF Corp. New Generation Computing Inc. (NGC), a wholly-owned subsidiary of American Software, provides PLM, Global Sourcing and ERP solutions to the fashion, apparel, footwear, and retail industries. NGC's global customers include A|X Armani Exchange, Carter's, Maggy London, Hugo Boss, Parigi Group, and Tristan America. For more information about American Software, please visit [www.amsoftware.com](http://www.amsoftware.com), call (800) 726-2946 or email: [ask@amsoftware.com](mailto:ask@amsoftware.com).

### **Forward-Looking Statements**

This press release contains forward-looking statements that are subject to substantial risks and uncertainties. There are a number of factors that could cause actual results to differ materially from those anticipated by statements made herein. These factors include, but are not limited to, continuing U.S. and global economic uncertainty, the timing and degree of business recovery, unpredictability and the irregular pattern of future revenues, dependence on particular market segments or customers, competitive pressures, delays, product liability and warranty claims and other risks associated with new product development, undetected software errors, market acceptance of the Company's products, technological complexity, the challenges and risks associated with integration of acquired product lines, companies and services, as well as a number of other risk factors that could affect the Company's future performance. For further information about risks the Company could experience as well as other information, please refer to the Company's Form 10-K for the year ended April 30, 2010 and other reports and documents subsequently filed with the Securities and Exchange Commission. For more information, contact: Vincent C. Klinges, Chief Financial Officer, American Software, Inc., (404) 264-5477 or fax: (404) 237-8868.

*Logility is a registered trademark and Logility Voyager Solutions is a trademark of Logility, Inc., Demand Solutions is a registered trademark of Demand Management, Inc., and NGC and New Generation Computing, Inc. are registered trademarks of New Generation Computing. Other products mentioned in this document are registered, trademarked or service marked by their respective owners.*

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