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• **JDA Software Group, Inc.**
• **NEWS RELEASE**
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JDA Reports Financial Results for Second Quarter 2008

JDA Achieves Year-Over-Year Increase in Total Revenues

Scottsdale, Ariz. – July 28, 2008 – **JDA® Software Group, Inc.** (NASDAQ: JDAS) today announced financial results for the second quarter ended June 30, 2008. JDA reported total revenues of \$91.8 million and product revenues of \$62.2 million for second quarter 2008, compared to total revenues of \$90.8 million and product revenues of \$61.6 million for second quarter 2007. For the six months ended June 30, 2008, JDA reported total revenues of \$185.7 million and product revenues of \$128 million, compared to total revenues of \$181.5 million and product revenues of \$123.1 million for the six months ended June 30, 2007.

Second Quarter 2008 Financial Summary

- Adjusted EBITDA (Earnings before interest, taxes, depreciation and amortization) was \$20.4 million for the second quarter of 2008 compared to \$20.9 million in the second quarter 2007.
- Adjusted non-GAAP earnings for second quarter 2008 was \$0.29 per share as compared to \$0.31 in the second quarter 2007 and exclude amortization of acquired software technology and intangibles, restructuring charges and stock-based compensation.
- GAAP net income for second quarter 2008 was at \$3.1 million or \$0.09 per share, compared to GAAP net income of \$4.8 million or \$0.14 per share in second quarter 2007.
- Software license revenues were \$15.5 million in second quarter 2008, compared to \$18.6 million in second quarter 2007.
- DSOs were 68 days at the end of second quarter 2008, compared to 79 days at the end of first quarter 2008 and 76 days at the end of second quarter 2007.
- Cash flow from operations was \$28.8 million in second quarter 2008, compared to \$23.1 million in first quarter 2008 and \$24.9 million in second quarter 2007.
- Cash and cash equivalents were \$124.5 million at the end of second quarter 2008 after paying off an additional \$13 million of debt, leaving a debt balance of \$80.9 million. This compares to \$95.3 million in cash and cash equivalents and \$99.6 million in debt at December 31, 2007.

“Although we experienced a slow down in license fees this quarter, our profitability and overall product revenues remained very strong,” commented **JDA CEO Hamish Brewer**. “Our new business win rates remain high and our pipeline of new opportunities remains strong.”

Second Quarter 2008 Highlights

- **Significant Software Deals for the Quarter:** JDA signed 57 new software deals in second quarter 2008, which included three contracts that exceeded \$1.0 million and six deals that included multiple products.
- **Regional Sales Activity:**
 - JDA's Americas region software sales closed at \$8.9 million in software license deals in the second quarter 2008, compared to \$10.8 million in second quarter 2007. Software transactions with Americas customers include the following: **Cabela's Inc.; FAO Schwarz, Inc.; Hibbett Sports, Inc.; Liz Claiborne, Inc.; Supervalu, Inc.; The Fred W. Albrecht Grocery Company** and **Tiendas Peruanas**.
 - JDA's Europe, Middle East and Africa (EMEA) region software sales were \$4.8 million in second quarter 2008, compared to \$5.0 million in second quarter 2007. EMEA customers that signed license agreements in second quarter 2008 include: **Ackermans**, a division of Pepkor Retail; **Coop Italia Societa Cooperative; Lombardini Holding SpA; Mosaic Fashions Ltd.** and **Thales Information Systems Limited**.
 - JDA's Asia Pacific region software sales closed at \$1.8 million in second quarter 2008, compared to \$2.8 million in second quarter 2007. **Foster's Group** was a significant win in this region.
- **JDA's Annual Global Conference Sets New Record:** JDA's annual global user conference, FOCUS 2008, had record attendance with nearly 1,700 retailers, manufacturers, wholesaler-distributors and services industries customers and partners at the four-day event in Las Vegas in May. Of the more than 200 sessions held, over 100 were customer-led. Eleven companies were recognized with a Real Results Award for their measurable results in achieving exceptional increases in sales and profits, reductions in inventory, improved operational efficiencies and decreases in resources and costs.

