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FOR IMMEDIATE RELEASE:

ANGOSS RELEASES PRELIMINARY FOURTH QUARTER AND FISCAL 2002 RESULTS

Toronto, Canada – January 16, 2003

ANGOSS Software Corporation (TSX-V: ANC – www.angoss.com) released preliminary unaudited results today for the fourth quarter and fiscal year ended November 30, 2002.

12% growth in North American revenues during 2002 combined with a 41% decline in European year over year results resulted in top line revenue growth of 1%. The Company's operating loss narrowed to \$61,000 for the year compared with a 2001 operating loss of \$448,000. Net income was \$296,000 or \$0.01 per share compared with a 2001 net loss of \$691,000 or \$0.02 per share.

During the fourth quarter, the Company's revenues were up 30% from third quarter 2002 results but 10% lower than fourth quarter 2001 results, due to lower consulting services and European revenues.

Two significant recent partnership announcements, involving Siebel Systems, Inc. (NASDAQ: SEBL) and a North American internal audit consulting services organization, were also disclosed.

RESULTS SUMMARY

	Three months ended November 30			Twelve months ended November 30		
	2002	2001	Change	2002	2001	Change
Revenues (1)	\$1,092,993	\$1,208,633	(10%)	\$4,475,281	\$4,443,541	1%
Net Income (Loss)	\$(75,392)	(\$137,102)		\$296,350	(\$691,357)	
Per Share Amounts	\$0.00	(\$0.01)		\$0.01	(\$0.02)	

(1) Comparative fourth quarter and annual results reflect the divestment of a non-core business following completion of the 2001 fiscal year that had represented approximately 8% (\$107,000) of fourth quarter 2001 and 7% (\$337,000) of fiscal 2001 revenues (2002 fourth quarter and fiscal year revenues: \$0). See Results Details.

Percentage changes in fourth quarter and fiscal 2002 revenue results by business and geographic segment are as follows:

	Three months ended November 30, 2002		Twelve months ended November 30, 2002	
	North America	Europe	North America	Europe
Data Mining Products	2%	(45%)	18%	(39%)
Data Mining Services	(30%)	32%	(20%)	(51%)
All Products & Services	(3%)	(36%)	12%	(41%)

RESULTS COMMENTARY

"Our 2002 results reflect both company and industry challenges" commented ANGOSS President Eric Apps. "We were able to deliver 18% product revenue growth this year in North America, complete our largest financial services client deployment ever, and close two significant new relationships with world class partners that will create additional growth opportunities in 2003. Our focus in 2003 will be to continue to expand our sales and solutions teams and delivery capabilities to capitalize on these opportunities as the outlook for our industry improves."

"European results in general, consulting services in North America and client spending constraints outside the financial services sector were disappointing in 2002" commented ANGOSS CFO Lon Vining. "We have implemented a number of measures to further focus and improve our sales and services activities in both North America and Europe and expect these initiatives will help us achieve higher growth targets in both North America and Europe in 2003."

OPERATING HIGHLIGHTS AND RECENT DEVELOPMENTS

Results highlights for the fourth quarter and 2002 fiscal year and recent developments include the following:

- **18% Growth In North American Product Revenues Offset By Lower European Product Revenues**
Data mining product revenue growth was positive in North America (up 18% for the 2002 fiscal year) offset by continued challenges particularly in European markets (down 41% for the 2002 fiscal year). During the fourth quarter North American product revenues increased 2% over 2001 fiscal year results, offset by an 45% decline in European product revenues compared with 2001 fourth quarter results.
- **Focus On Key Financial Services Accounts**
One major financial services client accounted for approximately 10% of fourth quarter revenues (2001: 0 clients) and approximately 15% of 2002 revenues (2001: 0 clients), resulting in over 100 trained users of KnowledgeSTUDIO being deployed at multiple locations across the United States during 2002. The Company has similar initiatives currently under way to expand user deployments and service delivery at additional client sites and expects to continue to focus on broadening its user base in such accounts both directly and with industry partners during 2003.
- **Siebel Systems, Inc. Licensing Agreement**
ANGOSS has entered into a licensing agreement with Siebel Systems, Inc. (www.siebel.com; NASD: SEBL), a leading provider of multichannel eBusiness applications software, providing for the licensing of certain ANGOSS software programs for integration and use with Siebel eBusiness applications. ANGOSS deliveries under the agreement are scheduled to occur during the Company's 2003 fiscal year and thereafter. The agreement provides for a combination of initial license fees that will be payable upon completion of product delivery milestones, royalty payments linked to net license revenues derived from product sales, and maintenance and support amounts, payable to ANGOSS.
- **Alliance Agreement Signed With Services Partner For Deployment of Internal Audit Risk Management Solution**
During December, 2002 ANGOSS entered into an alliance agreement with a leading internal audit risk consulting and professional services organization to integrate the ANGOSS KnowledgeSTUDIO® data mining software platform with that organization's comprehensive suite

