



# Advent Software, Inc.

## Second Quarter 2008 Earnings Highlights

July 29th, 2008

Advent Investor Relations

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# Forward-Looking Statements



The financial projections under “Advent Raises 2008 Guidance (in bold)” and other forward-looking statements included in this presentation reflect management's best judgment based on factors currently known and involve risks and uncertainties; our actual results may differ materially from those discussed here. These risks and uncertainties include: potential fluctuations in results and future growth rates; international growth; domestic demand; continued market acceptance of our Advent Portfolio Exchange®, Geneva® and Moxy® products; the successful development and market acceptance of new products and product enhancements; continued uncertainties and fluctuations in the financial markets; the Company's ability to satisfy contractual performance requirements; and other risks detailed from time to time in our SEC reports including, but not limited to, our quarterly reports on Form 10-Q and our 2007 annual report on Form 10-K. The Company disclaims any intention or obligation to publicly update or revise any forward-looking statements including any guidance, whether as a result of events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

# Q208 Financial Highlights



<b>Metric</b>	<b>Q207</b>	<b>Q208</b>	<b>\$ +/-</b>	<b>% +/-</b>
<b>Revenue (\$M)</b>	\$52.4	\$64.0	\$11.7	22%
<b>ACV: Annual term license Contract Value, including migrations (\$M)</b>	\$6.3	\$6.9	\$0.6	9%
<b>Weighted Average Term (years)</b>	2.9	3.1	0.2	5%
<b>TCV: Term license Contract Value, including migrations (\$M)</b>	\$18.5	\$21.2	\$2.7	15%
<b>Operating Cash Flow (\$M)</b>	\$12.0	\$25.8	\$13.8	115%

