

SOFTECH, INC.
FINANCIAL SUMMARY

For the Three Month Periods Ended

(in thousands)	August 31, 2005	August 31, 2004
Revenue	\$ 3,068	\$ 2,777
Loss from operations	(91)	(209)
Net loss	(334)	(459)
Loss per share	(.03)	(.04)

Reconciliation of Net Loss to Non-GAAP Financial Measures:

The net loss calculated in accordance with GAAP is adjusted below by non-cash expenses related to amortization of intangible assets resulting from acquisitions. It is management's view that this Non-GAAP financial measure provides important information in understanding the Company's financial performance.

For the Three Month Periods Ended

(in thousands)	August 31, 2005	August 31, 2004
Net loss	\$ (334)	\$ (459)
Plus: Non-cash amortization	<u>610</u>	<u>611</u>
Non-GAAP financial measure	276	152