

**Activant Solutions Inc.**  
**Regulation G Disclosure**  
**Non-GAAP Financial Measures used in the Company's Investor Call on December 16, 2009 (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 September 30, 2009 and 2008**  
**(Unaudited, in thousands)**

	<u>Q4'09</u>	<u>Q4'08</u>
Net income (loss)	\$ (5,165)	\$ 2,256
Acquisition costs	-	90
Deferred revenue purchase accounting adjustment	-	907
Adjusted net income (loss)	(5,165)	3,253
Interest expense	8,579	11,524
Income-based tax expense	5,920	4,014
Depreciation and amortization	10,181	9,693
Non-cash charges (impairment charges and stock-based compensation expense)	8,272	990
Non-recurring cash charges and restructuring charges	655	-
Deferred compensation payments	75	87
Sponsor payments	31	38
Income from early extinguishment of indebtedness	-	-
Foreign exchange (gain)/loss	(18)	(78)
Acquired company EBITDA	-	-
Pro- forma adjustments	-	68
Adjusted EBITDA	<u>\$ 28,530</u>	<u>\$ 29,589</u>

**Activant Solutions Inc.**  
**Non-GAAP Consolidated Statements of Operations Excluding Depreciation and Amortization, Stock-based Compensation Expense, Goodwill Impairment, Acquisition-related Costs, and Restructuring Costs**  
**For the Three Months and Years Ended September 30, 2009 and 2008**  
(Unaudited, in thousands)

	Three months ended September 30,		Year ended September 30,	
	2009	2008	2009	2008
Revenues:				
Systems .....	\$ 32,914	\$ 42,268	\$ 124,546	\$ 173,237
Services .....	62,885	63,376	254,397	253,132
Total revenues .....	<u>95,799</u>	<u>105,644</u>	<u>378,943</u>	<u>426,369</u>
Cost of revenues (exclusive of depreciation and amortization included in amounts shown separately below):				
Systems .....	17,268	21,320	67,757	95,318
Services .....	20,669	22,341	84,674	92,028
Total cost of revenues.....	<u>37,937</u>	<u>43,661</u>	<u>152,431</u>	<u>187,346</u>
Gross profit.....	<u>57,862</u>	<u>61,983</u>	<u>226,512</u>	<u>239,023</u>
Operating expenses:				
Sales and marketing .....	13,886	15,826	54,237	63,097
Product development .....	9,231	10,223	38,274	43,918
General and administrative .....	6,684	6,893	22,469	29,794
Depreciation and amortization.....	-	-	-	-
Impairment of goodwill .....	-	-	-	-
Acquisition related costs.....	-	-	-	-
Restructuring costs.....	-	-	-	-
Total operating expenses .....	<u>29,801</u>	<u>32,942</u>	<u>114,980</u>	<u>136,809</u>
Operating income (loss) .....	28,061	29,041	111,532	102,214
Interest expense .....	(8,579)	(11,524)	(40,977)	(51,196)
Gain on retirement of debt.....	-	-	18,958	-
Other income (expense), net.....	(388)	(284)	(994)	1,258
Income (loss) before income taxes .....	<u>19,094</u>	<u>17,233</u>	<u>88,519</u>	<u>52,276</u>
Income tax expense .....	5,699	4,014	18,750	4,804
Net income (loss).....	<u>\$ 13,395</u>	<u>\$ 13,219</u>	<u>\$ 69,769</u>	<u>\$ 47,472</u>

**Activant Solutions Inc.**  
**Consolidated Statements of Operations**  
**For the Three Months and Years Ended September 30, 2009 and 2008**  
**(Unaudited, in thousands)**

	Three months ended		Year ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Revenues:				
Systems .....	\$ 32,914	\$ 42,268	\$ 124,546	\$ 173,237
Services .....	62,885	63,376	254,397	253,132
Total revenues .....	<u>95,799</u>	<u>105,644</u>	<u>378,943</u>	<u>426,369</u>
Cost of revenues (exclusive of depreciation and amortization included in amounts shown separately below):				
Systems .....	17,272	21,330	67,787	95,350
Services .....	20,698	22,400	84,867	92,260
Total cost of revenues .....	<u>37,970</u>	<u>43,730</u>	<u>152,654</u>	<u>187,610</u>
Gross profit .....	<u>57,829</u>	<u>61,914</u>	<u>226,289</u>	<u>238,759</u>
Operating expenses:				
Sales and marketing .....	14,604	16,156	55,540	64,039
Product development .....	9,286	10,348	38,553	44,258
General and administrative .....	6,650	7,359	24,275	31,517
Depreciation and amortization .....	10,181	9,693	38,917	37,254
Impairment of goodwill .....	7,500	-	114,500	-
Acquisition related costs .....	-	134	260	1,056
Restructuring costs .....	107	146	4,516	2,272
Total operating expenses .....	<u>48,328</u>	<u>43,836</u>	<u>276,561</u>	<u>180,396</u>
Operating income (loss) .....	9,501	18,078	(50,272)	58,363
Interest expense .....	(8,579)	(11,524)	(40,977)	(51,196)
Gain on retirement of debt .....	-	-	18,958	-
Other income (expense), net .....	(388)	(284)	(994)	1,258
Income (loss) before income taxes .....	<u>534</u>	<u>6,270</u>	<u>(73,285)</u>	<u>8,425</u>
Income tax expense .....	5,699	4,014	18,750	4,804
Net income (loss) .....	<u>\$ (5,165)</u>	<u>\$ 2,256</u>	<u>\$ (92,035)</u>	<u>\$ 3,621</u>