# Q208 Business Highlights

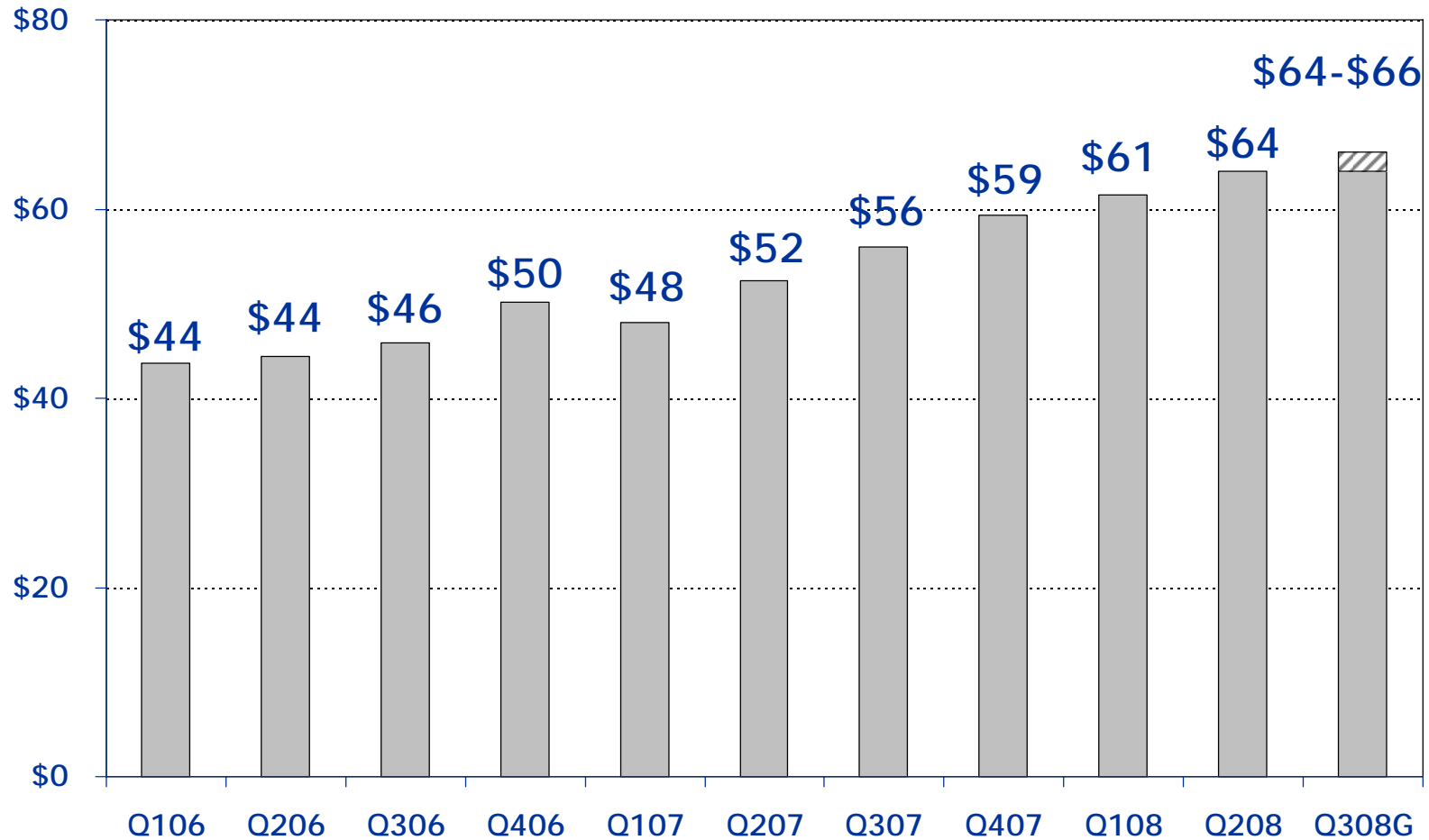


- › **New contracts**
  - › 12 Geneva® contracts
  - › 25 Advent Portfolio Exchange® contracts
  - › TIAA-CREF data service contract
  
- › **92% blended renewal rate for term & perpetual clients**
  - › Rate is based on cash collections; reported one quarter in arrears
  - › Rate is consistent with previous 5 quarter range of 90% to 94%
  - › Rate increases by 2 to 9 points when negotiations/payments final
  
- › **Investment to support growth**
  - › Added 15 full-time positions during the second quarter
  - › Hired 8 in implementation services, 4 in sales & marketing, 3 other

