

**Activant Solutions Inc.**  
**Regulation G Disclosure**  
**Non-GAAP Financial Measures used in the Company's Investor Call on May 13, 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.

Subsequent to March 31, 2010, we completed the sale of our productivity tools business. The accompanying Adjusted EBITDA Reconciliation for the three months ended March 31, 2010 and 2009 presents both Adjusted EBITDA including our productivity business and Adjusted EBITDA from continuing operations excluding such business. For covenant calculation purposes, we will exclude all EBITDA generated by our productivity tools business beginning with the quarter ending June 30, 2010.

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 March 31, 2010 and 2009  
(Unaudited, in thousands)

	<u>Q2'10</u>	<u>Q2'09</u>
Net income (loss)	\$ 3,982	\$ (69,683)
Acquisition costs	460	33
Adjusted net income (loss)	4,442	(69,650)
Interest expense	7,784	9,688
Income-based tax expense	4,224	9,172
Depreciation and amortization	10,372	9,683
Gain on retirement of debt	-	(14,327)
Non-cash charges (impairment charges and stock-based compensation expense)	928	82,848
Non-recurring cash charges and restructuring charges	1,076	2,902
Deferred compensation payments	71	74
Sponsor payments	45	50
Foreign exchange (gain)/loss	(141)	351
Adjusted EBITDA	28,801	30,791
Less: EBITDA from discontinued operations	(841)	(556)
Adjusted EBITDA from continuing operations	<u>\$ 27,960</u>	<u>\$ 30,235</u>

**Activant Solutions Inc.**

**Non-GAAP Consolidated Statements of Operations Excluding Depreciation and Amortization, Stock-based Compensation Expense, Goodwill Impairment,  
Acquisition-related Costs, Restructuring Costs and Gain on Retirement of Debt  
For the Three and Six Months Ended March 31, 2010 and 2009  
(Unaudited, in thousands)**

	Three months ended March 31,		Six months ended March 31,	
	2010	2009	2010	2009
Revenues:				
Systems .....	\$ 33,630	\$ 30,213	\$ 60,270	\$ 61,346
Services .....	61,390	63,571	122,875	124,825
Total revenues .....	<u>95,020</u>	<u>93,784</u>	<u>183,145</u>	<u>186,171</u>
Cost of revenues (exclusive of depreciation and amortization included in amounts shown separately below):				
Systems .....	18,966	16,326	33,837	33,382
Services .....	19,962	21,113	39,498	42,564
Total cost of revenues .....	<u>38,928</u>	<u>37,439</u>	<u>73,335</u>	<u>75,946</u>
Gross profit.....	<u>56,092</u>	<u>56,345</u>	<u>109,810</u>	<u>110,225</u>
Operating expenses:				
Sales and marketing .....	14,016	12,484	27,864	27,255
Product development .....	8,544	8,965	17,215	18,510
General and administrative .....	5,918	5,303	11,608	10,330
Depreciation and amortization.....	-	-	-	-
Impairment of goodwill .....	-	-	-	-
Acquisition related costs.....	-	-	-	-
Restructuring costs.....	-	-	-	-
Total operating expenses.....	<u>28,478</u>	<u>26,752</u>	<u>56,687</u>	<u>56,095</u>
Operating income .....	27,614	29,593	53,123	54,130
Interest expense .....	(7,784)	(9,688)	(15,703)	(22,676)
Gain on Retirement of debt.....	-	-	-	-
Other income (expense), net .....	141	(298)	431	(626)
Income from continuing operations before income taxes...	<u>19,971</u>	<u>19,607</u>	<u>37,851</u>	<u>30,828</u>
Income tax expense .....	2,711	9,488	5,643	9,217
Income from continuing operations .....	<u>17,260</u>	<u>10,119</u>	<u>32,208</u>	<u>21,611</u>
Income (loss) from discontinued operations, net of incomes taxes	(996)	885	(42)	2,209
Net income .....	<u>\$ 16,264</u>	<u>\$ 11,004</u>	<u>\$ 32,166</u>	<u>\$ 23,820</u>