**Activant Solutions Inc.**  
**GAAP to Non-GAAP Reconciliation**  
**For the Three Months Ended September 30, 2009 and 2008**  
**(Unaudited, in thousands)**

	Three months ended September 30, 2009			Three months ended September 30, 2008		
	GAAP	Excluded	Non-GAAP	GAAP	Excluded	Non-GAAP
Revenues:						
Systems	\$ 32,914	\$ -	\$ 32,914	\$ 42,268	\$ -	\$ 42,268
Services	62,885	-	62,885	63,376	-	63,376
Total revenues	<u>95,799</u>	<u>-</u>	<u>95,799</u>	<u>105,644</u>	<u>-</u>	<u>105,644</u>
Cost of revenues (exclusive of depreciation and amortization included in amounts shown separately below):						
Systems	17,272	4 (a)	17,268	21,330	10 (a)	21,320
Services	20,698	29 (a)	20,669	22,400	59 (a)	22,341
Total cost of revenues	<u>37,970</u>	<u>33</u>	<u>37,937</u>	<u>43,730</u>	<u>69</u>	<u>43,661</u>
Gross profit	<u>57,829</u>	<u>(33)</u>	<u>57,862</u>	<u>61,914</u>	<u>(69)</u>	<u>61,983</u>
Operating expenses:						
Sales and marketing	14,604	718 (a)	13,886	16,156	330 (a)	15,826
Product development	9,286	55 (a)	9,231	10,348	125 (a)	10,223
General and administrative	6,650	(34) (a)	6,684	7,359	466 (a)	6,893
Depreciation and amortization	10,181	10,181	-	9,693	9,693	-
Impairment of goodwill	7,500	7,500	-	-	-	-
Acquisition related costs	-	-	-	134	134	-
Restructuring costs	107	107	-	146	146	-
Total operating expenses	<u>48,328</u>	<u>18,527</u>	<u>29,801</u>	<u>43,836</u>	<u>10,894</u>	<u>32,942</u>
Operating income (loss)	9,501	(18,560)	28,061	18,078	(10,963)	29,041
Interest expense	(8,579)	-	(8,579)	(11,524)	-	(11,524)
Gain on retirement of debt	-	-	-	-	-	-
Other income (expense), net	(388)	-	(388)	(284)	-	(284)
Income (loss) before income taxes	534	(18,560)	19,094	6,270	(10,963)	17,233
Income tax expense	5,699	-	5,699	4,014	-	4,014
Net income (loss)	<u>\$ (5,165)</u>	<u>\$ (18,560)</u>	<u>\$ 13,395</u>	<u>\$ 2,256</u>	<u>\$ (10,963)</u>	<u>\$ 13,219</u>

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

**Activant Solutions Inc.**  
**GAAP to Non-GAAP Reconciliation**  
**For the Years Ended September 30, 2009 and 2008**  
**(Unaudited, in thousands)**

	Year ended September 30, 2009			Year ended September 30, 2008		
	GAAP	Excluded	Non-GAAP	GAAP	Excluded	Non-GAAP
Revenues:						
Systems	\$ 124,546	\$ -	\$ 124,546	\$ 173,237	\$ -	\$ 173,237
Services	254,397	-	254,397	253,132	-	253,132
Total revenues	378,943	-	378,943	426,369	-	426,369
Cost of revenues (exclusive of depreciation and amortization included in amounts shown separately below):						
Systems	67,787	30 (a)	67,757	95,350	32 (a)	95,318
Services	84,867	193 (a)	84,674	92,260	232 (a)	92,028
Total cost of revenues	152,654	223	152,431	187,610	264	187,346
Gross profit	226,289	(223)	226,512	238,759	(264)	239,023
Operating expenses:						
Sales and marketing	55,540	1,303 (a)	54,237	64,039	942 (a)	63,097
Product development	38,553	279 (a)	38,274	44,258	340 (a)	43,918
General and administrative	24,275	1,806 (a)	22,469	31,517	1,723 (a)	29,794
Depreciation and amortization	38,917	38,917	-	37,254	37,254	-
Impairment of goodwill	114,500	114,500	-	-	-	-
Acquisition related costs	260	260	-	1,056	1,056	-
Restructuring costs	4,516	4,516	-	2,272	2,272	-
Total operating expenses	276,561	161,581	114,980	180,396	43,587	136,809
Operating income (loss)	(50,272)	(161,804)	111,532	58,363	(43,851)	102,214
Interest expense	(40,977)	-	(40,977)	(51,196)	-	(51,196)
Gain on retirement of debt	18,958	-	18,958	-	-	-
Other income (expense), net	(994)	-	(994)	1,258	-	1,258
Income (loss) before income taxes	(73,285)	(161,804)	88,519	8,425	(43,851)	52,276
Income tax expense	18,750	-	18,750	4,804	-	4,804
Net income (loss)	<u>\$ (92,035)</u>	<u>\$ (161,804)</u>	<u>\$ 69,769</u>	<u>\$ 3,621</u>	<u>\$ (43,851)</u>	<u>\$ 47,472</u>

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