# Quarterly Revenue Trend (\$M)

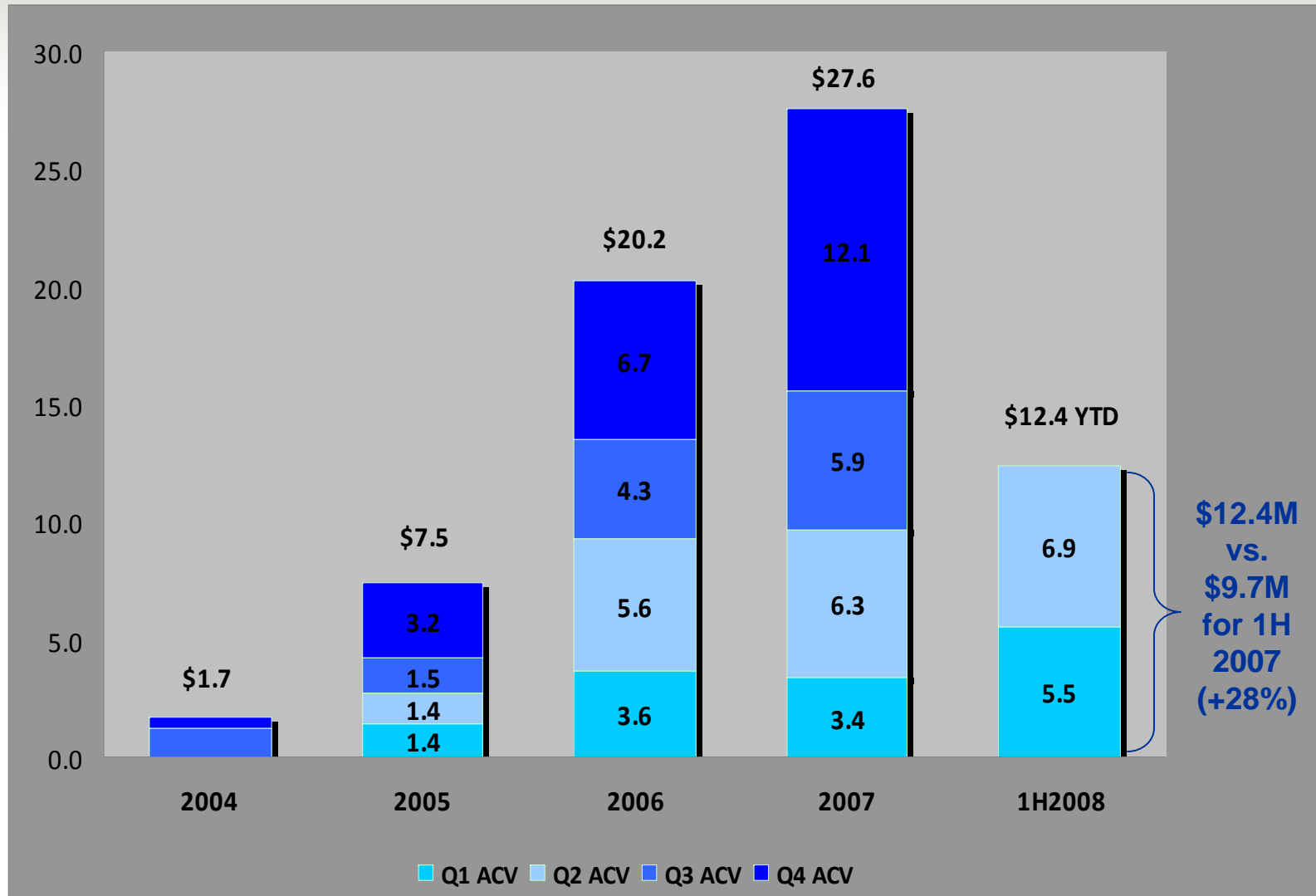


Consistent revenue growth from diverse and growing client base



“G”  
represents  
Guidance  
provided  
7/29/08

# Term License Growth: Annual Contract Value (\$M)



# Q208 Revenue Performance (\$M)



	Q207	Q208	\$ +/-	% +/-
Term License, Maintenance & Other Recurring Revenue	\$42.0	\$50.8	\$8.8	21%
<i>Term Revenue</i>	\$10.1	\$15.1	\$5.0	49%
<i>Perpetual Maintenance</i>	\$21.3	\$22.9	\$1.6	8%
<i>Other Recurring</i>	\$10.6	\$12.9	\$2.3	21%
Perpetual License Revenue Fees	\$5.7	\$5.2	(\$0.4)	(8%)
<i>AUA Fee Revenue</i>	\$1.5	\$1.4	(\$0.1)	(4%)
<i>Perpetual License Revenue</i>	\$4.2	\$3.8	(\$0.4)	(9%)
Professional Services & Other Revenue	\$4.7	\$7.9	\$3.3	70%
Total Revenue	\$52.4	\$64.0	\$11.7	22%

- 14% of revenue was from international in Q208, up 3 points over Q207
- 9% of revenue was from MicroEdge in Q208, down 2 points from Q207

