



Enterprise Intelligence for the Digital Economy

FOR IMMEDIATE RELEASE:

ANGOSS RELEASES Q1 RESULTS INCREASED REVENUES & OPERATING PROFIT, SOLID CASHFLOW GROWTH HIGHLIGHT STRONG QUARTER

Toronto, Canada – April 14, 2003

ANGOSS Software Corporation (TSX-V: ANC – www.angoss.com) released unaudited results today for the first quarter year ended February 28, 2003.

Revenues were \$1.55 million, up 17% from the Company’s first quarter 2002 results of \$1.32 million. Net income from continuing operations before income taxes was \$199,817, up 89% from 2002 results of \$105,761. Revenue growth and prudent expense management resulted in strong positive cash flow from operations, with an 18% improvement in current assets and a 77% increase in cash.

“We were pleased to achieve best ever first quarter results given the challenging business environment and continued softness in spending across our industry in both North America and Europe” commented ANGOSS President Eric Apps. “Our value proposition – market proven, easy to use and affordable data mining solutions that deliver business value our clients can see – hit the mark with customers this quarter.”

RESULTS SUMMARY

	Three months ended February 28	
	2003	2002
Revenues	\$1,549,536	\$1,317,860
Operating Expenses	\$1,276,436	\$1,201,705
Net Income (1)	\$199,817	\$513,990
Per Share Amounts	\$0.005	\$0.013

(1) 2002 Net Income includes income from discontinued operations. Net income from continuing operations before income taxes increased 89.5%. The comparable net income amounts for 2003 and 2002 are \$199,817 (\$0.005 per share) and \$105,761 (\$0.003 per share). See Results Details.

OPERATING HIGHLIGHTS AND RECENT DEVELOPMENTS

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

- **22% Growth In Product License Revenues Led By Key Clients**
Data mining license revenue growth resulted from follow on orders from existing clients and new client orders primarily in the financial services, telecom, manufacturing and consulting areas. The Company continued to expand its footprint in selected strategic global financial services customer

accounts, including significant expansions of the company's user footprint in one of the world's largest money center banks and one of the world's largest consumer financial services organizations. These two Fortune 25 clients accounted for approximately 26% of within the quarter revenues. 10 major financial services clients and industry partners accounted for approximately 50% of quarterly revenues.

- **89% Growth In Net Income From Continuing Operations**

Net income from continuing operations before income taxes strengthened substantially over 2002 first quarter results due to revenue growth, and continued expense management. The 89% increase in net income from continuing operations was reduced to some extent by foreign exchange losses associated with the weakening of the US dollar during the first quarter of 2003 (a foreign exchange loss of \$59,000 compared with a \$30,000 gain during the first quarter of 2002).

- **43% Growth In Europe**

European operations rebounded from a difficult 2002, recording 43% growth in revenues due to increased product sales and services activities despite a challenging business environment.

- **17% Consolidated Revenue Growth; 14% Growth In North America**

Consolidated and North American growth in product license and partner related revenues was offset by lower services revenues compared with first quarter 2002 results. Services revenues are expected to increase during the balance of fiscal 2003 as a result of contracts in place and additional personnel hires focused on client services sales and solution delivery.

- **Strengthened Balance Sheet; Increase In Cash Flow From Operations**

The Company's first quarter results and continued prudent management of expenses enabled continued strengthening of its balance sheet. An 18% improvement in current assets resulted from a 77% increase in cash during the quarter as a result of strong, positive cash flow from operations. Return on equity during the first quarter was 21%.

- **PeopleSoft Reseller Agreement**

During the first quarter the Company entered into a reseller agreement with PeopleSoft Corporation (NASDAQ: PSFT), a leading enterprise solutions vendor, providing for the integration and sale of an ANGOSS data mining solution with PeopleSoft applications. The integrated offering is expected to be made available during 2003.

