



**FOR IMMEDIATE RELEASE - Attn: Business and Technology Reporters**

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**ANGOSS REPORTS RECORD REVENUE IN FISCAL 2006 RESULTS;  
IMPROVED NET INCOME AND OPERATING CASH FLOW ALSO POSTED**

Toronto, Canada – January 29, 2007

Angoss Software Corporation (Angoss) (TSX-V: ANC) today announced preliminary unaudited results for the fourth quarter and fiscal year ending November 30, 2006.

Expanded use of Angoss predictive analytics systems by banking, mutual funds, insurance and telecom clients resulted in record fourth quarter and fiscal year revenues. The Company also reported higher operating and net income, with growth in cash flow and deferred revenues.

On an earned basis, annual revenues grew 8.5% to \$6,824,114 (2005: \$6,289,016). Deferred revenues were up 21.5% to \$3,201,319 (2005 - \$2,635,708). Operating expenses increased 2.5% to \$6,111,999 from prior year expenses of \$5,964,587. Operating income for the year grew 122% to \$680,492, compared with prior year operating income of \$306,709. Net income improved to \$310,879 compared with a prior year net loss of \$126,281.

On a billed basis, annual revenues grew 13.5% to \$7,327,374 (2005: \$6,455,164). The Company also closed the year with over \$2 million in cash, after paying \$575,000 for scheduled retirement of preferred shares. Operating cash flow increased to \$1,087,160 (2005: use of \$76,188), a \$1.2 million improvement.

Fourth quarter earned revenues grew 8.3% to \$1,825,819 (2005: \$1,685,300). Operating expenses were \$1,746,730, up 14% from prior year fourth quarter results, with year-over-year declines in operating expenses offset by one-time fourth quarter variable compensation payments linked to annual financial performance. Fourth quarter operating income was \$75,340, compared with fourth quarter 2005 operating income of \$148,864. Net income was \$53,314, up from prior year net income of \$32,784.

"Our 2006 results reflect continued expansion of existing customer relationships, new client additions, the expansion of our analytics solutions portfolio, and a growing pipeline of new opportunities in the financial services and information and communications technology markets" commented Angoss President Eric Apps. "Our demonstrated capability to deliver rapid, measurable return on investment through accelerated customer acquisition rates, higher revenue growth, improved insight into customer risk, and faster time to data driven decisions, are key differentiators for clients selecting Angoss."

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## **Fourth Quarter and Fiscal Year Highlights**

Angoss predictive analytics solutions combine market proven Angoss predictive analytics software and industry specific templates, best practices and implementation services that help clients achieve business value benefits from predictive analytics faster, and at lower cost.

Angoss implementations are geared to industry and client specific stages, needs and capabilities, using the Angoss *Predictive Analytics Maturity Model™* a proven implementation methodology which ensures rapid return on investment, effective knowledge transfer, and rapid solution availability using both technology licensing and subscription service delivery models.

### **Angoss FundGUARD™ System Drives Significant Growth In Assets Under Management.**

Angoss FundGUARD™ helps mutual fund and wealth management companies use predictive analytics to drive territory coverage planning and growth in assets under management, while reducing redemption risk. The Angoss FundGUARD™ solution continued to extend its market leadership position in the North American mutual fund industry, with expansion during 2006 of subscriptions at current clients, new client signings, and continued expansion of the Company's opportunity funnel, focused on North American and European mutual fund industry prospects. Angoss FundGUARD™ has generated hundreds of millions of dollars in incremental assets under management, providing significant business insight and value to mutual fund managers seeking to help their sales organizations achieve improved sales performance and results.

### **Angoss ClaimGUARD™ System Helps Insurers Grow Premiums, Reduce Costs and Flag Abuse**

During the fourth quarter Angoss commenced implementation of the Angoss ClaimGUARD™ system enabling improved fraud and abuse detection and better insight into the drivers of claims costs at one of North America's largest benefits insurance carriers. Angoss ClaimGUARD™ helps insurers grow premium revenues by better understanding key drivers of claims costs and outcomes, reduce loss ratios through more efficient analysis and assessment of claims, and reduce claims fraud risk. The Angoss solution, implemented in multiple phases, and available under both licensing and software-as-service delivery models, enables identification of high risk claim, claimant and care provider targets in support of the carrier's claims fraud and abuse detection requirements. Angoss ClaimGUARD™ has already resulted in significant, documented, actionable business value benefits for the client, within weeks of the launch of the initial solution delivery phase. Angoss expects to continue to expand its opportunity funnel for the Angoss ClaimGUARD™ solution implementations with North American benefits and P&C insurers during the 2007 fiscal year.

**Angoss Extends Predictive Analytics Solutions and Capabilities to Telcos.** During the fourth quarter Angoss extended its solutions capability in the telecommunications industry, providing a leading US based telecom carrier with analytics software supporting credit risk analysis and scorecard development. Angoss was also selected by one of Canada's leading telecommunications providers to provide a credit risk scorecard supporting its customer lifecycle management needs.

