



**Contact:**

Lon Vining  
Chief Financial Officer  
416-593-2420  
[lvining@angoss.com](mailto:lvining@angoss.com)

## **Angoss Reports 12% Revenue Growth in Third Quarter Results Operating Profit Up 94% Year-To-Date**

**Toronto, Canada – October 7, 2009** – Angoss Software Corporation (TSX-V: ANC), a leading provider of data mining and predictive analytics solutions for the financial services and information and communications technology industries, today announced unaudited results for the third quarter and nine months ending August 31, 2009.

During the third quarter Angoss completed integration of its analytics engine with recently acquired IntelliMaxx, adding on demand predictive analytics to the IntelliMaxx e-mail, online and mobile marketing suite, enabling users to acquire new customers faster through lower cost, analytics-driven online, e-mail and mobile marketing initiatives. The Company signed a multi-year KnowledgeSEEKER® for Salesforce CRM agreement with the Private Client Services unit of Russell Investments, a global investment company with over \$150 Billion in assets under management, bringing on demand predictive analytics to the desktops of Russell's sales organization via integration with Russell's Salesforce.com installation. The Company also expanded its footprint with existing and new finance and telecom customers for Angoss credit risk management systems, as these organizations continue to sharpen their focus on quality customer acquisition, loss mitigation, and fraud detection.

Third quarter revenues were \$2,067,775, up 12% from 2008 results of \$1,844,573. For the nine months ended August 31, 2009 revenues were \$6,333,291, up 11% from 2008 results of \$5,686,417. On demand (SaaS) subscriptions have grown to approximately 33% of year to date revenues. Annual software license subscriptions made up the remaining two-thirds of revenue. Billed revenues were \$1,867,323 compared with prior year billed revenues of \$1,669,821. In year to date results, billed revenues of \$5,810,891 are up 20% from prior year billed revenues of \$4,840,009.

"The addition of IntelliMaxx™ as our on demand integrated marketing analytics platform, the maturing of our on demand KnowledgeSEEKER for Salesforce solution as evidenced by both the Russell Investments win and our growing opportunity pipeline, and the continued expansion of our client base for our KnowledgeSTUDIO® predictive analytics software suite, have provided a good platform for future growth despite what may be continued soft business conditions in 2010" commented Angoss President Eric Apps. "As the recent acquisition of SPSS by IBM has

demonstrated, despite the near term outlook, there are many significant, long-term opportunities in the analytics area. At 2.5X revenues IBM has paid a strategic premium to enter this market segment, and we believe other technology and service industry players in coming years will actively explore opportunities to participate in this emerging growth area. We are continuing to invest in differentiated IP and technology delivery capabilities that bring analytics to mainstream business audiences in our focus markets to capitalize on those opportunities.”

Third quarter operating expenses were \$1,791,395, down 3% from prior year operating expenses of \$1,844,938. In year to date results operating expenses of \$5,610,668 were up 6% from 2008 operating expenses of \$5,313,324. Year to date 2009 operating expenses other than R&D were relatively flat following the successful integration of the Angoss and IntelliMaxx teams. R&D expenses were up year over year reflecting the development effort associated with the integration of IntelliMaxx and the initial design of the Company’s proprietary consumer data asset supporting the IntelliMaxx marketing suite.

As a result of higher revenues and reduced operating expenses third quarter operating profit improved to \$276,380 from a prior year nominal third quarter loss, while net income grew to \$139,330 from prior year net income of \$11,838. In year to date results, operating income increased to \$722,623 from \$373,093, while net income declined to \$2,786 from prior year net income of \$132,774. Net income was impacted primarily by financing, acquisition-related amortization, and foreign exchange costs as a result of the continued weakness of the US Dollar.

### **Third Quarter Highlights**

Notable third quarter highlights included the following:

**Marketing - IntelliMaxx.** During the third quarter Angoss’ integrated marketing solutions subsidiary Sapien Information Services Corporation expanded its relationships with existing customers, with initial introduction of embedded analytics capabilities from Angoss, completion of partnering agreements for data hygiene solutions to complement Intellimaxx offerings, and initial development work completed for the delivery of a proprietary, analytics enriched consumer database to support the IntelliMaxx™ solutions portfolio.

**Sales - Russell Investments To Deploy KnowledgeSEEKER for Salesforce CRM.** During the third quarter Angoss finalized a multi-year subscription agreement with Russell Investments for Angoss FundGUARD, the fund and wealth management industry sales targeting system to drive growth in assets under management. FundGUARD™ will be delivered to Russell Investments on the Salesforce.com CRM platform, leveraging the Angoss KnowledgeSEEKER for Salesforce CRM on demand analytics engine.

**Risk - Continued Expansion of Financial and ICT Customer Base.** Angoss continued to expand its relationship with existing and new financial services and ICT industry clients, adding new customers and expanding existing relationships through software licensing and knowledge



transfer transactions with RBC, Sainburys, Fannie Mae, Bank of America, eBay PayPal, US Bancorp, WEA Trust, Fifth Third Bancorp, and Rogers Communications, while growing its license renewal revenues by 27%.