# Q208 P&L Highlights

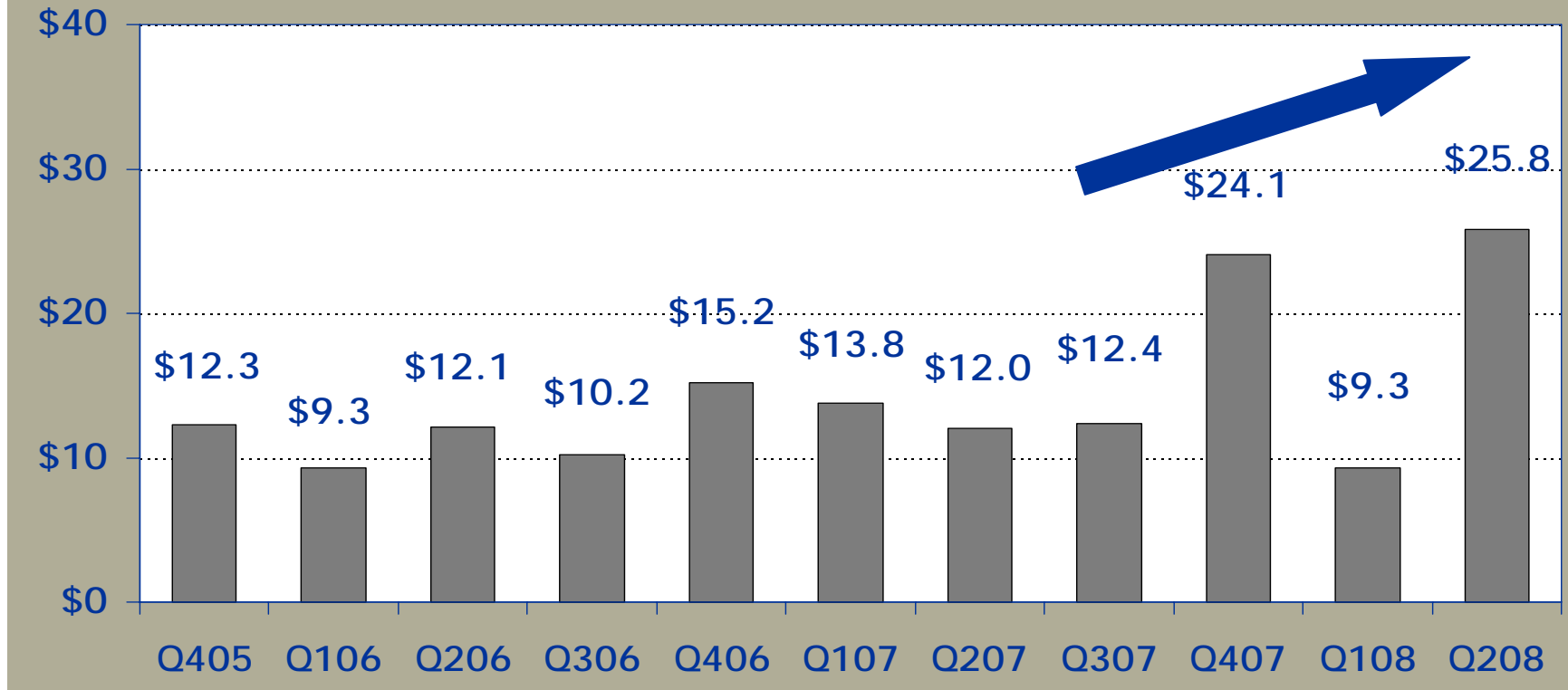


	Q207	Q208	\$ +/-	% +/-
Total Revenue (\$M)	\$52.4	\$64.0	\$11.7	22%
GAAP Gross Profit (\$M)	\$36.4	\$43.2	\$6.8	19%
GAAP Gross Margin	69%	67%	(2 points)	(3%)
GAAP Income from Operations (\$M)	\$3.0	\$5.1	\$2.0	67%
GAAP Operating Margin	6%	8%	2 points	36%
GAAP Net Income (\$M)	\$5.1	\$7.4	\$2.3	44%
GAAP Net Income (%)	10%	11%	1 point	18%
GAAP Diluted EPS (\$)	\$0.18	\$0.26	\$0.08	43%
Non-GAAP Income from Operations (\$M) *	\$7.4	\$9.4	\$2.0	27%
Non-GAAP Operating Margin *	14%	15%	1 point	4%
Non-GAAP Diluted EPS (\$) *	\$0.18	\$0.22	\$0.04	24%
Headcount	870	997	127	15%