Six Month Results

- Adjusted EBITDA increased to \$42.3 million for the six months ended June 30, 2008, compared to \$40.5 million for the six months ended June 30, 2007.
- Adjusted non-GAAP earnings for the six months ended June 30, 2008 was \$0.62 per share, which excludes amortization of acquired software technology and intangibles, restructuring charges and stock-based compensation, as compared to adjusted non-GAAP earnings per share of \$0.59 for the six months ended June 30, 2007, which excluded amortization of acquired software technology and intangibles, restructuring charges, stock-based compensation and a gain on the sale of an office facility.

- GAAP net income for the six months ended June 30, 2008 was \$8.4 million or \$0.24 per share, as compared to GAAP net income of \$10.2 million or \$0.30 per share in the six months ended June 30, 2007.
- Software license revenues were \$35.6 million in the six months ended June 30, 2008, compared to \$35.7 million in the six months ended June 30, 2007.

Conference Call Information

JDA Software Group, Inc. will host a conference call at 4:45 p.m. Eastern time today to discuss earnings results for its second quarter ended June 30, 2008. To participate in the call, dial 1-800-762-8779 (United States) or 1-480-629-9041 (International) and ask the operator for the “JDA Software Group, Inc. Second Quarter 2008 Earnings Conference Call.” A replay of the conference call will begin Monday, July 28, 2008 at 7:45 p.m. (Eastern) and will end on Thursday, August 28, 2008 at 11:59 p.m. (Eastern). You can hear the replay by dialing 1-800-406-7325 (United States) or 1-303-590-3030 (International) using access 3893162.

To participate in the webcast of the call, visit the following web page at the time of the conference call: <http://viavid.net/dce.aspx?sid=00005297>. A replay of the webcast will be available approximately five minutes after the conclusion of the event.

About JDA Software Group, Inc.

JDA[®] Software Group, Inc. (NASDAQ: JDAS) is focused on helping companies realize real supply chain and revenue management results – fast. JDA Software delivers integrated merchandising as well as supply chain and revenue management planning, execution and optimization solutions for the consumer-driven supply chain and services industries. Through its industry leading solutions, leading manufacturers, distributors, retailers and services companies around the world are growing their businesses with greater predictability and more profitably. For more information on JDA Software, visit www.jda.com or contact us at info@jda.com or call +1.800.479.7382.

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This press release contains forward-looking statements that are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally accompanied by words such as “will,” and “expect” and other words with forward-looking connotations. In this press release, such forward-looking statements include, without limitation, Mr. Brewer’s statement that “our new business win rates remain high and our pipeline of new opportunities remains strong.” The occurrence of future events may involve a number of risks and uncertainties, including, but not limited to: (a) the risk that our win rates will decline in our highly competitive and ever changing market; (b) the possibility that we may not be able to close deals in our pipeline to the extent and within the timeframe of our forecasts, particularly given the current economic downturn; and (c) other risks detailed from time to time in the “Risk Factors” section of our filings with the Securities and Exchange Commission. Additional information relating to the uncertainty affecting our business is contained in our filings with the SEC. As a result of these and other risks, actual results may differ materially from those predicted. JDA is not

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under any obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

- **Use of Non-GAAP Financial Information**

This press release and the related conference call contain non-GAAP financial measures. In evaluating the Company's performance, management uses certain non-GAAP financial measures to supplement consolidated financial statements prepared under GAAP. Management's presentation of non-GAAP financial measures is intended to be supplemental in nature and should not be considered in isolation or as a substitute for the most directly comparable GAAP measures.

Use and Economic Substance of Non-GAAP Financial Measures Used by JDA

The Company uses non-GAAP measures of performance, including adjusted operating income, EBITDA (earnings before interest, taxes, depreciation and amortization) and earnings per share, in its public statements. Management uses, and chooses to disclose, these non-GAAP financial measures because (i) such measures provide an additional analytical tool to clarify the Company's results from operations and help the Company to identify underlying trends in its results of operations; (ii) the Company uses non-GAAP earnings measures, including EBITDA, as a measure of profitability because such measures help the Company compare its performance on a consistent basis across time periods; and (iii) these non-GAAP measures are employed by the Company's management in its own evaluation of performance and are utilized in financial and operational decision making processes, such as budget planning and forecasting. The Company also internally uses adjusted EBITDA measures for determining (a) compliance with certain financial covenants in its credit agreement and (b) executive and employee compensation. Set forth below are additional reasons why specific items are excluded from the Company's non-GAAP financial measures:

- *Amortization charges for acquired technology are excluded because they result from prior acquisitions, rather than ongoing operations, and absent additional acquisitions, are expected to decline over time.*
- *We exclude amortization of intangibles because they are non-cash expenses, and while tangible and intangible assets support our business, we do not believe the related amortization costs are directly attributable to the operating performance of our business.*
- *Restructuring charges and adjustments to acquisition-related reserves are significant non-routine expenses that cannot be predicted and typically relate to a change in our business model or to a change in our estimate of the costs to complete a plan to exist an activity of an acquired company. The exclusion of these charges promotes period-to-period comparisons and transparency. Such charges are primarily related to severance costs and/or the disposition of excess facilities driven by the changes to our business model.*
- *Stock-based compensation is not an expense that typically requires or will require cash settlement by the Company.*
- *Sales of office facilities are non-routine transactions, not directly related to our core business of selling software and related services and hardware.*

Material Limitations (and Compensation thereof) Associated with the Use of Non-GAAP Financial Measures

Non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for the Company's GAAP results. In the future, the Company expects to continue reporting non-GAAP financial measures excluding items described above and the Company expects to continue to incur expenses similar to the non-GAAP adjustments described above. Accordingly, exclusion of these and other similar items in our non-GAAP presentation should not be construed as an inference that these costs are unusual, infrequent or non-recurring.

Some of the limitations in relying on non-GAAP financial measures are:

- *Amortization of acquired technology and intangibles, though not directly affecting our current cash position, represent the loss in value as the technology in our industry evolves, is advanced or is replaced over time. The expense associated with this loss in value is not included in the non-GAAP net income presentation and therefore does not reflect the full economic effect of the ongoing cost of maintaining our current technological position in our competitive industry which is addressed through our research and development program.*
- *The Company may engage in acquisition transactions in the future. In addition, we incur other restructuring charges from time to time when necessary to adjust our business model. Restructuring related charges may therefore continue to be incurred and should not be viewed as non-recurring.*

- *Stock-based compensation is an important component of our incentive compensation arrangements and will be reflected as expenses in our GAAP results for the foreseeable future under SFAS 123R.*
- *Other companies, including other companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting their usefulness as a comparative measure.*

We compensate for these limitations by relying primarily on our GAAP results and using non-GAAP financial measures only supplementally. We also provide reconciliations of each non-GAAP financial measure to our most directly comparable GAAP measure, and we encourage investors to review carefully those reconciliations.

Usefulness of Non-GAAP Financial Measures to Investors

The Company believes that the presentation of these non-GAAP financial measures is warranted for several reasons. First, such non-GAAP financial measures provide investors and management an additional analytical tool for understanding the Company's financial performance by excluding the impact of items which may obscure trends in the core operating performance of the business. Second, since the Company has historically reported non-GAAP results to the investment community, the Company believes the inclusion of non-GAAP numbers provides consistency and enhances investors' ability to compare the Company's performance across financial reporting periods.

JDA SOFTWARE GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts, unaudited)

	June 30, 2008	December 31, 2007
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 124,539	\$ 95,288
Accounts receivable, net.....	69,696	74,659
Income tax receivable.....	—	463
Deferred tax asset	8,311	8,203
Prepaid expenses and other current assets	<u>15,768</u>	<u>15,925</u>
Total current assets	218,314	194,538
Non-Current Assets:		
Property and equipment, net.....	44,924	44,858
Goodwill.....	134,561	134,561
Other Intangibles, net:		
Customer lists.....	133,031	144,344
Acquired software technology.....	26,476	29,437
Trademarks.....	2,174	3,013
Deferred tax asset	59,321	62,029
Other non-current assets	<u>9,166</u>	<u>9,445</u>
Total non-current assets.....	<u>409,653</u>	<u>427,687</u>
Total Assets	<u>\$ 627,967</u>	<u>\$ 622,225</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 3,210	\$ 3,559
Accrued expenses and other liabilities	44,230	48,559
Income tax payable.....	2,082	—
Current portion of long-term debt.....	1,750	7,027
Deferred revenue	<u>82,003</u>	<u>67,530</u>
Total current liabilities	<u>133,275</u>	<u>126,675</u>
Non-Current Liabilities:		
Long-term debt.....	79,164	92,536
Accrued exit and disposal obligations.....	10,311	11,797
Liability for uncertain tax positions.....	<u>5,636</u>	<u>5,421</u>
Total non-current liabilities	<u>95,111</u>	<u>109,754</u>
Total Liabilities	<u>228,386</u>	<u>236,429</u>
Redeemable Preferred Stock	50,000	50,000
Stockholders' Equity:		
Preferred stock, \$.01 par value; authorized 2,000,000 shares; none issued or outstanding	—	—
Common stock, \$.01 par value; authorized, 50,000,000 shares; issued 32,188,825 and 31,378,768 shares, respectively	322	314
Additional paid-in capital	303,211	295,694
Deferred compensation.....	(4,758)	(3,526)
Retained earnings	61,573	53,144
Accumulated other comprehensive gain.....	<u>4,540</u>	<u>3,814</u>
	364,888	349,440
Less treasury stock, at cost, 1,283,164 and 1,189,269 shares, respectively.....	<u>(15,307)</u>	<u>(13,644)</u>
Total stockholders' equity	<u>349,581</u>	<u>335,796</u>
Total liabilities and stockholders' equity	<u>\$ 627,967</u>	<u>\$ 622,225</u>