**IBM Acquires SPSS.** In a notable industry development, IBM announced during the third quarter its planned acquisition of statistical tools vendor SPSS. Key valuation metrics were in range of 2.5 times trailing 12 month revenues, and 9X EBITDA. Among other impacts, this transaction will increase visibility of and interest in analytics as a growth area for technology industry hardware, software and service delivery organizations in future quarters. The Company believes it is among the best positioned companies in this segment to pursue partnering opportunities as the sector continues to mature.

**ANGOSS Software Corporation**

**Income Statement Information**

(unaudited, stated in Canadian dollars)

For the period ended

	Three months ended		YTD - Nine Months	
	August 31, 2009	August 31, 2008	August 31, 2009	August 31, 2008
Revenues	<b>\$ 2,067,775</b>	\$ 1,844,573	<b>\$ 6,333,291</b>	\$ 5,686,417
Operating Expenses				
General and administration	<b>378,972</b>	425,805	<b>1,196,916</b>	1,224,951
Sales and marketing	<b>1,061,210</b>	1,180,699	<b>3,401,826</b>	3,354,209
Research and development, net	<b>351,213</b>	238,434	<b>1,011,926</b>	734,164
	<b>1,791,395</b>	1,844,938	<b>5,610,668</b>	5,313,324
Income before the following	<b>276,380</b>	(365)	<b>722,623</b>	373,093
Other income	-	-	-	19,895
Amortization of capital assets	<b>(76,626)</b>	(82,810)	<b>(258,469)</b>	(272,857)
Amortization of intangible assets	<b>(50,000)</b>	-	<b>(150,000)</b>	-
Interest expense	<b>(36,538)</b>	(9,833)	<b>(112,309)</b>	(30,455)
Preferred share expenses	-	(17,327)	-	(52,010)
Foreign exchange gain (loss)	<b>35,119</b>	136,147	<b>(163,718)</b>	125,228
Stock based compensation	<b>(9,005)</b>	(13,974)	<b>(35,341)</b>	(30,120)
Net (loss) income and comprehensive (loss) income for the period	<b>\$ 139,330</b>	\$ 11,838	<b>\$ 2,786</b>	\$ 132,774
Basic and diluted (loss) earnings per share	<b>\$ 0.02</b>	\$ 0.00	<b>\$ 0.00</b>	\$ 0.02
Weighted average number of shares outstanding				
Basic	<b>7,256,612</b>	7,256,612	<b>7,256,612</b>	7,504,877
Diluted	<b>7,315,231</b>	7,256,612	<b>7,296,529</b>	7,528,732



### Selected Cash Flow Information

(unaudited, stated in Canadian dollars)

For the period ended

	Three months ended		YTD - Nine Months	
	August 31, 2009	August 31, 2008	August 31, 2009	August 31, 2008
Cash provided by operating activities	\$ (1,911)	\$ 140,519	\$ 33,321	\$ 207,654
Cash used in investing activities	(217,929)	(21,898)	(514,663)	(192,989)
Cash provided (used) by financing activities	179,929	494,504	(13,972)	(322,224)
Net increase (decrease) in cash during the period	(39,911)	613,125	(495,314)	(307,559)

### Selected Balance Sheet Information

(unaudited, stated in Canadian dollars)

	August 31, 2009	November 30, 2008
Cash and cash equivalents	\$ 930,680	\$ 1,425,994
Restricted investments	391,000	423,000
Accounts receivable	1,767,461	2,035,651
Prepaid expenses and other assets	466,143	414,201
Total current assets	3,555,284	4,298,846
Capital assets, net	1,140,043	721,197
Intangible assets, net	1,758,000	-
Total assets	\$ 6,453,327	\$ 5,020,043
Accounts payable and accrued liabilities	\$ 609,848	\$ 659,678
Current portion of deferred revenue	3,205,921	3,875,058
Current portion of capital leases	101,248	102,853
Current portion of term debt	214,286	214,286
Other	166,414	27,763
Total current liabilities	4,297,717	4,879,638
Long-term debt	1,978,095	-
Deferred revenue	128,963	67,045
Capital leases	250,880	121,970
Term debt	321,428	482,143
Lease inducement	63,822	94,952
Total liabilities	7,040,905	5,645,748
Total shareholders' equity	(587,578)	(625,705)
Liabilities and shareholders' equity	\$ 6,453,327	\$ 5,020,043

### About Angoss Software Corporation

Headquartered in Toronto, Canada, with operations in the U.S., and U.K, Angoss helps clients grow revenues and reduce risk using powerful predictive analytics and data mining software that unlock actionable knowledge from customer data. Angoss increases the intelligence of



marketing, sales, and risk activities for some of the world's largest financial services, telecom and technology companies including HSBC, Citigroup, JP Morgan Chase, GE Money, Vodaphone, T-Mobile, and in Canada, RBC, Bell Canada, Rogers Communications, and CT Financial. Angoss helps these and other companies discover patterns amongst customer activity, predict the impact of their marketing, sales and risk strategies, and act on this insight with actionable, predictive rules that generate improved business performance. Angoss is listed on the Toronto Venture Exchange under the symbol "ANC" and has been operating since 1984. For more information regarding Angoss Software Corporation, 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. Sapien Information Services Corporation is not affiliated with Sapien Canada Inc. of Toronto, Ontario or Sapien Corporation of Boston, Massachusetts.*

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