

ADVENT SOFTWARE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(GAAP, Unaudited)

	June 30	December 31
	2010	2009
	<hr/>	<hr/>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 42,641	\$ 57,877
Short-term marketable securities	59,892	31,273
Accounts receivable, net	47,175	44,246
Deferred taxes, current	15,137	15,081
Prepaid expenses and other	19,773	22,350
Current assets of discontinued operation	-	494
	<hr/>	<hr/>
Total current assets	184,618	171,321
Property and equipment, net	38,925	33,945
Goodwill	143,344	144,827
Other intangibles, net	22,644	22,965
Long-term marketable securities	-	28,495
Deferred taxes, long-term	40,504	40,502
Other assets	9,490	10,142
Noncurrent assets of discontinued operation	2,095	2,095
	<hr/>	<hr/>
Total assets	<u>\$ 441,620</u>	<u>\$ 454,292</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,832	\$ 4,708
Accrued liabilities	26,136	31,066
Deferred revenues	139,520	140,186
Income taxes payable	5,541	1,616
Current liabilities of discontinued operation	207	719
	<hr/>	<hr/>
Total current liabilities	180,236	178,295
Deferred revenues, long-term	5,857	5,879
Other long-term liabilities	14,281	12,969
Noncurrent liabilities of discontinued operation	5,177	5,115
	<hr/>	<hr/>
Total liabilities	<u>205,551</u>	<u>202,258</u>
 Stockholders' equity:		
Common stock	255	259
Additional paid-in capital	390,749	386,623
Accumulated deficit	(160,946)	(145,584)
Accumulated other comprehensive income	6,011	10,736
	<hr/>	<hr/>
Total stockholders' equity	236,069	252,034
	<hr/>	<hr/>
Total liabilities and stockholders' equity	<u>\$ 441,620</u>	<u>\$ 454,292</u>

ADVENT SOFTWARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(GAAP, Unaudited)

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Net revenues:				
Term license, maintenance and other recurring	\$ 60,233	\$ 54,763	\$ 119,084	\$ 111,070
Perpetual license fees	2,739	2,578	5,041	5,263
Professional services and other	6,300	5,727	11,835	13,060
Total net revenues	69,272	63,068	135,960	129,393
Cost of revenues ⁽¹⁾:				
Term license, maintenance and other recurring	12,730	11,464	25,157	22,809
Perpetual license fees	65	78	138	190
Professional services and other	6,309	7,507	12,893	15,562
Amortization of developed technology	1,683	1,324	3,199	2,729
Total cost of revenues	20,787	20,373	41,387	41,290
Gross margin	48,485	42,695	94,573	88,103
Operating expenses ⁽¹⁾:				
Sales and marketing	17,048	15,132	33,908	30,911
Product development	13,107	11,230	25,168	23,349
General and administrative	9,872	8,657	19,423	17,296
Amortization of other intangibles	331	438	646	877
Restructuring charges	555	12	584	56
Total operating expenses	40,913	35,469	79,729	72,489
Income from continuing operations	7,572	7,226	14,844	15,614
Interest income and other income (expense), net	(229)	2,151	(935)	1,779
Income from continuing operations before income taxes	7,343	9,377	13,909	17,393
Provision for income taxes	2,496	2,218	4,819	4,871
Net income from continuing operations	\$ 4,847	\$ 7,159	\$ 9,090	\$ 12,522
Discontinued operation:				
Net income (loss) from discontinued operation (net of applicable taxes of \$(17), \$592, \$(50), and \$1,186, respectively)	(27)	863	(75)	1,729
Net income	<u>\$ 4,820</u>	<u>\$ 8,022</u>	<u>\$ 9,015</u>	<u>\$ 14,251</u>
Basic net income (loss) per share:				
Continuing operations	\$ 0.19	\$ 0.28	\$ 0.35	\$ 0.50
Discontinued operation	(0.00)	0.03	(0.00)	0.07
Total operations	<u>\$ 0.19</u>	<u>\$ 0.32</u>	<u>\$ 0.35</u>	<u>\$ 0.56</u>
Diluted net income (loss) per share:				
Continuing operations	\$ 0.18	\$ 0.27	\$ 0.34	\$ 0.48
Discontinued operation	(0.00)	0.03	(0.00)	0.07
Total operations	<u>\$ 0.18</u>	<u>\$ 0.31</u>	<u>\$ 0.33</u>	<u>\$ 0.55</u>
Weighted average shares used to compute net income per share:				
Basic	25,700	25,288	25,785	25,265
Diluted	27,053	26,140	27,105	26,053
(1) Includes stock-based employee compensation expense as follows:				
Cost of term license, maintenance and other recurring revenues	\$ 428	\$ 484	\$ 842	\$ 836
Cost of professional services and other revenues	262	336	552	631
Total cost of revenues	690	820	1,394	1,467
Sales and marketing	1,418	1,469	2,716	2,615
Product development	1,317	1,274	2,526	2,315
General and administrative	1,118	1,322	2,192	2,381
Total operating expenses	3,853	4,065	7,434	7,311
Total stock-based employee compensation expense	<u>\$ 4,543</u>	<u>\$ 4,885</u>	<u>\$ 8,828</u>	<u>\$ 8,778</u>

