

**Reconciliations of Non-GAAP
Financial Measures
For the Years Ended, June 30, 2009 and 2008**

September 24, 2009



Non-GAAP Metrics Disclosure

- ❑ The Company believes that providing both GAAP and adjusted non-GAAP measures of its performance will provide meaningful supplemental information regarding its operational effectiveness and to enhance investors' overall understanding of the Company's current financial performance and prospects for the future. Management believes that investors benefit from seeing its results "through the eyes" of management in addition to the GAAP presentation.
- ❑ It is Management's belief that while not in accordance with or an alternative for GAAP, the adjusted information allows for greater transparency to supplemental information used by management in its financial and operational decision making.
- ❑ The adjusted information excludes items, such as amortization of intangible assets, impairment charges, depreciation, charges to consolidate and integrate recently acquired businesses and non-cash stock based compensation, and other non-cash charges that may have a material effect on the Company's net income and net income per share in accordance with GAAP.
- ❑ Management monitors these items to ensure that expenses are in line with expectations and that its GAAP results are correctly stated, but does not use them to measure the ongoing bottom line operating performance of the Company. Furthermore, the non-GAAP or adjusted information provided by the Company may be different from the non-GAAP or adjusted information provided by other companies.

Reconciliation of GAAP and Non-GAAP Financial Measures For the Years Ended, June 30, 2009 and 2008

(In 000's)	For the Year Ended	
	June 30,	
Audited results of operations	FY 2009	FY 2008
Net loss applicable to common shareholders	\$ (4,728)	\$ (3,199)
Non-GAAP Adjustments:		
Impairment of capitalized software	\$ 1,457	\$ -
Depreciation and amortization	726	506
Bad debt expense	124	128
Stock issued for services and expenses	149	75
Income from patent activities	-	(600)
Gain (loss) on equity method investment	163	-
Interest, net	505	(29)
Dividends on preferred stock	687	331
Acquisition related costs	(b) 236	-
Adjusted Non-GAAP EBITDA (loss)	\$ (681)	\$ (2,788)

(In 000's)	For the Year Ended	
	June 30,	
Unaudited pro-forma combined condensed financial statements	FY 2009	FY 2008
Net loss applicable to common shareholders	\$ (7,070)	\$ (10,746)
Non-GAAP Adjustments:		
Impairment of capitalized software	\$ 1,457	\$ -
Impairment of goodwill	2,370	7,453
Depreciation and amortization	956	968
Bad debt expense	162	101
Stock issued for services and expenses	198	85
Income from patent activities	-	600
Interest, net	623	(229)
Provision for income taxes	44	41
Dividends on preferred stock	1,355	1,667
Acquisition related costs	(b) 262	-
Adjusted Pro Forma EBITDA (loss)	(a) \$ 357	\$ (60)

(a) The unaudited pro-forma results of operations for the year ended June 30, 2009 and 2008, as though Prescient had been acquired as of July 1, 2007.

(b) Acquisition related costs are certain costs that were incurred during the period that were not capitalized. These costs include rents incurred on vacant corporate facilities and data centers, travel, training and costs to rebrand the combined Company.



Contact Information

For more information, please contact:

John Merrill, CFO
Park City Group, Inc.
jmerrill@parkcitygroup.com
435-645-2000

Neal H. Goldner
Darrow Associates, Inc.
273 Walt Whitman Road, Suite 280
Melville, NY 11746
Phone: (631) 239-6282
ngoldner@darrowir.com