\* See reconciliation of GAAP to Non-GAAP measures on slides #12 and #13

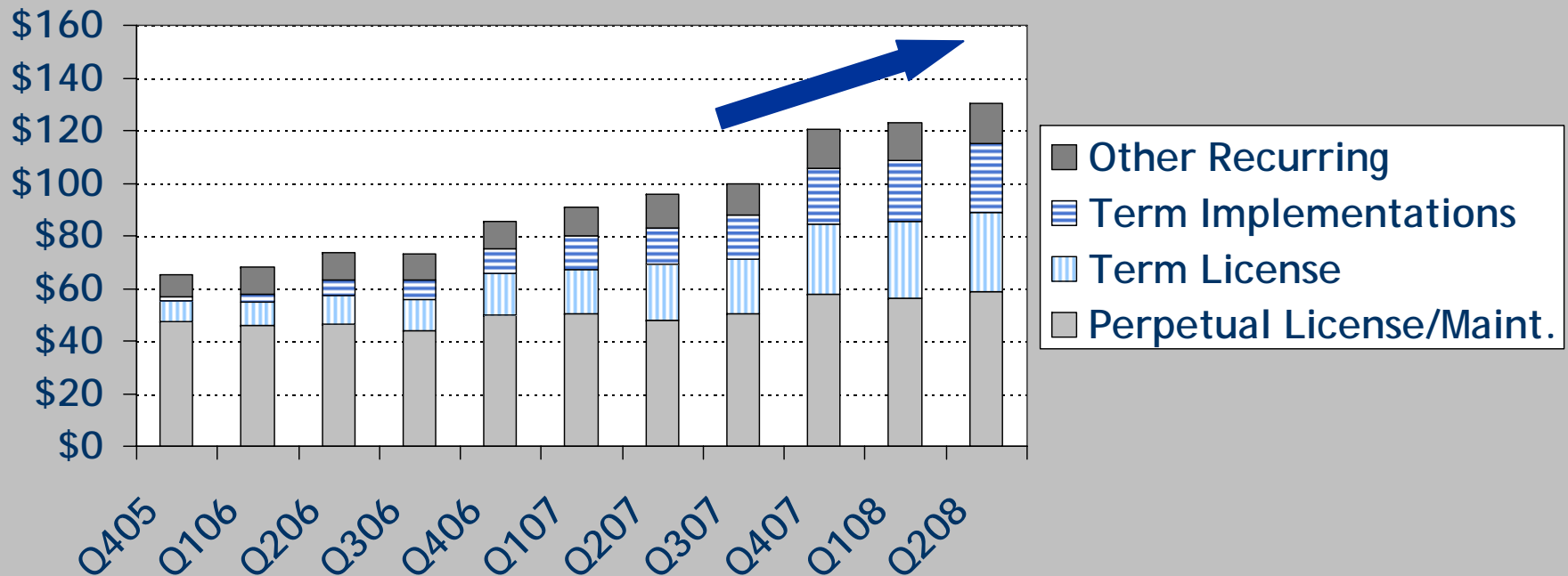
# Operating Cash Flow Growth (\$M)

Trailing 4 Quarter Growth Rate is 40%



# Growth in Deferred Revenue (\$M)

Trailing 4 Quarter Growth Rate is 37%



# Advent Raises 2008 Guidance (in bold)



Guidance	Q308	FY08
<b>Total Revenue (\$M)</b>	\$64 - \$66	<b>\$254 - \$258</b>
<b>YoY Revenue Growth</b>	15% - 19%	<b>18% - 20%</b>
<b>Non-GAAP Operating Margin *</b>		<b>15% - 17%</b>
<b>Non-GAAP EPS (\$) *</b>		<b>\$0.91 - \$1.03</b>
<b>GAAP EPS (\$)</b>		<b>\$0.58 - \$0.70</b>
<b>Operating Cash Flow (\$M)</b>		<b>\$70 - \$73</b>
<b>Capital Expenditures (\$M)</b>		\$15 - \$18
<b>Weighted Avg. Shares Outstanding Growth**</b>		0.5% - 1.0% per qtr
<b>Effective Tax Rate (GAAP)***</b>		30% - 35%
<b>Effective Tax Rate (Non-GAAP)</b>		35%

\* See reconciliation of GAAP to non-GAAP guidance on slide #13

\*\* Excluding the impact of any potential share repurchase

\*\*\* Assuming R&D tax credit is not renewed by Congress

# Reconciliation of GAAP to Non-GAAP



**ADVENT SOFTWARE, INC.**  
**RECONCILIATION OF SELECTED 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 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.