ADVENT SOFTWARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30	
	2010	2009
Cash flows from operating activities:		
Net income	\$ 9,015	\$ 14,251
Adjustment to net income for discontinued operation	(75)	1,729
Net income from continuing operations	9,090	12,522
Adjustments to reconcile net income to net cash provided by operating activities from continuing operations:		
Stock-based compensation	8,828	8,778
Depreciation and amortization	8,819	8,237
Loss on dispositions of fixed assets	20	40
Provision for doubtful accounts	65	219
Provision for (reduction of) sales returns	(624)	797
Gain on investments	-	(2,056)
Deferred income taxes	(60)	(11)
Other	358	178
Effect of statement of operations adjustments	17,406	16,182
Changes in operating assets and liabilities:		
Accounts receivable	(2,711)	4,733
Prepaid and other assets	3,246	3,436
Accounts payable	4,092	(1,713)
Accrued liabilities	(4,382)	(2,244)
Deferred revenues	(329)	(5,136)
Income taxes payable	3,899	4,043
Effect of changes in operating assets and liabilities	3,815	3,119
Net cash provided by operating activities from continuing operations	30,311	31,823
Cash flows from investing activities:		
Cash used in acquisitions, net of cash acquired	(4,719)	-
Purchases of property and equipment	(9,952)	(1,278)
Capitalized software development costs	(1,407)	(1,238)
Purchases of marketable securities	(3,000)	-
Sales and maturities of marketable securities	3,000	-
Proceeds from sale of investments	-	2,056
Net cash used in investing activities from continuing operations	(16,078)	(460)
Cash flows from financing activities:		
Proceeds from common stock issued from exercises of stock options	5,506	2,383
Withholding taxes related to equity award net share settlement	(3,163)	(1,792)
Proceeds from common stock issued under the employee stock purchase plan	2,929	2,946
Repurchase of common stock	(34,399)	(14,578)
Repayment of long-term borrowing	-	(25,000)
Net cash used in financing activities from continuing operations	(29,127)	(36,041)
Net cash transferred (to) from discontinued operation	(31)	4,817
Effect of exchange rate changes on cash and cash equivalents	(311)	122
Net change in cash and cash equivalents from continuing operations	(15,236)	261
Cash and cash equivalents of continuing operations at beginning of period	57,877	45,098
Cash and cash equivalents of continuing operations at end of period	\$ 42,641	\$ 45,359

