



FOR IMMEDIATE RELEASE

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**ANGOSS RELEASES THIRD QUARTER RESULTS
North American, European and Partner Revenue Growth Reported**

Toronto, Canada – October 5, 2004

Angoss Software Corporation (Angoss) (TSX-V: ANC) today announced unaudited results for the third quarter and nine months ending August 31, 2004, reporting a 56% increase in year-over-year quarterly revenues, 19% year-to-date revenue growth, and improved operating and bottom line profitability.

Angoss posted third quarter 2004 revenues of \$1,662,026, compared with third quarter 2003 revenues of \$1,065,174. 2004 year-to-date revenues were \$4,441,651 up from 2003 year-to-date revenues of \$3,720,227.

Third quarter 2004 operating income was \$242,655, compared with an operating loss of \$63,185 during the third quarter of 2003. The improvement resulted from increased North American sales, continued European growth, and operating cost reductions resulting from the Company's second quarter realignment of personnel to focus on sales growth and expansion of its services organization in North America and Europe. Net income in the third quarter was \$87,711, a significant improvement over the \$100,445 third quarter 2003 loss, despite year-over-year weakness of the US Dollar.

The 2004 year-to-date operating loss was \$197,266, improving from the loss of \$439,921 reported at the end of the second quarter. The Company reported an operating profit of \$34,938 for the corresponding 2003 nine-month period. 2004 year-to-date net loss was \$567,191 compared with a net loss of \$227,664 for the corresponding 2003 nine-month period. The 2004 nine-month operating and net loss results reflect first quarter 2004 North American revenue results, as well as restructuring costs (\$125,646) and financing related expenses (\$212,618) not present in 2003.

"Angoss is a recognized global leader in delivering predictive analytics solutions to organizations so they can increase the value of their customer relationships by unlocking actionable insight from their business data" commented Angoss President Eric Apps. "We made good progress during the third quarter in expanding our higher value solutions sales funnel, and by adding to our signed contracts pipeline to support revenue growth in future quarters. We expect these initiatives to continue through the fourth quarter and into the 2005 fiscal year."

Third Quarter Highlights

North American and European Sales Growth

North American third quarter sales grew 61% over prior year results and for the nine months ended August 31, 2004 are up 12%. European third quarter sales grew 26% over prior year results and for the nine months ended August 31, 2004 are up 43%.

Continued Expansion of KnowledgeSTUDIO® Enterprise Sales

During the third quarter Angoss completed follow-on deployments at two major North American financial services organizations. With analyst deployments now in excess of 200 Angoss KnowledgeSTUDIO® seats at some of the world's largest financial services organizations, Angoss believes it has the most extensive installed base of advanced predictive analytics tools users in the North American financial services industry, with additional identified growth opportunities being actively pursued. Key differentiators driving client selection of Angoss over traditional tools continue to be rapid deployment, ease-of-use, rich functionality for both business users and advanced analysts, performance and scalability, commitment to open standards, and demonstrable return on investment.

Growth In Predictive Analytics Solutions Contracts Pipeline

During the third quarter Angoss continued to make progress in its predictive analytics solutions business which delivers end-to-end predictive analytics capability to clients combining the capabilities of Angoss KnowledgeSTUDIO® and Mining Manager® software applications and the focused expertise of the Angoss expert services organization. Angoss signed contracts providing for delivery of the initial phase of Angoss predictive analytics solutions with two leading North American retailers. Angoss was also selected by a leading North American disability insurer as a preferred vendor for final negotiation of agreements to implement a multiphase analytics program to support improved claims and payments analysis. Angoss Europe highlights included providing solution delivery to support a global financial services organization's bid for a multi-billion dollar financial assets portfolio.

Expansion of Packaged Industry Vertical Solutions

Angoss continues to expand its predictive analytics solutions offerings for targeted industry vertical requirements. These solutions combine Angoss software, industry specific templates and implementation services in solutions that can be delivered to end customers directly and on Angoss partner platforms. They significantly accelerate client time to value in deploying and using predictive analytics capabilities by addressing the complexity challenges of traditional data mining methodologies and tools. Three such examples currently being demonstrated by Angoss to clients are Angoss FundGuard™, Angoss Credit Risk Analytics™, and Angoss Claims & Payments Analytics™. Although packaged industry solutions for predictive analytics is an early stage market opportunity, Angoss expects an increasing percentage of both industry and company revenues to be derived from packaged industry solutions in future, and continues to invest sales, services and development resources in these higher value, longer sales cycle opportunities, primarily in the financial services and communications industries.

Partner Revenue Growth and Expansion Plans

Angoss partnerships with leading global enterprise software and services vendors are integral to our success. Partner revenue increased 50% during the third quarter of 2004 compared to the third quarter of 2003. Year-to-date revenues from partners are up 104%. The third quarter saw the completion of solution training modules for partners allowing them to further increase the penetration of Angoss products and related implementation services within their client base. We also continue to increase the visibility of Angoss predictive analytics capability within partner organizations, and expand Angoss support for partner implementations incorporating Angoss software and services. Angoss expects to continue to expand revenues derived through current partner channels and to expand its partnership relationships with new offerings during fiscal 2005.