- **\$250,000 Funding Commitment From NRC**

The Company received approval with respect to a Repayable Contribution Agreement valued at approximately \$250,000 from the National Research Council under Industrial Research Assistance Program/Technology Partnerships Canada (IRAP-TPC) Program to provide assistance with respect to ANGOSS products planned for release during 2003. The contributions are repayable starting in September 2004. The repayment rate is equal to 1.07% of revenue, payable quarterly until February 2006

- **Siebel Systems Licensing Agreement**

Under its previously disclosed oem licensing agreement with Siebel Systems (NASDAQ: SEBL), ANGOSS is providing private label versions of certain products for integration and sale with Siebel eBusiness applications. Deliveries are proceeding as scheduled under the agreement.

- **KnowledgeSTUDIO® Release Schedule**

KnowledgeSTUDIO version 4.1, which is currently scheduled for release during the second quarter of 2003, offers a comprehensive predictive analysis, reporting and scoring environment for business analysts. Market proven, easy to use, and affordable, KnowledgeSTUDIO is widely deployed in Fortune 500 accounts to improve marketing and risk management decision making.

▪ **Mining Manager[®] Release Schedule**

Mining Manager version 2.0 is currently scheduled for release to selected clients and partners during the second quarter of 2003. Mining Manager[™] 2.0 brings the business value of data mining to an even broader audience of mainstream business users, by offering a web based, easy to use, Microsoft and Internet standards based data mining solution that incorporates a portfolio of packaged data mining applications for finance, telecom, retailing and manufacturing industries. These packaged applications can be configured and deployed to deliver actionable insight to personnel across the organization. General release is planned in the fourth quarter of 2003.

RESULTS DETAIL

Unaudited results for the three months ended February 28, 2003 are as follows:

ANGOSS Software Corporation

Income Statement Information

(unaudited, stated in Canadian dollars)

For the period ended February 28,

	Three Months	
	2003	2002
Revenues	\$ 1,549,536	\$ 1,317,860
Gross Margin	1,547,820	1,314,206
Operating Expenses		
General and administration	352,326	279,523
Sales and marketing	671,890	616,801
Research and development, net	252,220	305,381
	1,276,436	1,201,705
Income from continuing operations before the following	271,384	112,501
Amortization	(12,505)	(28,339)
Foreign exchange gain (loss)	(59,062)	29,775
Financing fees and related interest	-	(8,176)
Income from continuing operations before income taxes	199,817	105,761
Provision for future income taxes	-	(125,000)
Discontinued operations - SmartWare	-	533,229
Net Income	\$ 199,817	\$ 513,990
Basic and diluted earnings (loss) per share	\$ 0.005	\$ 0.013
Weighted average number of shares outstanding		
Basic	38,502,096	38,388,948
Diluted	38,626,254	39,026,254

Selected Cash Flow Information

(unaudited, stated in Canadian dollars)

For the period ended February 28,

	Three Months	
	2003	2002
Cash provided by (used in) operating activities	\$ 543,787	\$ (45,791)
Cash (used in) investing activities	(36,775)	(169,937)
Cash provided by (used in) financing activities	-	7,361
Net increase (decrease) in cash during the period	507,012	(208,367)

ANGOSS Software Corporation
Balance Sheet

(stated in Canadian dollars)

	February 28, 2003 (unaudited)	November 30, 2002 (audited)
Cash and cash equivalents	\$ 1,168,722	\$ 661,710
Accounts receivable	1,310,927	1,420,305
Prepaid expenses and other	89,662	100,278
Total current assets	<u>2,569,311</u>	<u>2,182,293</u>
Capital assets, net	119,124	94,854
Total assets	<u>\$ 2,688,435</u>	<u>\$ 2,277,147</u>
Accounts payable and accrued liabilities	\$ 512,906	\$ 316,732
Current portion of deferred revenue	896,113	861,240
License fees payable	3,549	5,245
Total current liabilities	<u>1,412,568</u>	<u>1,183,217</u>
Future tax liabilities	250,000	250,000
Deferred revenue	73,043	90,923
Total liabilities	<u>1,735,611</u>	<u>1,524,140</u>
Total shareholders' equity	<u>952,824</u>	<u>753,007</u>
Liabilities and shareholders' equity	<u>\$ 2,688,435</u>	<u>\$ 2,277,147</u>

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.

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

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