See notes to condensed consolidated financial statements.

JDA SOFTWARE GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except earnings per share data, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
REVENUES:				
Software licenses.....	\$ 15,546	\$ 18,626	\$ 35,582	\$ 35,654
Maintenance services.....	<u>46,643</u>	<u>42,961</u>	<u>92,455</u>	<u>87,439</u>
Product revenues.....	62,189	61,587	128,037	123,093
Consulting services.....	26,640	26,458	52,464	53,207
Reimbursed expenses.....	<u>2,967</u>	<u>2,705</u>	<u>5,170</u>	<u>5,167</u>
Service revenues.....	29,607	29,163	57,634	58,374
Total revenues.....	<u>91,796</u>	<u>90,750</u>	<u>185,671</u>	<u>181,467</u>
COST OF REVENUES:				
Cost of software licenses.....	343	724	1,396	1,189
Amortization of acquired software technology.....	1,460	1,502	2,961	3,373
Cost of maintenance services.....	<u>11,436</u>	<u>11,696</u>	<u>22,632</u>	<u>22,749</u>
Cost of product revenues.....	13,239	13,922	26,989	27,311
Cost of consulting services.....	20,909	20,326	40,769	41,600
Reimbursed expenses.....	<u>2,967</u>	<u>2,705</u>	<u>5,170</u>	<u>5,167</u>
Cost of service revenues.....	23,876	23,031	45,939	46,767
Total cost of revenues.....	<u>37,115</u>	<u>36,953</u>	<u>72,928</u>	<u>74,078</u>
GROSS PROFIT	54,681	53,797	112,743	107,389
OPERATING EXPENSES:				
Product development.....	13,232	11,996	26,908	25,783
Sales and marketing.....	15,730	15,103	31,839	29,911
General and administrative.....	10,378	9,256	21,978	19,544
Provision for doubtful accounts.....	—	1,302	—	1,590
Amortization of intangibles.....	6,076	3,963	12,152	7,926
Restructuring charges and adjustments to acquisition-related reserves.....	2,799	2,232	3,555	6,276
Gain on sale of office facility.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4,128)</u>
Total operating expenses.....	<u>48,215</u>	<u>43,852</u>	<u>96,432</u>	<u>86,902</u>
OPERATING INCOME	6,466	9,945	16,311	20,487
Interest expense and amortization of loan fees.....	(2,466)	(3,175)	(4,948)	(6,625)
Interest income and other, net.....	<u>779</u>	<u>795</u>	<u>2,076</u>	<u>1,464</u>
INCOME BEFORE INCOME TAXES	4,779	7,565	13,439	15,326
Income tax provision.....	<u>1,706</u>	<u>2,742</u>	<u>5,010</u>	<u>5,087</u>
NET INCOME	<u>\$ 3,073</u>	<u>\$ 4,823</u>	<u>\$ 8,429</u>	<u>\$ 10,239</u>
BASIC EARNINGS PER SHARE	<u>\$.09</u>	<u>\$.15</u>	<u>\$.25</u>	<u>\$.31</u>
DILUTED EARNINGS PER SHARE	<u>\$.09</u>	<u>\$.14</u>	<u>\$.24</u>	<u>\$.30</u>
SHARES USED TO COMPUTE:				
Basic earnings per share.....	<u>34,214</u>	<u>33,225</u>	<u>34,069</u>	<u>33,148</u>
Diluted earnings per share.....	<u>35,263</u>	<u>33,955</u>	<u>35,174</u>	<u>33,760</u>

See notes to consolidated financial statements.

