

American Software Fourth Quarter and Fiscal 2007 Result:

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

	Fourth Quarter Ended			Twelve Months Ended		
	April 30,		Pct Chg.	April 30,		Pct Chg.
	2007	2006		2007	2006	
Revenues:						
License	\$ 6,648	\$ 4,500	48%	\$ 21,080	\$ 17,885	18%
Services & other	9,138	9,782	(7%)	36,258	34,693	5%
Maintenance	6,697	6,180	8%	27,029	24,052	12%
Total Revenues	<u>22,483</u>	<u>20,462</u>	<u>10%</u>	<u>84,367</u>	<u>76,630</u>	<u>10%</u>
Cost of Revenues:						
License	1,695	1,317	29%	6,169	4,147	49%
Services & other	6,140	7,444	(18%)	25,105	26,047	(4%)
Maintenance	1,933	1,614	20%	7,324	6,590	11%
Total Cost of Revenues	<u>9,768</u>	<u>10,375</u>	<u>(6%)</u>	<u>38,598</u>	<u>36,784</u>	<u>5%</u>
Gross Margin	<u>12,715</u>	<u>10,087</u>	<u>26%</u>	<u>45,769</u>	<u>39,846</u>	<u>15%</u>
Operating expenses:						
Research and development	2,783	2,506	11%	9,819	9,132	8%
Less: capitalized development	(586)	(652)	(10%)	(2,264)	(2,423)	(7%)
Sales and marketing	3,479	3,485	0%	14,079	13,796	2%
General and administrative	3,326	3,298	1%	13,756	12,983	6%
Acquisition related amortization of intangibles	87	87	0%	350	350	0%
Total Operating Expenses	<u>9,089</u>	<u>8,724</u>	<u>4%</u>	<u>35,740</u>	<u>33,838</u>	<u>6%</u>
Operating Earnings	<u>3,626</u>	<u>1,363</u>	<u>166%</u>	<u>10,029</u>	<u>6,008</u>	<u>67%</u>
Interest Income & Other, Net	1,182	884	34%	4,676	3,573	31%
Earnings Before Income Taxes and Minority Interest	4,808	2,247	114%	14,705	9,581	53%
Income Tax Expense	(1,683)	(872)	93%	(5,496)	(3,631)	51%
Minority Interest Expense	(263)	(186)	41%	(776)	(931)	(17%)
Net Earnings	<u>\$ 2,862</u>	<u>\$ 1,189</u>	<u>141%</u>	<u>\$ 8,433</u>	<u>\$ 5,019</u>	<u>68%</u>
Earnings per common share: (1)						
Basic:	<u>\$ 0.12</u>	<u>\$ 0.05</u>	<u>140%</u>	<u>\$ 0.34</u>	<u>\$ 0.21</u>	<u>62%</u>
Diluted:	<u>\$ 0.11</u>	<u>\$ 0.05</u>	<u>120%</u>	<u>\$ 0.33</u>	<u>\$ 0.20</u>	<u>65%</u>
Weighted average number of common shares outstanding:						
Basic	24,750	24,301		24,616	24,086	
Diluted	26,022	25,549		25,761	25,099	
Reconciliation of Adjusted Net Earnings:						
Net Earnings	\$ 2,862	\$ 1,189		\$ 8,433	\$ 5,019	
Acquisition related amortization of intangibles(2)	87	87		350	350	
Write-down of minority investment(2)	-	121		-	281	
Stock option expense (2)	190	-		825	-	
Adjusted Net Earnings	<u>\$ 3,139</u>	<u>\$ 1,397</u>	<u>125%</u>	<u>\$ 9,608</u>	<u>\$ 5,650</u>	<u>70%</u>
Adjusted Net Earnings per Diluted Share	<u>\$ 0.12</u>	<u>\$ 0.05</u>	<u>140%</u>	<u>\$ 0.37</u>	<u>\$ 0.23</u>	<u>61%</u>

nm- not meaningful

(1) - Basic and diluted per share amounts are the same for Class A and Class B shares

(2) - Not income tax affected

American Software Fourth Quarter and Fiscal 2007 Results

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

	<u>April 30,</u>	
	<u>2007</u>	<u>2006</u>
Cash and Short-term investments	\$ 72,769	\$ 62,149
Accounts Receivable:		
Billed	12,489	11,302
Unbilled	3,860	4,514
Total Accounts Receivable, net	<u>16,349</u>	<u>15,816</u>
Prepays & Other	2,560	2,323
Deferred Income Tax Asset	-	248
Current Assets	<u>91,678</u>	<u>80,536</u>
Investments -noncurrent	-	499
PP&E, net	7,080	7,669
Capitalized Software, net	6,137	6,711
Goodwill	11,210	11,120
Other Intangibles	1,472	1,893
Non-current Assets	239	1,461
Total Assets	<u>\$ 117,816</u>	<u>\$ 109,889</u>
Accounts Payable	\$ 1,138	\$ 917
Other Current Liabilities	8,853	7,553
Dividend Payable	1,984	1,712
Deferred Income Tax Liability	911	-
Deferred Revenues	15,441	15,306
Current Liabilities	<u>28,327</u>	<u>25,488</u>
Deferred Income Tax Liability	1,697	870
Minority Interest	5,061	4,159
Shareholders' Equity	82,731	79,372
Total Liabilities & Shareholders' Equity	<u>\$ 117,816</u>	<u>\$ 109,889</u>