	<b>Three Months Ended June 30, 2008</b>				
	<b>Gross Margin</b>	<b>Gross Margin %</b>	<b>Operating Income</b>	<b>Operating Income %</b>	<b>Net Income</b>
GAAP	\$ 43,173	67%	\$ 5,066	8%	\$ 7,355
Amortization of acquired developed technology	198		198		198
Amortization of other acquired intangibles	-		242		242
Stock-based compensation - cost of revenues	581		581		581
Stock-based compensation - operating expenses	-		3,280		3,280
Restructuring charges	-		(1)		(1)
Equity investment adjustment	-		-		(3,393)
Income tax adjustment for non-GAAP (1)	-		-		(2,066)
Non-GAAP	<u>\$ 43,952</u>	69%	<u>\$ 9,366</u>	15%	<u>\$ 6,196</u>
Diluted net income per share					
GAAP					\$ 0.26
Non-GAAP					\$ 0.22

Shares used to compute diluted net income per share

28,119

	<b>Three Months Ended June 30, 2007</b>				
	<b>Gross Margin</b>	<b>Gross Margin %</b>	<b>Operating Income</b>	<b>Operating Income %</b>	<b>Net Income</b>
GAAP	\$ 36,372	69%	\$ 3,041	6%	\$ 5,095
Amortization of acquired developed technology	72		72		72
Amortization of other acquired intangibles	-		466		466
Stock-based compensation - cost of revenues	510		510		510
Stock-based compensation - operating expenses	-		3,072		3,072
Restructuring charges	-		227		227
Equity investment adjustment	-		-		(3,662)
Income tax adjustment for non-GAAP (1)	-		-		(844)
Non-GAAP	<u>\$ 36,954</u>	71%	<u>\$ 7,388</u>	14%	<u>\$ 4,936</u>
Diluted net income per share					
GAAP					\$ 0.18
Non-GAAP					\$ 0.18

Shares used to compute diluted net income per share

27,754

(1) The estimated non-GAAP effective tax rate was 35% for the three months ended June 30, 2008 and 2007, respectively, and has been used to adjust the provision for income taxes for non-GAAP purposes.

# Reconciliation of GAAP to Non-GAAP



**Advent Software, Inc.**  
**Reconciliation of Projected GAAP Operating Income % and Diluted Earnings Per Share**  
**to Non-GAAP Operating Income % and Diluted Earnings Per Share**  
(Preliminary and unaudited)

Advent provides projections of non-GAAP measures of operating income and diluted earnings per share, 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 GAAP results are made with the intent of providing 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 projections are among the information management uses as a basis for planning and forecasting of future periods. These 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.

	<b>Twelve Months Ended December 31, 2008</b>			
	<b>Operating Income %</b>		<b>Diluted Earnings Per Share</b>	
Projected GAAP	8%	to	10%	\$ 0.58 to \$ 0.70
Projected amortization of acquired developed technology and other acquired intangible asset adjustment			1%	\$ 0.07
Projected stock based compensation adjustment			6%	\$ 0.54
Projected restructuring charges adjustment			0%	\$ 0.00
Projected in-process research and development adjustment			0%	\$ 0.01
Projected investment activity adjustment			n/a	\$ (0.12)
Projected income tax adjustment for non-GAAP (1)			n/a	\$ (0.17)
Projected non-GAAP	15%	to	17%	\$ 0.91 to \$ 1.03

(1) The projected estimated non-GAAP effective tax rate is 35% for the twelve months ended December 31, 2008 is 35% and has been used to adjust the projected provision for income taxes for non-GAAP purposes.