

Activant Solutions Inc.
Regulation G Disclosure
Non-GAAP Financial Measures used in the Company's Investor Call on February 17, 2010 (the "Investor Call")

To supplement our consolidated financial statements prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP"), Activant Solutions Inc. (the "Company") uses certain "non-GAAP financial measures" under the rules and regulations of the Securities and Exchange Commission. These include (i) Adjusted EBITDA and (ii) other operating results, which we believe are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of the Company's underlying operational results and trends and our marketplace performance. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net income (loss), or any component thereof, in accordance with GAAP.

Adjusted EBITDA –

We use Adjusted EBITDA to determine our compliance with certain covenants contained in the indenture governing our notes and in our senior secured credit agreement. For covenant calculation purposes, "Adjusted EBITDA" is defined as net income (loss) adjusted to exclude interest, taxes, depreciation and amortization, and further adjusted to exclude unusual items and other adjustments permitted in calculating covenant compliance.

Adjusted EBITDA does not represent net income (loss) or cash flow from operations as those terms are defined by GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. While Adjusted EBITDA and similar measures are frequently used as measures of operations and the ability to meet debt service requirements, these terms are not necessarily comparable to other similarly titled captions of other companies due to the potential inconsistencies in the method of calculation. Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters that we may consider not to be indicative of our ongoing operations. In particular, the definition of adjusted EBITDA in the indenture allows us to add back certain non-cash, extraordinary, unusual or non-recurring charges that are deducted in calculating net income (loss). However these are expenses that may recur, vary greatly and are difficult to predict. Further, our debt instruments require that Adjusted EBITDA be calculated for the most recent four fiscal quarters. As a result, the measure can be disproportionately affected by a particularly strong or weak quarter. Further it may not be comparable to the measure of any subsequent four quarter period or any complete fiscal year.

As referred to above, Adjusted EBITDA is not a recognized measurement under GAAP, and when analyzing the Company's operating performance, readers should use Adjusted EBITDA in addition to, and not as an alternative for, net income (loss) determined in accordance with GAAP. Furthermore, Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as tax and debt service payments.

Other operating results –

We refer to cost of sales, gross margin and operating expenses excluding depreciation and amortization, stock-based compensation expense, goodwill impairment, acquisition-related costs, and restructuring costs as an indication of our baseline performance for these operating items that are considered by management to be outside of our core operating results. Further, they are among the primary cost-related components of our operating results that management uses as a basis for planning and forecasting future periods. As also referred to above, these measures are not recognized measurements under GAAP, and when analyzing the Company's operating performance, readers should use these measures in addition to, and not as an alternative for, any component of net income (loss) determined in accordance with GAAP.

Activant Solutions Inc.
Adjusted EBITDA Reconciliation
For the Three Months Ended December 31, 2009 and 2008
(Unaudited, in thousands)

	<u>Q1'10</u>	<u>Q1'09</u>
Net income (loss)	\$ 4,522	\$ (24,801)
Acquisition costs	62	85
Adjusted net income (loss)	4,584	(24,716)
Interest expense	7,919	12,988
Income-based tax expense	3,491	372
Depreciation and amortization	9,562	9,705
Non-cash charges (impairment charges and stock-based compensation expense)	998	26,065
Non-recurring cash charges and restructuring charges	982	1,898
Deferred compensation payments	71	74
Sponsor payments	48	36
Foreign exchange (gain)/loss	(373)	160
Adjusted EBITDA	<u>\$ 27,282</u>	<u>\$ 26,582</u>

Activant Solutions Inc.
GAAP to Non-GAAP Reconciliation
For the Three Months Ended December 31, 2009 and 2008
(Unaudited, in thousands)

	Three months ended December 31, 2009			Three months ended December 31, 2008		
	GAAP	Excluded	Non-GAAP	GAAP	Excluded	Non-GAAP
Revenues:						
Systems	\$ 28,752	\$ -	\$ 28,752	\$ 33,532	\$ -	\$ 33,532
Services	62,847	-	62,847	62,734	-	62,734
Total revenues	<u>91,599</u>	<u>-</u>	<u>91,599</u>	<u>96,266</u>	<u>-</u>	<u>96,266</u>
Cost of revenues (exclusive of depreciation and amortization included in amounts shown separately below):						
Systems	15,516	8 (a)	15,508	17,822	10 (a)	17,812
Services	19,992	61 (a)	19,931	22,005	49 (a)	21,956
Total cost of revenues	<u>35,508</u>	<u>69</u>	<u>35,439</u>	<u>39,827</u>	<u>59</u>	<u>39,768</u>
Gross profit	<u>56,091</u>	<u>(69)</u>	<u>56,160</u>	<u>56,439</u>	<u>(59)</u>	<u>56,498</u>
Operating expenses:						
Sales and marketing	14,794	366 (a)	14,428	15,319	228 (a)	15,091
Product development	9,084	77 (a)	9,007	9,999	76 (a)	9,923
General and administrative	6,218	486 (a)	5,732	5,730	700 (a)	5,030
Depreciation and amortization	9,562	9,562	-	9,705	9,705	-
Impairment of goodwill	-	-	-	25,000	25,000	-
Acquisition related costs	-	-	-	176	176	-
Restructuring costs	910	910	-	1,758	1,758	-
Total operating expenses	<u>40,568</u>	<u>11,401</u>	<u>29,167</u>	<u>67,687</u>	<u>37,643</u>	<u>30,044</u>
Operating income (loss)	15,523	(11,470)	26,993	(11,248)	(37,702)	26,454
Interest expense	(7,919)	-	(7,919)	(12,988)	-	(12,988)
Other income (expense), net	289	-	289	(329)	-	(329)
Income (loss) before income taxes	7,893	(11,470)	19,363	(24,565)	(37,702)	13,137
Income tax expense	3,371	-	3,371	236	-	236
Net income (loss)	<u>\$ 4,522</u>	<u>\$ (11,470)</u>	<u>\$ 15,992</u>	<u>\$ (24,801)</u>	<u>\$ (37,702)</u>	<u>\$ 12,901</u>

(a) Excluded amount represents stock-based compensation expense recorded in the period.