

LAWSON SOFTWARE, INC.
QUARTERLY STATEMENTS OF INCOME
(\$000's)
(unaudited)

	FY2008					FY2009					FY2010				
	Q1-08	Q2-08	Q3-08	Q4-08	YTD	Q1-09	Q2-09	Q3-09	Q4-09	YTD	Q1-10	Q2-10	Q3-10	Q4-10	YTD
Revenues:															
License fees	\$ 25,460	32,990	31,984	\$ 41,722	\$ 132,156	\$ 21,125	\$ 30,061	\$ 24,881	\$ 33,616	\$ 109,683	\$ 25,935	85,430			\$ 25,935
Maintenance	78,514	84,705	84,630	88,930	336,779	89,109	90,083	85,806	85,204	350,202	85,430				85,430
Software revenues	103,974	117,695	116,614	130,652	468,935	110,234	120,144	110,687	118,820	459,885	111,365				111,365
Consulting	83,434	100,907	96,273	102,377	382,991	80,682	86,213	63,161	67,387	297,443	57,627				57,627
Total Revenues	187,408	218,602	212,887	233,029	851,926	190,916	206,357	173,848	186,207	757,328	168,992				168,992
Costs and expenses:															
Cost of license fees	6,753	6,616	6,767	8,646	28,782	5,332	6,648	4,872	7,509	24,361	4,927				4,927
Cost of maintenance	15,660	16,830	16,389	17,006	65,885	16,874	17,373	14,810	15,476	64,533	15,559				15,559
Cost of consulting	71,226	84,155	79,046	83,826	318,253	72,447	73,710	62,871	60,710	269,738	51,835				51,835
Research and development	17,286	21,732	22,231	24,125	85,374	21,918	22,542	18,209	19,708	82,377	20,618				20,618
Sales and marketing	42,291	48,214	47,271	51,560	189,336	46,491	42,986	34,203	39,295	162,975	35,877				35,877
General and administrative	25,723	25,839	21,383	27,314	100,259	19,289	22,165	18,542	19,769	79,765	19,249				19,249
Restructuring charge/adjustment	(145)	80	(137)	(529)	(731)	(231)	7,717	3,534	8,934	19,954	75				75
Amortization of acquired intangible	3,216	3,352	3,531	3,590	13,690	2,627	2,358	1,890	2,017	8,892	1,880				1,880
Total costs and expenses	182,010	206,818	196,481	215,539	800,848	184,747	195,499	158,931	173,418	712,595	150,020				150,020
Operating income (loss)	5,398	11,784	16,406	17,490	51,078	6,169	10,858	14,917	12,789	44,733	18,972				18,972
Other income (expense), net:															
Interest income	6,863	5,882	4,512	2,829	20,086	3,048	1,987	801	446	6,282	318				318
Interest expense	(4,387)	(3,926)	(3,902)	(3,761)	(15,976)	(3,959)	(3,940)	(3,853)	(3,873)	(15,625)	(4,450)				(4,450)
Other income (expense), net	322	(4,376)	(8,191)	(5,210)	(17,455)	72	201	318	(59)	532	(98)				(98)
Income (loss) before income taxes	8,196	9,364	8,825	11,348	37,733	5,330	9,106	12,183	9,303	35,922	14,742				14,742
(Provision) benefit for income taxes	(3,665)	(6,839)	(9,154)	(8,753)	(28,411)	(9,021)	(6,079)	(5,966)	(6,665)	(21,731)	(8,765)				(8,765)
Net income (loss)	\$ 4,531	2,525	(329)	\$ 2,595	\$ 9,322	\$ (3,691)	\$ 3,027	\$ 6,217	\$ 8,638	\$ 14,191	\$ 5,977				\$ 5,977
Net income (loss) per diluted share	\$ 0.02	\$ 0.01	\$ -	\$ 0.01	\$ 0.05	\$ (0.02)	\$ 0.02	\$ 0.04	\$ 0.05	\$ 0.09	\$ 0.04				\$ 0.04
Shares used in computing GAAAP net income (loss) per share:															