JDA SOFTWARE GROUP, INC.
NON-GAAP MEASURES OF PERFORMANCE
(in thousands, except share data, unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
<u>NON-GAAP OPERATING INCOME AND ADJUSTED EBITDA</u>				
Operating income (GAAP BASIS)	\$ 6,466	\$ 9,945	\$ 16,311	\$ 20,487
Adjustments for non-GAAP measures of performance:				
Add back amortization of acquired software technology	1,460	1,502	2,961	3,373
Add back amortization of intangibles	6,076	3,963	12,152	7,926
Add back restructuring charges	2,799	2,232	3,555	6,276
Add back stock-based compensation	1,042	991	2,224	1,879
Less gain on sale of office facility	—	—	—	(4,128)
Adjusted non-GAAP operating income	17,843	18,633	37,203	35,813
Add back depreciation	2,582	2,241	5,060	4,640
Adjusted EBITDA (Earnings before interest, taxes, depreciation and amortization)	\$ 20,425	\$ 20,874	\$ 42,263	\$ 40,453
<u>NON-GAAP OPERATING INCOME AND ADJUSTED EBITDA, as a percentage of revenue</u>				
Operating income (GAAP BASIS)	7%	11%	9%	11%
Adjustments for non-GAAP measures of performance:				
Amortization of acquired software technology	1%	2%	1%	2%
Amortization of intangibles	7%	4%	7%	4%
Restructuring charges	3%	3%	2%	3%
Stock-based compensation	1%	1%	1%	1%
Gain on sale of office facility	—%	—%	—%	(2%)
Adjusted non-GAAP operating income	19%	21%	20%	19%
Depreciation	3%	2%	3%	3%
Adjusted EBITDA (Earnings before interest, taxes, depreciation and amortization)	22%	23%	23%	22%
<u>NON-GAAP EARNINGS PER SHARE</u>				
Income before income tax provision	\$ 4,779	\$ 7,565	\$ 13,439	\$ 15,326
Amortization of acquired software technology	1,460	1,502	2,961	3,373
Amortization of intangibles	6,076	3,963	12,152	7,926
Restructuring charges	2,799	2,232	3,555	6,276
Stock-based compensation	1,042	991	2,224	1,879
Gain on sale of office facility	—	—	—	(4,128)
Adjusted income before income taxes	16,156	16,253	34,331	30,652
Adjusted income tax expense	5,816	5,689	12,359	10,728
Adjusted net income	\$ 10,340	\$ 10,564	\$ 21,972	\$ 19,924
Adjusted non-GAAP diluted earnings per share	\$ 0.29	\$ 0.31	\$ 0.62	\$ 0.59
Shares used to compute non-GAAP diluted earnings per share	35,263	33,955	35,174	33,760

Three Months Ended		Six Months Ended	
June 30,		June 30,	
2008	2007	2008	2007

CASH FLOW INFORMATION

Net cash provided by operating activities	\$ 28,812	\$ 24,889	\$ 51,911	\$ 43,307
Net cash used in investing activities:				
Payment of direct costs related to acquisitions	\$ (1,155)	\$ (2,109)	\$ (2,523)	\$ (4,414)
Purchase of other property and equipment	(2,328)	(1,447)	(4,497)	(3,983)
Proceeds from disposal of property and equipment	—	20	69	6,821
	<u>\$ (3,483)</u>	<u>\$ (3,536)</u>	<u>\$ (6,951)</u>	<u>\$ (1,576)</u>
Net cash provided by financing activities:				
Issuance of common stock under equity plans	\$ 5,664	\$ 2,511	\$ 5,707	\$ 4,054
Principal payments on term-loan agreement	(13,000)	(20,000)	(18,649)	(35,000)
Other, net	(1,863)	239	(3,301)	303
	<u>\$ (9,199)</u>	<u>\$ (17,250)</u>	<u>\$ (16,243)</u>	<u>\$ (30,643)</u>