of data analysis and risk management solutions. The agreement supports the delivery of ANGOSS data mining software products, services and risk management solutions to that organization's risk consulting and internal audit professionals and through the alliance relationship to this partner's established client base across North America. Initial solution development is expected to occur during the 2003 fiscal year.

- **Services Revenues**

Growth in direct North American services revenues during the fourth quarter and full 2002 fiscal year was offset by an unexpected decline in consulting services revenues from a partner. This decline was attributable to the termination in its preliminary phase of a solution development project with a global professional services organization as a result of its cessation of business operations. That project had accounted for approximately 8% of 2001 fiscal year revenues. During 2002 the Company broadened its direct and partner solution sales initiatives focusing on selected clients and prospect in the finance (marketing, cross-selling and credit risk management), telecom (marketing and churn), and health care sectors (marketing, research and abuse detection). These initiatives are expected to continue during 2003.

- **Operating Expenses Lower In 2002**

The Company continued to manage expenses prudently to align operating costs with revenues, during 2002 with operating expenses down 3% in the fourth quarter and 8% for the fiscal year. The Company was able to substantially narrow its 2001 operating loss despite a challenging environment for revenue growth throughout the 2002 fiscal year. Reductions in R&D expenses relate to the positive effects of tax credits available to offset selected research and development expenses. Expense management is expected to continue throughout 2003 pending improvements in client technology investment decisions and broader business conditions.

- **Partner Opportunities Outlook**

Initiatives currently in process with existing clients and partners are expected to further expand revenue generation opportunities during the 2003 fiscal year. During the fourth quarter of 2002 ANGOSS also exchanged a letter of intent with an enterprise software vendor involving the integration and licensing of ANGOSS products for delivery to its client base. There can be no assurance that such letter of intent will result in a definitive agreement on the terms proposed or at all.

- **2003 Product Development Calendar**

KnowledgeSTUDIO and KnowledgeSERVER 4.1, the Company's flagship data mining workbench and data mining server, together with Mining Manager™ 2.0, a web based data mining solution incorporating pre-packaged templates for marketing and risk management applications, are currently scheduled for release during the second quarter of 2003. KnowledgeWebMiner 2.0, a data mining solution for e-commerce sites and web portals that delivers analytic insight into site visitor behavior, is currently scheduled for release during the third quarter of 2003.

RESULTS DETAIL

Unaudited preliminary results for the three and twelve months ended November 30, 2002 are as follows:

ANGOSS Software Corporation Income Statement Information

(stated in Canadian dollars)

For the period ended November 30

	Three Months		Twelve Months	
	2002	2001	2002	2001
Revenues	1,092,993	1,208,633	4,475,281	4,443,541
Gross Margin	1,085,302	1,204,695	4,452,718	4,418,407
Operating Expenses				
General and administration	295,982	268,183	1,167,211	1,216,506
Provision for bad debts	85,000	-	85,000	-
Sales and marketing	529,043	623,760	2,193,744	2,416,195
Research and development, net	243,519	292,079	1,068,237	1,234,088
	1,153,544	1,184,022	4,514,192	4,866,789
Operating (loss) income	(68,242)	20,673	(61,474)	(448,382)
TRIFOX recovery	43,742	39,146	79,136	90,790
Gain on the sale of SmartWare business	-	-	581,771	-
Amortization	(29,704)	(63,532)	(108,341)	(198,342)
Foreign exchange gain (loss)	(10,903)	(98,347)	(56,581)	(99,354)
Financing fees and related interest	-	(46,426)	(5,519)	(53,105)
Income (loss) before	(65,107)	(148,486)	428,992	(708,393)
Provision for future income taxes	-	-	(125,000)	-
Discontinued operations - SmartWare	(10,285)	11,384	(7,644)	17,036
Net Income	(75,392)	(137,102)	296,348	(691,357)
Basic and diluted earnings (loss) per share	\$(0.002)	\$(0.005)	\$0.008	\$(0.014)
Weighted average number of shares outstanding				
Basic	38,480,118	38,361,896	38,418,306	38,232,261
Diluted	38,480,118	38,361,896	39,042,985	38,232,261

