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FOR IMMEDIATE RELEASE:

ANGOSS REPORTS STRONG 1st QUARTER RESULTS

**DATA MINING INDUSTRY LEADER RECORDS
PROFITABLE REVENUE GROWTH**

Toronto, Canada – March 25, 2002

ANGOSS Software Corporation (CDNX: ANC) released today its unaudited results for the first quarter ended February 28, 2002, reporting strong first quarter revenue, operating income, and net income.

2002 first quarter revenue was \$1,318,763, a 36% increase over 2001 revenue of \$967,797. Operating income for the first quarter was \$88,595 compared to an operating loss of \$315,883 a year earlier. Net income for the first quarter was \$513,990 or \$0.01 per share, compared with a 2001 net loss of \$375,062 (\$(0.01) per share).

“Our continuing expansion in the first quarter reflects several factors including our leadership position in the dynamic and maturing data mining market, the strength of our market proven products, our demonstrated ability to deliver business value to our clients, and our commitment to adding value to the applications of our technology partners” commented ANGOSS President Eric Apps. “These factors should position the Company well to benefit from improvements in the economic outlook as 2002 progresses.”

Financial Results Review

First quarter data mining revenue growth was driven by expanding client relationships, despite continuing constraints on technology spending. Net income growth resulted

from higher revenues, improving margins, focused expense management, and a gain resulting from the restructuring and sale of the Company's SmartWare business unit.

The Company's balance sheet also continued to strengthen with substantial working capital improvements. Cash flow from operations reflected the Company's continuing investments in sales, solutions and product development initiatives. Working capital investments associated with the SmartWare divestment are currently expected to be recovered through proceeds otherwise receivable in conjunction with the SmartWare sale. Total amounts receivable from SmartWare Corporation (US\$550,000) have not been recognized in the consolidated financial statements. Amounts receivable in 2002 and future years will be recognized as non-operating revenues when received.

Financial highlights included:

- ❑ Data mining revenue, in the traditionally slow first quarter, increased 41.8% over 2001 first quarter revenue and increased 9.3% over 2001 fourth quarter data mining revenue;
- ❑ Operating expenses declined 3.5% over the same period in 2001;
- ❑ A substantial improvement in operating income over comparable 2001 results;
- ❑ Continued strengthening of the Company's balance sheet resulting from operating improvements and the SmartWare divestment, including:
 - A 222% increase in working capital
February 28, 2002 - \$1,024,382
November 30, 2001 - \$317,797
resulting in an improving current ratio (current assets to current liabilities) from 1.17:1 to 1.93:1
 - A 32% reduction in total liabilities
February 28, 2002 - \$1,372,444
November 30, 2001 - \$2,017,644; and
 - A 129% increase in shareholders equity
February 28, 2002 - \$934,124
November 30, 2001 - \$407,384

"We were pleased to be able to deliver a substantial improvement over 2001 results despite the uncertain business environment that continues to affect many of our clients and prospects" commented Chief Financial Officer Lon Vining. "Although we continue to expect fluctuations in quarterly operating results, we are currently tracking to our 2002 plan and believe we have an excellent opportunity to achieve our plan targets for the year as the economic environment improves."

Operating Highlights

ANGOSS also reported the following operating highlights during the first quarter:

- The Company continues to expand relationships with existing and new clients. Revenues were derived from licensing, license renewal, services and solution delivery agreement with numerous existing and new clients, including Advanta, AIG, Bank of America, Bank of Montreal, Bell Canada, CableVision, Citi, Clarica, First Union National Bank, Ford Motor Company, GE Capital, GlaxoSmithKline, Household Finance, JP Morgan Chase, MBNA, MCI Worldcom, Royal Bank of Canada, Texaco, US Bancorp, and Wells Fargo.
- The Company continued to expand its partnership relationships, concluding a reseller agreement with Informatica Corporation (www.informatica.com NASDAQ: INFA), continuing its initiatives with PeopleSoft Corporation (www.peoplesoft.com NASDAQ: PSFT), and working with Siebel Systems, Inc. (www.siebel.com) to implement its validation plan for KnowledgeSTUDIO | KnowledgeSERVER 4 with Siebel 7 under the Siebel Alliances program following the successful completion of validation for Siebel 2000 during the fourth quarter of 2002.
- KnowledgeSTUDIO | KnowledgeSERVER 4 is on track for beta release to clients during March, 2002.
- Successful implementation of the Company's KnowledgeWebMiner solution with a leading North American logistics provider sets the stage for the planned release of KnowledgeWebMiner 2.0 as a shippable software product in 2002.
- Successful completion of the Smartware divestiture. See related news release dated January 14, 2002.
- Signing of an intellectual property licensing agreement with a leading global financial services provider which will result in the incorporation of certain enhancements into the KnowledgeSTUDIO platform. See related news release dated March 13, 2002.
- Entering into of a reseller and licensing agreement providing for the sale by ANGOSS of a complementary market basket analysis solution directed to clients in the retailing industry in 2002.