### **Angoss Analytics Suite Addresses Enterprise Predictive Analytics Requirements**

During the fourth quarter Angoss continued to add to its client base within the global financial services industry, with deployments of KnowledgeSEEKER® (Knowledge Discovery), KnowledgeSTUDIO® (Predictive Modeling), and its newly released StrategyBUILDER™ (Decision Optimization) predictive analytics software suite, including additional deployments at one of North America's leading financial services organizations, and one of North America's largest telecom carriers. Moving into 2007, Angoss is positioning these capabilities for identified targeted enterprise accounts on new licensing terms that significantly extend business user access to Angoss products, leverage Angoss' significantly higher ease of use attributes, and further extend our affordability value proposition by adopting a business intelligence based pricing model to the data mining software segment. Angoss offerings provide significant total cost of ownership benefits over traditional packaged applications used by expert users for statistical analysis and data mining. Angoss will be staffing a dedicated demand generation team with associated investments in market targeting, campaign automation, and demand creation tools. This realignment and rationalization of resources is expected to be completed during the first quarter of 2007 and result in higher productivity and improved margins on analytics software sales, while maintaining stable overall operating expense levels for the balance of the year.

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## Operations Update

In January, 2007 the Company relocated to new and expanded premises, with associated investments in new systems, leasehold improvements and related areas to support business growth. The relocation is not expected to materially impact on quarterly operating costs, and the new location provides a better platform for expanded growth. The combination of seasonal factors and disruption in normal operations associated with the move, may have some impact on first quarter results, but the Company's fiscal 2007 outlook is currently positive.

## Results Summary

Unaudited preliminary results for the three months and twelve months ended November 30, 2006 and corresponding 2005 results are as follows:

### Angoss Software Corporation

#### Income Statement Information

(unaudited, stated in Canadian dollars)

	Three Months ended		YTD-Twelve Months ended	
	November 30, 2006	November 30, 2005	November 30, 2006	November 30, 2005
Revenues	<b>\$1,825,819</b>	\$1,685,300	<b>\$6,824,114</b>	\$6,289,016
Gross margin	<b>1,822,070</b>	1,680,335	<b>6,792,491</b>	6,271,296
Operating Expenses				
General and administration	<b>481,725</b>	342,593	<b>1,668,564</b>	1,488,555
Sales and marketing	<b>887,484</b>	917,281	<b>3,199,698</b>	3,288,078
Research and development, net	<b>377,521</b>	271,597	<b>1,243,737</b>	1,187,954
	<b>1,746,730</b>	1,531,471	<b>6,111,999</b>	5,964,587
Income (loss) before the following	<b>75,340</b>	148,864	<b>680,492</b>	306,709
Other income	<b>31,537</b>	31,670	<b>187,829</b>	62,318
Amortization of capital assets	<b>(63,632)</b>	(28,667)	<b>(188,304)</b>	(109,487)
Amortization of deferred charges	<b>(22,800)</b>	(27,622)	<b>(81,895)</b>	(107,155)
Dividend expense	<b>(28,263)</b>	(39,370)	<b>(119,073)</b>	(160,450)
Foreign exchange (loss) gain	<b>86,237</b>	(49,412)	<b>(27,170)</b>	(52,204)
Stock option expense	<b>(25,105)</b>	(2,679)	<b>(141,000)</b>	(66,012)
Net income (loss) for the period	<b>\$53,314</b>	\$32,784	<b>\$310,879</b>	\$(126,281)
Basic and diluted loss per share	<b>\$0.00</b>	\$0.00	<b>\$0.01</b>	\$0.00
Weighted average number of shares outstanding				
Basic	<b>39,599,752</b>	39,499,723	<b>39,581,986</b>	39,474,069
Diluted	<b>40,830,270</b>	39,627,498	<b>41,526,074</b>	39,474,069

### Selected Cash Flow Information

(unaudited, stated in Canadian dollars)

	Three Months ended		YTD-Twelve Months ended	
	November 30, 2006	November 30, 2005	November 30, 2006	November 30, 2005
Cash (used in) provided by operating activities	<b>\$319,088</b>	\$420,837	<b>\$1,087,160</b>	\$(76,188)
Cash used in investing activities	<b>(80,082)</b>	(23,190)	<b>(319,570)</b>	(210,630)
Cash provided by financing activities	<b>(597,774)</b>	(590,858)	<b>(493,753)</b>	(617,382)
Net (decrease) increase in cash during the period	<b>(358,768)</b>	(193,211)	<b>273,837</b>	(904,200)

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<b>Selected Balance Sheet Information</b> (unaudited, stated in Canadian dollars)	<b>November 30, 2006</b>	November 30, 2005
Cash and cash equivalents	<b>\$2,093,985</b>	\$1,820,148
Accounts receivable	<b>1,831,410</b>	1,809,739
Prepaid expenses	<b>479,591</b>	232,100
Total current assets	<b>4,404,986</b>	3,861,987
Other assets	<b>441,147</b>	327,032
Total assets	<b>\$4,846,133</b>	\$4,189,019
Accounts payable and accrued liabilities	<b>\$702,243</b>	\$625,917
Deferred revenue	<b>3,201,319</b>	2,635,708
Current portion of repayable contribution	<b>88,835</b>	79,500
Current portion of capital leases	<b>43,379</b>	-
Current redeemable portion of preferred shares	<b>575,000</b>	575,000
Other	<b>18,333</b>	26,026
Total current liabilities	<b>4,629,109</b>	3,942,151
Repayable contribution agreement	-	82,151
Capital leases	<b>70,628</b>	-
Class A Preferred shares, Series 1	<b>520,482</b>	1,030,738
Total liabilities	<b>5,220,219</b>	5,055,040
Total shareholders' deficit	<b>(374,086)</b>	(866,021)
Liabilities and shareholders' equity	<b>\$4,846,133</b>	\$4,189,019

**Angoss Software empowers people to make "Better Business Decisions. Every Day."<sup>TM</sup>**

Some 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 when making business decisions.

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 partners with the world's leading enterprise software and services vendors. For more information, visit [www.angoss.com](http://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 Corporation 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.

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