ANGOSS Software Corporation Selected Balance Sheet Information

(stated in Canadian dollars)

	November 30, 2002	November 30, 2001
Cash and cash equivalents	661,710	1,004,795
Accounts receivable	1,420,305	968,156
Prepaid expenses and other	100,278	92,201
Assets of discontinued operations	-	128,361
Total current assets	2,182,293	2,193,513
Other assets	94,854	193,130
Assets of discontinued operations	-	38,385
Total assets	2,277,147	2,425,028
Accounts payable and accrued liabilities	286,732	484,741
Current portion of deferred revenue	861,240	592,616
Other	5,245	50,463
Liabilities of discontinued operations	-	747,896
Total current liabilities	1,153,217	1,875,716
Future tax liabilities	250,000	125,000
Obligations under capital leases	-	16,928
Deferred revenue	90,923	-
Total liabilities	1,494,140	2,017,644
Total shareholders' equity	783,007	407,384
Liabilities and shareholders' equity	2,277,147	2,425,028

ANGOSS Software Corporation
Selected Cash Flow Information
(stated in Canadian dollars)
For the period ended November 30

	Three Months		Twelve Months	
	2002	2001	2002	2001
Cash provided by (used in) operating activities	(29,328)	139,265	(197,646)	121,769
Cash (used in) investing activities	(2,603)	(5,550)	(169,345)	(75,488)
Cash provided by (used in) financing activities	13,000	(9,458)	23,906	20,114
Net increase (decrease) in cash during the period	(18,931)	124,257	(343,085)	66,395

ABOUT ANGOSS SOFTWARE CORPORATION

ANGOSS Software Corporation, headquartered in Toronto, Canada, develops data mining software solutions that help business organizations across financial services, telecommunications, pharmaceuticals, retailing and manufacturing industries make "Better Business Decisions. Every Day."TM

ANGOSS data mining solutions includes:

- KnowledgeSEEKER®, KnowledgeSTUDIO®, KnowledgeExcelerator® and KnowledgeSERVER®, advanced data mining tools for analysts that are easy to learn, enjoyable to use and interoperate seamlessly with the Windows, Office and SQL Server application platforms from Microsoft® Corporation.
- Informatica Data Mining Tools, a best of breed data mining module for users of Informatica Analytic Applications developed by ANGOSS for resale by Informatica Corporation.
- KnowledgeSERVER® for PeopleSoft, the ANGOSS data mining and decisioning solution for the PeopleSoft 8 application suite.
- KnowledgeSERVER® for Siebel, the ANGOSS data mining and decisioning solution for the Siebel eBusiness application suite.
- KnowledgeWebMiner™, the ANGOSS data mining solution for mining web data.
- The ANGOSS Data Mining SDK for SQL Server 2000 and KnowledgeSTUDIO SDK, software development kits leveraging Microsoft and Internet standards, platforms and technologies that help corporate and commercial software developers to support rapid deployment of advanced data mining technology to enterprise applications.

Trademarks and registered trademarks referred to above are the property of their respective owners.

This press release contains statements of a forward-looking nature. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. The accuracy of these statements may be impacted by a number of business risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including: the risk that the sale of our products and services involves a long sales cycle; the risk that the economic environment and business conditions will remain difficult to predict; the risk of competition in our target markets; the risk that we may not respond adequately to evolving technologies; the risk that we or our customers may have difficulties in introducing our products or services; the risk that we will encounter difficulties in continuing to offer services; the risk that we will encounter difficulties in integrating the operations of acquired companies with our own; the risks of conducting our operations in a variety of international locations; the risk that we may need to record future write-downs of assets arising from our investments in other companies; the risks relating to the costs that we may incur as a result of litigation against us; and other risks described in our filings with securities regulatory authorities, including our annual reports, interim financial statements and similar disclosure documents. ANGOSS Software does not undertake any obligation to update this forward-looking information after the date of its initial publication, except as required under applicable law.

Note: The TSX Venture Exchange has neither approved nor disapproved the above information.

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