

**UNIFY CORPORATION**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	<b>October 31,</b>	<b>April 30,</b>
	<b>2008</b>	<b>2008</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,878	\$ 2,692
Accounts receivable, net	4,655	5,092
Prepaid expenses and other current assets	713	529
Total current assets	<u>8,246</u>	<u>8,313</u>
Property and equipment, net	514	346
Goodwill	5,643	5,643
Intangibles, net	1,837	2,197
Other assets, net	80	179
Total assets	<u><u>\$ 16,320</u></u>	<u><u>\$ 16,678</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 428	\$ 326
Current portion of long term debt	543	8
Accrued compensation and related expenses	1,156	1,661
Other accrued liabilities	1,053	895
Deferred revenue	5,188	6,580
Total current liabilities	<u>8,368</u>	<u>9,470</u>
Long term debt, net of current portion	922	1,334
Other long term liabilities	397	455
Commitments and contingencies	—	—
Stockholders' equity:		
Common stock	7	7
Additional paid-in capital	68,508	68,215
Accumulated other comprehensive income	(75)	119
Accumulated deficit	(61,807)	(62,922)
Total stockholders' equity	<u>6,633</u>	<u>5,419</u>
Total liabilities and stockholders' equity	<u><u>\$ 16,320</u></u>	<u><u>\$ 16,678</u></u>

**UNIFY CORPORATION**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>October 31,</b>		<b>October 31,</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Revenues:</b>				
Software licenses	\$ 1,987	\$ 1,932	\$ 3,549	\$ 3,396
Services	3,170	2,967	6,116	5,425
Migration solutions	644	50	1,163	89
Total revenues	<u>5,801</u>	<u>4,949</u>	<u>10,828</u>	<u>8,910</u>
<b>Cost of Revenues:</b>				
Software licenses	89	46	139	93
Services	298	273	548	450
Migration solutions	358	23	518	41
Total cost of revenues	<u>745</u>	<u>342</u>	<u>1,205</u>	<u>584</u>
Gross profit	<u>5,056</u>	<u>4,607</u>	<u>9,623</u>	<u>8,326</u>
<b>Operating Expenses:</b>				
Product development	682	796	1,431	1,708
Selling, general and administrative	3,342	2,857	6,722	5,556
Total operating expenses	<u>4,024</u>	<u>3,653</u>	<u>8,153</u>	<u>7,264</u>
Income from operations	1,032	954	1,470	1,062
Other income (expense), net	<u>(151)</u>	<u>(163)</u>	<u>(166)</u>	<u>(480)</u>
Income before income taxes	881	791	1,304	582
Provision for income taxes	156	99	188	109
Net income	<u>\$ 725</u>	<u>\$ 692</u>	<u>\$ 1,116</u>	<u>\$ 473</u>
<b>Net income per share:</b>				
Basic	\$ 0.10	\$ 0.11	\$ 0.16	\$ 0.08
Dilutive	\$ 0.10	\$ 0.10	\$ 0.15	\$ 0.07
<b>Shares used in computing net income per share:</b>				
Basic	6,981	6,100	6,981	6,068
Dilutive	7,605	6,627	7,666	6,502

**RECONCILIATION OF GAAP TO NON-GAAP**  
(In thousands, except per share data)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>October 31,</b>		<b>October 31,</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
GAAP Net income	\$ 725	\$ 692	\$ 1,116	\$ 473
Amortization of intangible assets	180	219	360	403
Stock based compensation expenses	149	44	291	87
Amortization of discount on notes payable	12	64	24	115
Total adjustments to GAAP net income	<u>341</u>	<u>327</u>	<u>675</u>	<u>605</u>
Non-GAAP net income	<u>\$ 1,066</u>	<u>\$ 1,019</u>	<u>\$ 1,791</u>	<u>\$ 1,078</u>
Non-GAAP Diluted earnings per share	<u>\$ 0.14</u>	<u>\$ 0.15</u>	<u>\$ 0.23</u>	<u>\$ 0.17</u>