

## American Software Second Quarter of Fiscal 2008 Result:

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

	Second Quarter Ended			Six Months Ended		
	October 31,			October 31,		
	2007	2006	Pct Chg.	2007	2006	Pct Chg.
Revenues:						
License	\$ 4,806	\$ 4,333	11%	\$ 9,926	\$ 8,706	14%
Services & other	11,634	9,280	25%	21,421	18,543	16%
Maintenance	7,179	6,612	9%	13,994	13,157	6%
Total Revenues	<u>23,619</u>	<u>20,225</u>	<u>17%</u>	<u>45,341</u>	<u>40,406</u>	<u>12%</u>
Cost of Revenues:						
License	1,550	1,605	(3%)	3,235	3,059	6%
Services & other	8,450	6,300	34%	15,273	12,944	18%
Maintenance	1,880	1,791	5%	3,641	3,568	2%
Total Cost of Revenues	<u>11,880</u>	<u>9,696</u>	<u>23%</u>	<u>22,149</u>	<u>19,571</u>	<u>13%</u>
Gross Margin	<u>11,739</u>	<u>10,529</u>	<u>11%</u>	<u>23,192</u>	<u>20,835</u>	<u>11%</u>
Operating expenses:						
Research and development	2,459	2,313	6%	4,894	4,628	6%
Less: capitalized development	(630)	(587)	7%	(1,155)	(1,183)	(2%)
Sales and marketing	3,820	3,523	8%	7,212	7,040	2%
General and administrative	3,244	3,427	(5%)	6,762	6,735	0%
Acquisition related amortization of intangibles	87	87	0%	174	175	(1%)
Total Operating Expenses	<u>8,980</u>	<u>8,763</u>	<u>2%</u>	<u>17,887</u>	<u>17,395</u>	<u>3%</u>
Operating Earnings	<u>2,759</u>	<u>1,766</u>	<u>56%</u>	<u>5,305</u>	<u>3,440</u>	<u>54%</u>
Interest Income & Other, Net	1,664	1,466	14%	2,580	2,071	25%
Earnings Before Income Taxes and Minority Interest	4,423	3,232	37%	7,885	5,511	43%
Income Tax Expense	1,665	1,273	31%	2,936	2,178	35%
Minority Interest Expense	214	138	55%	450	265	70%
Net Earnings	<u>\$ 2,544</u>	<u>\$ 1,821</u>	<u>40%</u>	<u>\$ 4,499</u>	<u>\$ 3,068</u>	<u>47%</u>
<b>Earnings per common share: (1)</b>						
Basic:	<u>\$ 0.10</u>	<u>\$ 0.07</u>	<u>43%</u>	<u>\$ 0.18</u>	<u>\$ 0.13</u>	<u>38%</u>
Diluted:	<u>\$ 0.10</u>	<u>\$ 0.07</u>	<u>43%</u>	<u>\$ 0.17</u>	<u>\$ 0.12</u>	<u>42%</u>
<b>Weighted average number of common shares outstanding:</b>						
Basic	25,530	24,534		25,328	24,529	
Diluted	26,658	25,645		27,080	25,628	
<b>Reconciliation of Adjusted Net Earnings:</b>						
Net Earnings	\$ 2,544	\$ 1,821		\$ 4,499	\$ 3,068	
Acquisition related amortization of intangibles (2)	87	87		174	175	
Stock-based compensation (2)	180	217		359	442	
Adjusted Net Earnings	<u>\$ 2,811</u>	<u>\$ 2,125</u>	<u>32%</u>	<u>\$ 5,032</u>	<u>\$ 3,685</u>	<u>37%</u>
Adjusted Net Earnings per Diluted Share	<u>\$ 0.11</u>	<u>\$ 0.08</u>	<u>38%</u>	<u>\$ 0.19</u>	<u>\$ 0.14</u>	<u>36%</u>

(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 \$0.10 and \$0.07 for the three months ended October 31, 2007 and 2006 and \$0.18 and \$0.13 for the six months ended October 31, 2007 and 2006.

(2) - Not income tax affected

**American Software Second Quarter of Fiscal 2008 Results**

**AMERICAN SOFTWARE, INC.**  
**Consolidated Balance Sheet Information**  
(In thousands)  
(Unaudited)

	<u>October 31,</u> <u>2007</u>	<u>April 30,</u> <u>2007</u>
Cash and Short-term investments	\$ 76,412	\$ 72,769
Accounts Receivable:		
Billed	12,027	12,489
Unbilled	5,238	3,860
Total Accounts Receivable, net	<u>17,265</u>	<u>16,349</u>
Prepays & Other	2,985	2,560
Current Assets	<u>96,662</u>	<u>91,678</u>
PP&E, net	6,909	7,080
Capitalized Software, net	5,997	6,137
Goodwill	11,503	11,210
Other Intangibles	1,264	1,472
Non-current Assets	228	239
Total Assets	<u>\$ 122,563</u>	<u>\$ 117,816</u>
Accounts Payable	\$ 1,589	\$ 1,138
Other Current Liabilities	6,377	8,853
Dividend Payable	2,300	1,984
Deferred Income Tax Liability	846	911
Deferred Revenues	15,269	15,441
Current Liabilities	<u>26,381</u>	<u>28,327</u>
Deferred Income Tax Liability	1,579	1,697
Minority Interest	5,712	5,061
Shareholders' Equity	88,891	82,731
Total Liabilities & Shareholders' Equity	<u>\$ 122,563</u>	<u>\$ 117,816</u>