Annual Meeting Date and Annual Report

The Company's Annual Report for 2001 and management information circular for the annual meeting scheduled to be held April 23, 2002 are currently being disseminated to shareholders. The Annual Report provides an overview of Company accomplishments in 2001 and outlook for 2002. The Annual Report is also available through the ANGOSS website.

Results Summary

Unaudited preliminary results for the three months ended February 28, 2002 are as follows:

Income Statement Information

(stated in Canadian dollars)

For the period ended February 28

	Three Months	
	2002	2001
REVENUES	<u>\$1,318,763</u>	<u>\$967,797</u>
Gross Margin	<u>1,315,109</u>	<u>955,804</u>
Operating Expenses		
General and administration	290,019	338,293
Sales and marketing	628,864	588,177
Research and development expenditures	<u>307,631</u>	<u>345,217</u>
	<u>1,226,514</u>	<u>1,271,687</u>
Operating (loss) income	88,595	(315,883)
Gain on the sale of SmartWare business	535,554	-
Interest in SmartWare Corporation	20,609	-
Amortization	(28,339)	(54,026)
Foreign exchange gain (loss)	30,747	(2,499)
Financing fees and related interest	<u>(8,176)</u>	<u>(2,654)</u>
Income (loss) before	638,990	(375,062)
Income taxes	<u>(125,000)</u>	<u>-</u>
Net Income	<u>\$ 513,990</u>	<u>\$ (375,062)</u>
Basic and diluted earnings (loss) per share	<u>\$ 0.013</u>	<u>\$ (0.010)</u>

Weighted average number of shares outstanding

Basic	38,395,616	38,072,745
Diluted	39,037,910	38,072,745

Selected Cash Flow Information

(stated in Canadian dollars)

For the period ended February 28

	Three Months	
	2002	2001
Cash (used in) operating activities	<u>\$(45,791)</u>	<u>\$(33,455)</u>
Cash (used in) investing activities	<u>(169,937)</u>	<u>(12,785)</u>
Cash provided by financing activities	7,361	265
Net (decrease) in cash during the period	<u>(208,367)</u>	<u>(45,975)</u>

Selected Balance Sheet Information (stated in Canadian dollars)	February 28, 2002	November 30, 2001
Cash and cash equivalents	\$796,428	\$1,004,795
Accounts receivable	1,203,804	1,096,517
Prepaid expenses and other	130,888	92,201
Other assets	175,448	231,515
Total assets	\$2,306,568	\$2,425,028
Accounts payable and accrued liabilities	\$511,456	\$504,124
Current portion of deferred revenue	560,293	592,616
Other	34,989	778,976
Total current liabilities	1,106,738	1,875,716
Total liabilities	1,372,444	2,017,644
Total shareholders' equity	934,124	407,384
Liabilities and shareholders' equity	\$2,306,568	\$2,425,028

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.
- KnowledgeWebMinerTM, 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.

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Related Links

For Microsoft Corporation

<http://www.microsoft.com/sql/partners/dwa/datamining.asp>

For Informatica Analytic Applications

<http://www.angoss.com/ProdServ/EnterpriseSolns/informatica.html>

For PeopleSoft CBM

<http://www.angoss.com/ProdServ/EnterpriseSolns/peoplesoft.html>

For Siebel eBusiness

<http://www.angoss.com/ProdServ/EnterpriseSolns/index.html>

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

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