**Activant Solutions Inc.**

**Consolidated Statements of Operations  
For the Three and Six Months Ended March 31, 2010 and 2009  
(Unaudited, in thousands)**

	Three months ended March 31,		Six months ended March 31,	
	2010	2009	2010	2009
Revenues:				
Systems .....	\$ 33,630	\$ 30,213	\$ 60,270	\$ 61,346
Services .....	61,390	63,571	122,875	124,825
Total revenues .....	95,020	93,784	183,145	186,171
Cost of revenues (exclusive of depreciation and amortization included in amounts shown separately below):				
Systems .....	18,984	16,333	33,863	33,399
Services .....	20,019	21,159	39,616	42,659
Total cost of revenues .....	39,003	37,492	73,479	76,058
Gross profit.....	56,017	56,292	109,666	110,113
Operating expenses:				
Sales and marketing .....	14,342	12,657	28,554	27,655
Product development .....	8,620	9,036	17,366	18,655
General and administrative .....	6,359	5,828	12,529	11,549
Depreciation and amortization.....	10,296	9,607	19,782	19,236
Impairment of goodwill .....	-	82,000	-	107,000
Acquisition related costs.....	-	52	-	228
Restructuring costs.....	1,068	2,533	1,974	4,291
Total operating expenses.....	40,685	121,713	80,205	188,614
Operating income (loss) .....	15,332	(65,421)	29,461	(78,501)
Interest expense .....	(7,784)	(9,688)	(15,703)	(22,676)
Gain on retirement of debt .....	-	14,327	-	14,327
Other income (expense), net .....	141	(298)	431	(626)
Income (loss) before income taxes .....	7,689	(61,080)	14,189	(87,476)
Income tax expense .....	2,711	9,488	5,643	9,217
Income (loss) from continuing operations .....	4,978	(70,568)	8,546	(96,693)
Income (loss) from discontinued operations, net of taxes ..	(996)	885	(42)	2,209
Net income (loss) .....	\$ 3,982	\$ (69,683)	\$ 8,504	\$ (94,484)

**Activant Solutions Inc.**

**GAAP to Non-GAAP Reconciliation  
For the Three Months Ended March 31, 2010 and 2009  
(Unaudited, in thousands)**

	Three months ended March 31, 2010			Three months ended March 31, 2009		
	GAAP	Excluded	Non-GAAP	GAAP	Excluded	Non-GAAP
<b>Revenues:</b>						
Systems .....	\$ 33,630	\$ -	\$ 33,630	\$ 30,213	\$ -	\$ 30,213
Services .....	61,390	-	61,390	63,571	-	63,571
Total revenues.....	<u>95,020</u>	<u>-</u>	<u>95,020</u>	<u>93,784</u>	<u>-</u>	<u>93,784</u>
<b>Cost of revenues (exclusive of depreciation and amortization included in amounts shown separately below):</b>						
Systems .....	18,984	18 (a)	18,966	16,333	7 (a)	16,326
Services .....	20,019	57 (a)	19,962	21,159	46 (a)	21,113
Total cost of revenues .....	<u>39,003</u>	<u>75</u>	<u>38,928</u>	<u>37,492</u>	<u>53</u>	<u>37,439</u>
Gross profit .....	<u>56,017</u>	<u>(75)</u>	<u>56,092</u>	<u>56,292</u>	<u>(53)</u>	<u>56,345</u>
<b>Operating expenses:</b>						
Sales and marketing .....	14,342	326 (a)	14,016	12,657	173 (a)	12,484
Product development .....	8,620	76 (a)	8,544	9,036	71 (a)	8,965
General and administrative.....	6,359	441 (a)	5,918	5,828	525 (a)	5,303
Depreciation and amortization .....	10,296	10,296	-	9,607	9,607	-
Impairment of goodwill .....	-	-	-	82,000	82,000	-
Acquisition related costs.....	-	-	-	52	52	-
Restructuring costs.....	1,068	1,068	-	2,533	2,533	-
Total operating expenses .....	<u>40,685</u>	<u>12,207</u>	<u>28,478</u>	<u>121,713</u>	<u>94,961</u>	<u>26,752</u>
Operating income (loss) .....	15,332	(12,282)	27,614	(65,421)	(95,014)	29,593
Interest expense.....	(7,784)	-	(7,784)	(9,688)	-	(9,688)
Gain on retirement of debt .....	-	-	-	14,327	14,327	-
Other income (expense), net .....	141	-	141	(298)	-	(298)
Income (loss) before income taxes.....	7,689	(12,282)	19,971	(61,080)	(80,687)	19,607
Income tax expense .....	2,711	-	2,711	9,488	-	9,488
Income (loss) from continuing operations.....	4,978	(12,282)	17,260	(70,568)	(80,687)	10,119
Income (loss) from discontinued operations, net of taxes.....	(996)	-	(996)	885	-	885
Net income (loss) .....	<u>\$ 3,982</u>	<u>\$ (12,282)</u>	<u>\$ 16,264</u>	<u>\$ (69,683)</u>	<u>\$ (80,687)</u>	<u>\$ 11,004</u>

