

American Software Fourth Quarter of Fiscal 2011 Results

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

	Fourth Quarter Ended			Twelve Months Ended		
	April 30,			April 30,		
	2011	2010	Pct Chg.	2011	2010	Pct Chg.
Revenues:						
License	\$ 7,983	\$ 3,178	151%	\$ 19,240	\$ 15,503	24%
Services & other	9,551	8,853	8%	36,960	32,298	14%
Maintenance	7,640	6,862	11%	29,389	27,475	7%
Total Revenues	25,174	18,893	33%	85,589	75,276	14%
Cost of Revenues:						
License	2,076	637	226%	5,828	3,374	73%
Services & other	7,375	6,298	17%	27,205	22,797	19%
Maintenance	1,860	1,623	15%	7,152	6,803	5%
Total Cost of Revenues	11,311	8,558	32%	40,185	32,974	22%
Gross Margin	13,863	10,335	34%	45,404	42,302	7%
Operating expenses:						
Research and development	2,561	2,386	7%	9,953	9,132	9%
Less: capitalized development	(780)	(643)	21%	(2,565)	(2,410)	6%
Sales and marketing	4,939	3,863	28%	15,720	15,045	4%
General and administrative	3,263	3,258	0%	12,028	12,908	(7%)
Provision/(Recovery) of doubtful accounts	130	5	nm	172	(297)	nm
Amortization of acquisition-related intangibles	134	132	2%	684	395	73%
Stock option compensation charge related to the Logility tender offer	-	-	-	-	230	nm
Severance expenses	-	-	-	219	-	nm
Total Operating Expenses	10,247	9,001	14%	36,211	35,003	3%
Operating Earnings	3,616	1,334	171%	9,193	7,299	26%
Interest Income & Other, Net	597	667	(10%)	1,941	1,929	1%
Earnings Before Income Taxes and Noncontrolling Interest	4,213	2,001	111%	11,134	9,228	21%
Income Tax Expense	1,460	672	117%	3,770	3,434	10%
Net Earnings	\$ 2,753	\$ 1,329	107%	\$ 7,364	\$ 5,794	27%
Net earnings attributable to noncontrolling interests	-	-	-	-	90	nm
Net Earnings attributable to American Software, Inc.	\$ 2,753	\$ 1,329	107%	\$ 7,364	\$ 5,704	29%
Earnings per common share: (1)						
Basic	\$ 0.11	\$ 0.05	120%	\$ 0.29	\$ 0.23	26%
Diluted	\$ 0.10	\$ 0.05	100%	\$ 0.28	\$ 0.22	27%
Weighted average number of common shares outstanding:						
Basic	25,958	25,325		25,751	25,318	
Diluted	26,515	25,893		26,183	25,881	

AMERICAN SOFTWARE, INC. NON-GAAP MEASURES OF PERFORMANCE (In thousands, except per share data, unaudited)

	Fourth Quarter Ended			Twelve Months Ended		
	April 30,			April 30,		
	2011	2010	Pct Chg.	2011	2010	Pct Chg.
NON-GAAP EARNINGS PER SHARE:						
Net Earnings (GAAP Basis)	\$ 2,753	\$ 1,329	107%	\$ 7,364	\$ 5,704	29%
Income tax provision	1,460	672	117%	3,770	3,434	10%
Interest Income & Other, Net	(597)	(667)	(10%)	(1,941)	(1,929)	1%
Amortization of intangibles	790	168	370%	2,689	890	202%
Depreciation	306	315	(3%)	1,233	1,270	(3%)
EBITDA (earnings before interest, taxes, depreciation and amortization)	4,712	1,817	159%	13,115	9,369	40%
Severance expenses	-	-	-	219	-	nm
Stock-based compensation	256	203	26%	985	806	22%
Expenses related to the Optiant acquisition	-	113	nm	-	128	nm
Stock option compensation charge related to the Logility tender offer	-	-	-	-	230	nm
Expenses related to the Logility tender offer	-	-	-	-	552	nm
Adjusted EBITDA	\$ 4,968	\$ 2,133	133%	\$ 14,319	\$ 11,085	29%
EBITDA , as a percentage of revenue	19%	10%		15%	12%	

Adjusted EBITDA , as a percentage of revenue	20%		11%		17%		15%			
	Fourth Quarter Ended			Twelve Months Ended			April 30,			
	2011	2010	Pct Chg.	2011	2010	Pct Chg.	2011	2010	Pct Chg.	
NON-GAAP EARNINGS PER SHARE:										
Net Earnings (GAAP Basis)	\$	2,753	\$	1,329	107%	\$	7,364	\$	5,704	29%
Amortization of acquisition-related intangibles (2)		88		88	0%		452		248	82%
Stock-based compensation (2)		165		134	23%		637		505	26%
Severance expenses (2)		-		-	-		134		-	nm
Stock option compensation charge related to the Logility tender offer (2)		-		-	-		-		141	nm
Expenses related to the Optiant aquisition (3)		-		113	nm		-		128	nm
Expenses related to the Logility tender offer (3)		-		-	-		-		552	nm
Adjusted Net Earnings	\$	3,006	\$	1,664	81%	\$	8,587	\$	7,278	18%
Adjusted non-GAAP diluted earnings per share	\$	0.11	\$	0.06	83%	\$	0.33	\$	0.28	18%

(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 \$0.11 and \$0.29 for the three and twelve months ended April 30, 2011, respectively. Diluted per share for Class B shares under the two-class method are \$0.05 and \$0.23 for the three and twelve months ended April 30, 2010, respectively.

(2) - Tax affected using the effective tax rate for the three and twelve months period ended April 30, 2011 and 2010.

(3) - Not tax affected due to no tax deduction recorded on these expenses

nm- not meaningful

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

	April 30, 2011	April 30, 2010
Cash and Short-term Investments	\$ 44,567	\$ 38,030
Accounts Receivable:		
Billed	14,409	8,721
Unbilled	4,151	2,419
Total Accounts Receivable, net	18,560	11,140
Prepays & Other	2,918	3,373
Deferred Tax Asset	77	-
Current Assets	66,122	52,543
Investments - Non-current	10,844	15,849
PP&E, net	5,723	6,490
Capitalized Software, net	7,562	6,890
Goodwill	12,601	12,601
Other Intangibles, net	1,880	2,677
Other Non-current Assets	100	125
Total Assets	\$ 104,832	\$ 97,175
Accounts Payable	\$ 1,011	\$ 986
Accrued Compensation and Related costs	4,245	2,949
Dividend Payable	2,345	2,284
Other Current Liabilities	4,499	1,986
Deferred Tax Liability - Current	-	63
Deferred Revenues	17,307	15,147
Current Liabilities	29,407	23,415
Deferred Tax Liability - Long term	1,375	1,480
Shareholders' Equity	74,050	72,280
Total Liabilities & Shareholders' Equity	\$ 104,832	\$ 97,175