Growth In Operating Expenses Supports Sales and Services Expansion

Operating expenses were \$1,411,112 for the third quarter 2004 compared to \$1,124,319 for third quarter 2003, but down 13% from the second quarter. Year-to-date operating expenses of \$4,566,272 (2003: \$3,662,370) reflect variable sales compensation costs, expansion of the Company's expert services organizations in North America and Europe, and first half external consultancy costs associated with realigning the Company's business. The Company currently expects fourth quarter operating expenses to be consistent with third quarter results.

Options

In accordance with stock exchange requirements, and as disclosed in the Company's Management Information Circular dated March 5, 2004, the Company confirms the grant during the third quarter of 112,500 options to non-executive directors of the Company at an exercise price of \$0.13 per common share. Such options vest over one year. Under the Company's management compensation plan described in the Circular, the Company has also granted options exercisable for up to a total of 750,000 common shares at \$0.13 to three officers of the Company. The vesting of such management options is linked to the achievement by the Company of specified revenue thresholds for the fiscal 2004 year.

Results Summary

Unaudited preliminary results for the three and nine months ended August 31, 2004 and corresponding 2003 results are as follows:

ANGOSS Software Corporation

Income Statement Information

(unaudited, stated in Canadian dollars)

For the period ended, August 31

	Three Months ended		YTD - Nine Months	
	2004	2003	2004	2003
Revenues	\$1,662,026	\$1,065,174	\$4,411,651	\$3,720,227
Gross margin	1,653,767	1,061,134	4,369,006	3,697,308
Operating Expenses				
General and administration	329,265	280,743	1,130,059	997,402
Sales and marketing	840,472	551,502	2,462,505	1,781,639
Research and development, net	241,375	292,074	973,708	883,329
	1,411,112	1,124,319	4,566,272	3,662,370
Loss before the following	242,655	(63,185)	(197,266)	34,938
Other income	-	-	24,066	26,345
Special charges	(12,157)	-	(125,646)	-
Amortization of capital assets	(23,864)	(23,185)	(63,489)	(51,582)
Amortization of deferred charges	(25,058)	-	(91,648)	-
Dividend expense	(40,470)	-	(120,970)	-
Foreign exchange gain (loss)	(53,395)	(14,075)	7,762	(237,365)
Financing fees and related interest	-	-	-	-
Income (loss) before income taxes	87,711	(100,445)	(567,191)	(227,664)
Recovery (provision) for future income taxes	-	-	-	-
Net income	\$87,711	\$(100,445)	\$(567,191)	\$(227,664)
Basic and diluted loss per share	\$0.00	\$0.00	\$(0.01)	\$(0.01)
Weighted average number of shares outstanding				
Basic	39,244,179	38,632,803	39,191,314	38,545,983
Diluted	39,244,179	38,632,803	39,191,314	38,545,983

Angoss Software Corporation
Selected Cash Flow Information

(unaudited, stated in Canadian dollars)

For the period ended, August 31

	Three Months ended		YTD - Nine Months	
	2004	2003	2004	2003
Cash (used in) provided by operating activities	\$(213,287)	\$(356,867)	\$(593,688)	\$193,323
Cash used in investing activities	(26,885)	(17,319)	(128,836)	(89,487)
Cash provided by financing activities	11,250	139,429	20,281	253,564
Net decrease) increase in cash during the period	(228,922)	(234,757)	(702,243)	357,400

Selected Balance Sheet Information

(unaudited, stated in Canadian dollars)

	August 31, 2004	November 30, 2003
Cash and cash equivalents	\$2,559,016	\$3,261,259
Accounts receivable	1,324,303	1,418,134
Prepaid expenses	47,179	77,285
Total current assets	3,930,498	4,756,678
Other assets	258,594	206,111
Total assets	\$4,189,092	\$4,962,789
Accounts payable and accrued liabilities	\$347,151	\$254,602
Current portion of deferred revenue	1,153,871	1,450,929
Current portion of repayable contribution	94,530	47,265
Other	33,132	13,801
Liabilities of discontinued operations		
Total current liabilities	1,628,684	1,766,597
Future tax liabilities	125,000	125,000
Repayable contribution agreement	152,070	199,335
Deferred revenue	72,152	287,501
Class A Preferred shares, Series I	2,070,009	1,991,225
Total liabilities	4,047,915	4,369,658
Total shareholders' equity	141,177	593,131
Liabilities and shareholders' equity	\$4,189,092	\$4,962,789

Angoss Software empowers people to make “Better Business Decisions. Every Day.”™

Most of the world’s leading financial services, telecom, life sciences, and retail organizations use Angoss predictive analytics software and services to grow revenues, while reducing risk and cost. Angoss helps our clients utilize business data to **discover** the key drivers of behavior, **predict** future trends and events, and **act** with confidence by making results actionable.

Angoss combines powerful market proven software with focused industry services expertise in the deployment, integration and use of predictive analytics in enterprise environments. Our differentiators include broad user acceptance, a commitment to open standards, rich functionality, rapid deployment, exceptional ease-of-use and affordability.

Headquartered in Toronto Canada, Angoss has offices in the UK and Australia and partners with the world’s leading enterprise software and services vendors. For more information, visit www.angoss.com.

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 Toronto Venture Exchange has neither approved nor disapproved the above information.