Basic	181,512	178,453	175,912	173,272	177,283	168,394	162,456	162,675	162,520	164,011	161,112				161,112
Diluted	185,116	181,941	178,805	176,475	180,580	168,394	164,527	164,648	164,697	166,393	163,921				163,921
Effective tax rate	45%	73%	93%	77%	75%	135%	67%	49%	7%	60%	59%				59%
Non-GAAP reconciling items:															
Revenue:															
Purchase accounting impact on maintenance	\$ 502	350	221	\$ 366	\$ 1,438	\$ 259	\$ 158	\$ 58	\$ 63	\$ 538	\$ -				\$ -
Purchase accounting impact on consulting	118	72	-	42	232	-	-	-	-	-	-				-
Total revenue adjustments	620	422	221	408	1,671	259	158	58	63	538	-				-
Expense: (1)															
Purchase accounting impact on consulting fees (cost of service)	93	163	131	139	525	34	32	39	45	150	-				-
Restructuring	(145)	80	(137)	(529)	(731)	(231)	7,717	3,534	8,934	19,954	75				75
Amortization of acquired intangibles	3,216	3,352	3,531	3,590	13,690	2,627	2,358	1,890	2,017	8,892	1,880				1,880
Amortization of purchased maint contracts (cost of maint.)	822	1,000	821	726	3,369	710	674	631	592	2,607	567				567
Amortization of software (cost of license fees)	3,455	3,120	2,840	2,883	12,298	2,651	2,675	3,028	2,689	11,043	2,500				2,500
Acquisition Related (cost of maint.)	-	-	-	-	-	-	-	-	-	-	-				-
Acquisition Related (cost of service)	-	-	-	-	-	(1)	-	-	-	-	(1)				-
Acquisition Related (R&D)	-	-	-	-	-	-	-	-	-	-	-				-
Acquisition Related (S&M)	-	-	-	-	-	-	-	-	-	-	-				-
Acquisition Related (G&A)	-	-	-	-	-	-	-	-	-	-	-				-
Non-cash stock-based compensation (cost of license fees)	7	6	3	3	19	-	-	-	-	-	-				-
Long term investments (G&A)	-	-	(3,827)	-	(3,827)	-	-	-	-	-	-				-
Non-cash stock-based compensation (cost of maint. and services)	259	241	(7)	229	721	63	229	370	370	1,032	(564)				(564)
Non-cash stock-based compensation (R&D)	164	127	34	127	452	134	164	162	174	634	130				130
Non-cash stock-based compensation (S&M)	366	370	17	350	1,104	456	544	453	164	1,617	822				822
Non-cash stock-based compensation (G&A)	1,232	1,482	381	1,350	4,445	1,164	1,981	1,041	1,050	5,236	(1,052)				(1,052)
Premier - claims reserve adjustments (G&A)	-	-	-	-	-	(1,807)	(2,001)	(79)	(1,134)	(5,021)	-				-
Impairment on structured securities (other income/expense)	-	4,229	8,067	6,117	18,413	-	-	-	-	-	-				-
Interest debt discount (other income/expense)	1,846	1,847	1,847	1,846	7,386	1,987	1,987	1,987	1,987	7,948	2,122				2,122
Total expense adjustments	\$ 11,315	\$ 16,017	\$ 13,701	\$ 16,831	\$ 57,864	\$ 7,787	\$ 16,360	\$ 13,056	\$ 16,888	\$ 54,091	\$ 6,480				\$ 6,480
Non-GAAP net income (loss) per diluted share	\$ 0.07	\$ 0.08	\$ 0.08	\$ 0.10	\$ 0.33	\$ 0.05	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.35	\$ 0.09				\$ 0.09
Non-GAAP dilutive shares	185,116	181,941	178,805	176,475	180,580	171,700	164,527	164,648	164,697	166,393	163,921				163,921
Effective Non-GAAP tax rate	37%	39%	39%	38%	39%	35%	35%	35%	35%	35%	37%				37%