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

**Activant Solutions Inc.**

**GAAP to Non-GAAP Reconciliation  
For the Six Months Ended March 31, 2010 and 2009  
(Unaudited, in thousands)**

	Six months ended March 31, 2010			Six months ended March 31, 2009		
	GAAP	Excluded	Non-GAAP	GAAP	Excluded	Non-GAAP
<b>Revenues:</b>						
Systems .....	\$ 60,270	\$ -	\$ 60,270	\$ 61,346	\$ -	\$ 61,346
Services .....	122,875	-	122,875	124,825	-	124,825
Total revenues.....	183,145	-	183,145	186,171	-	186,171
<b>Cost of revenues (exclusive of depreciation and amortization included in amounts shown separately below):</b>						
Systems .....	33,863	26 (a)	33,837	33,399	17 (a)	33,382
Services .....	39,616	118 (a)	39,498	42,659	95 (a)	42,564
Total cost of revenues .....	73,479	144	73,335	76,058	112	75,946
Gross profit .....	109,666	(144)	109,810	110,113	(112)	110,225
<b>Operating expenses:</b>						
Sales and marketing .....	28,554	690 (a)	27,864	27,655	400 (a)	27,255
Product development .....	17,366	151 (a)	17,215	18,655	145 (a)	18,510
General and administrative.....	12,529	921 (a)	11,608	11,549	1,219 (a)	10,330
Depreciation and amortization .....	19,782	19,782	-	19,236	19,236	-
Impairment of goodwill .....	-	-	-	107,000	107,000	-
Acquisition related costs.....	-	-	-	228	228	-
Restructuring costs.....	1,974	1,974	-	4,291	4,291	-
Total operating expenses .....	80,205	23,518	56,687	188,614	132,519	56,095
Operating income (loss) .....	29,461	(23,662)	53,123	(78,501)	(132,631)	54,130
Interest expense.....	(15,703)	-	(15,703)	(22,676)	-	(22,676)
Gain on retirement of debt.....	-	-	-	14,327	14,327	-
Other income (expense), net .....	431	-	431	(626)	-	(626)
Income (loss) before income taxes.....	14,189	(23,662)	37,851	(87,476)	(118,304)	30,828
Income tax expense .....	5,643	-	5,643	9,217	-	9,217
Income (loss) from continuing operations.....	8,546	(23,662)	32,208	(96,693)	(118,304)	21,611
Income (loss) from discontinued operations, net of taxes.....	(42)	-	(42)	2,209	-	2,209
Net income (loss) .....	\$ 8,504	\$ (23,662)	\$ 32,166	\$ (94,484)	\$ (118,304)	\$ 23,820

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