

American Software First Quarter of Fiscal 2008 Results

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

	First Quarter Ended		
	July 31,		
	2007	2006	Pct Chg.
Revenues:			
License	\$ 5,120	\$ 4,373	17%
Services & other	9,787	9,263	6%
Maintenance	6,815	6,545	4%
Total Revenues	<u>21,722</u>	<u>20,181</u>	<u>8%</u>
Cost of Revenues:			
License	1,685	1,454	16%
Services & other	6,823	6,644	3%
Maintenance	1,761	1,777	(1%)
Total Cost of Revenues	<u>10,269</u>	<u>9,875</u>	<u>4%</u>
Gross Margin	<u>11,453</u>	<u>10,306</u>	<u>11%</u>
Operating expenses:			
Research and development	2,435	2,315	5%
Less: capitalized development	(525)	(596)	(12%)
Sales and marketing	3,392	3,517	(4%)
General and administrative	3,518	3,308	6%
Acquisition related amortization of intangibles	87	88	(1%)
Total Operating Expenses	<u>8,907</u>	<u>8,632</u>	<u>3%</u>
Operating Earnings	<u>2,546</u>	<u>1,674</u>	<u>52%</u>
Interest Income & Other, Net	916	605	51%
Earnings Before Income Taxes and Minority Interest	<u>3,462</u>	<u>2,279</u>	<u>52%</u>
Income Tax Expense	(1,271)	(905)	40%
Minority Interest Expense	(236)	(127)	86%
Net Earnings	<u>\$ 1,955</u>	<u>\$ 1,247</u>	<u>57%</u>
Earnings per common share: (1)			
Basic:	<u>\$ 0.08</u>	<u>\$ 0.05</u>	<u>60%</u>
Diluted:	<u>\$ 0.07</u>	<u>\$ 0.05</u>	<u>40%</u>
Weighted average number of common shares outstanding:			
Basic	25,126	24,508	
Diluted	26,819	25,266	
Reconciliation of Adjusted Net Earnings:			
Net Earnings	\$ 1,955	\$ 1,247	
Acquisition related amortization of intangibles (2)	87	88	
Stock-based compensation (2)	179	225	
Adjusted Net Earnings	<u>\$ 2,221</u>	<u>\$ 1,560</u>	<u>42%</u>
Adjusted Net Earnings per Diluted Share	<u>\$ 0.08</u>	<u>\$ 0.06</u>	<u>33%</u>

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nm- not meaningful

(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 \$0.08 and \$0.05 for the three months ended July 31, 2007 and 2006.

(2) - Not income tax affected

AMERICAN SOFTWARE, INC.		
Selected Balance Sheet Information		
(In thousands)		
(Unaudited)		
	July 31,	
	2007	2006
Cash and Short-term investments	\$ 75,608	\$ 63,518
Accounts Receivable:		
Billed	11,880	10,505
Unbilled	5,185	3,701
Total Accounts Receivable, net	<u>17,065</u>	<u>14,206</u>
Prepays & Other	2,474	2,399
Current Assets	<u>95,147</u>	<u>80,123</u>
Investments -noncurrent	-	406
PP&E, net	7,055	7,510
Capitalized Software, net	6,029	6,500
Goodwill	11,503	11,120
Other Intangibles	1,388	1,839
Non-current Assets	241	1,439
Total Assets	<u>\$ 121,363</u>	<u>\$ 108,937</u>
Accounts Payable	\$ 1,334	\$ 866
Other Current Liabilities	5,710	6,573
Dividend Payable	2,039	1,716
Deferred Income Tax Liability	900	-
Deferred Revenues	16,176	15,050
Current Liabilities	<u>26,159</u>	<u>24,205</u>
Deferred Income Tax Liability	1,667	1,060
Minority Interest	5,403	4,344
Shareholders' Equity	88,134	79,328
Total Liabilities & Shareholders' Equity	<u>\$ 121,363</u>	<u>\$ 108,937</u>