	Six Months Ended June 30	
	2010	2009
Supplemental disclosure of cash flow information		
Cash flow from discontinued operation:		
Net cash provided by (used in) operating activities	\$ (296)	\$ 3,831
Net cash used in investing activities	-	(588)
Net cash transferred from (to) continuing operations	31	(4,817)
Effect of exchange rates on cash and cash equivalents	(1)	(1)
Net change in cash and cash equivalents from discontinued operations	(266)	(1,575)
Cash and cash equivalents of discontinued operation at beginning of period	266	3,253
Cash and cash equivalents of discontinued operation at end of period	\$ -	\$ 1,678

ADVENT SOFTWARE, INC.
RECONCILIATION OF SELECTED CONTINUING OPERATIONS' GAAP MEASURES TO NON-GAAP MEASURES
(In thousands, except per share data)
(Unaudited)

To supplement our condensed consolidated financial statements presented on a GAAP basis, Advent uses non-GAAP measures of continuing operations' operating income, net income and net income per share, which are adjusted to exclude certain costs, expenses, gains and losses we believe appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our current period GAAP results are made with the intent of providing both management and investors a more complete understanding of Advent's underlying operational results and trends and our marketplace performance. In addition, these adjusted non-GAAP results are among the information management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for results prepared in accordance with generally accepted accounting principles in the United States of America.

Three Months Ended June 30, 2010 for Continuing Operations					
	Gross Margin	Gross Margin %	Operating Income	Operating Income %	Net Income
GAAP	\$ 48,485	70%	\$ 7,572	11%	\$ 4,847
Amortization of acquired developed technology	845		845		845
Amortization of other acquired intangibles	-		331		331
Stock-based compensation - cost of revenues	690		690		690
Stock-based compensation - operating expenses	-		3,853		3,853
Restructuring charges	-		555		555
Income tax adjustment for non-GAAP (1)	-		-		(2,270)
Non-GAAP	<u>\$ 50,020</u>	72%	<u>\$ 13,846</u>	20%	<u>\$ 8,851</u>
Diluted net income per share					
GAAP					\$ 0.18
Non-GAAP					\$ 0.33
Shares used to compute diluted net income per share					27,053

Three Months Ended June 30, 2009 for Continuing Operations					
	Gross Margin	Gross Margin %	Operating Income	Operating Income %	Net Income
GAAP	\$ 42,695	68%	\$ 7,226	11%	\$ 7,159
Amortization of acquired developed technology	782		782		782
Amortization of other acquired intangibles	-		438		438
Stock-based compensation - cost of revenues	820		820		820
Stock-based compensation - operating expenses	-		4,065		4,065
Restructuring charges	-		12		12
Investment gain	-		-		(2,056)
Income tax adjustment for non-GAAP (1)	-		-		(2,485)
Non-GAAP	<u>\$ 44,297</u>	70%	<u>\$ 13,343</u>	21%	<u>\$ 8,735</u>
Diluted net income per share					
GAAP					\$ 0.27
Non-GAAP					\$ 0.33
Shares used to compute diluted net income per share					26,140

(1) The estimated non-GAAP effective tax rate was 35% for the three months ended June 30, 2010 and 2009, respectively, and has been used to adjust the provision for income taxes for non-GAAP purposes.

Advent Software, Inc.
Reconciliation of Projected Continuing Operations' GAAP Operating Income %
to Non-GAAP Operating Income %
(Preliminary and unaudited)

Advent provides projections of non-GAAP measures of its continuing operations' operating income, which exclude certain costs, expenses, gains and losses which it believes is appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our projected continuing operations' GAAP results are made with the intent of providing management and investors a more complete understanding continuing operations' underlying operational results and trends and our marketplace performance. In addition, these adjusted non-GAAP projections are among the information management uses as a basis for planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for results prepared in accordance with generally accepted accounting principles in the United States of America.

	Twelve Months Ended December 31, 2010		
	Continuing Operations		
	Operating Income %		
Projected GAAP	11%	to	12%
Projected amortization of acquired developed technology and other acquired intangible asset adjustment	1%	to	2%
Projected stock based compensation adjustment	7%	to	8%
Projected non-GAAP	20%	to	21%