

Reconciliation of Non-GAAP Measures

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the three and twelve months ended October 31, 2013 and 2012, respectively:

EBITDA:	FY2014 Q1	FY2013 Q1	FY2014 TTM	FY2013 TTM
Net Income	\$ 25	\$ 113	\$ (841)	\$ 896
Interest	70	68	628	241
Amortization of software products	444	396	1,789	1,481
Other depreciation and amortization	321	280	1,322	1,291
Loss on debt extinguishment	-	-	682	-
Loss on FMV of Warrant Derivatives	22	-	657	-
Loss on impairment of long-lived assets	-	-	420	-
Income taxes	84	126	(1,175)	185
EBITDA	<u>\$ 966</u>	<u>\$ 983</u>	<u>\$ 3,482</u>	<u>\$ 4,094</u>

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the following fiscal quarters:

	10/31/2013 Q1 2014	07/31/13 Q4 2013	04/30/13 Q3 2013	1/31/13 Q2 2013	10/31/12 Q1 2013	07/31/12 Q4 2012	04/30/12 Q3 2012	01/31/12 Q2 2012
Quarterly								
Net Income	\$ 25	\$ (299)	\$ (571)	\$ 4	\$ 113	\$ 512	\$ 210	\$ 61
Interest	70	92	197	269	68	74	40	59
Amortization of software products	444	429	452	464	396	381	354	350
Other depreciation and amortization	321	328	334	339	280	292	315	404
Loss on debt extinguishment	0	0	682	0	0	0	0	0
Loss on FMV of Warrant Derivatives	22	635	0	0	0	0	0	0
Loss on impairment of long-lived assets	0	0	420	0	0	0	0	0
Income taxes	84	314	(738)	(835)	126	(158)	156	61
EBITDA	<u>\$ 966</u>	<u>\$ 1,499</u>	<u>\$ 776</u>	<u>\$ 241</u>	<u>\$ 983</u>	<u>\$ 1,101</u>	<u>\$ 1,075</u>	<u>\$ 935</u>

Trailing 12 months (TTM)								
Net Income	\$ (753)	\$ 58	\$ 839	\$ 896	\$ 1,055	\$ 2,223	\$ 2,554	\$ 2,616
Interest	626	608	451	241	235	355	507	651
Amortization of software products	1,741	1,693	1,595	1,481	1,420	1,351	1,288	1,211
Other depreciation and amortization	1,281	1,245	1,226	1,291	1,414	1,551	1,678	1,684
Loss on debt extinguishment	682	682	0	0	0	0	0	0
Loss on FMV of Warrant Derivatives	635	0	0	0	0	0	0	0
Loss on impairment of long-lived assets	420	420	0	0	0	0	0	0
Income taxes	(1,133)	(1,605)	(711)	185	227	(1,113)	(867)	(994)
EBITDA	<u>\$ 3,499</u>	<u>\$ 3,101</u>	<u>\$ 3,400</u>	<u>\$ 4,094</u>	<u>\$ 4,351</u>	<u>\$ 4,367</u>	<u>\$ 5,160</u>	<u>\$ 5,168</u>

Management believes EBITDA is helpful in understanding period-over-period operating results separate and apart from non-operating expenses and expenses pertaining to prior period investing activities, particularly given the Company's significant investments in capitalized software and its continuing efforts in completing acquisitions, which typically result in significant depreciation and amortization expense in subsequent periods. The Company uses EBITDA as a factor in evaluating potential acquisition targets and analyzing the pro forma impact of the acquisition on the Company. However, EBITDA has significant limitations as an analytical tool and should only be used cautiously in addition to, and never as a substitute for, operating income, cash flows or other measures of financial performance prepared in accordance with generally accepted accounting principles and may not necessarily be comparable to similarly titled measures of other companies.