



AGENT INFORMATION SOFTWARE, INC.

Quarterly Reports
Quarter Ended March 31, 2013
Trading Symbol: AIFS

AGENT INFORMATION SOFTWARE, INC.
Quarterly Report
March 31, 2013 and 2012

TABLE OF CONTENTS

	<u>Page Reference</u>
Financial Statements	
Unaudited Consolidated Balance Sheets March 31, 2013 and 2012	3
Unaudited Consolidated Statements of Operations For the Three Months Ended March 31, 2013 and 2012	4
Unaudited Consolidated Statements of Changes in Stockholders' Equity For the Three Months Ended March 31, 2013 and 2012	5
Unaudited Consolidated Statements of Cash Flows For the Three Months Ended March 31, 2013 and 2012	6
Notes to Unaudited Consolidated Financial Statements	7

AGENT INFORMATION SOFTWARE, INC.
Quarterly Report

Unaudited Consolidated Balance Sheets

March 31, 2013 and 2012

	<u>March 31</u> <u>2013</u>	<u>March 31</u> <u>2012</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 472,239	\$ 769,113
Restricted cash	282,024	-
Accounts receivable, trade	347,216	39,616
Deferred income taxes, current	174,000	175,000
Other current assets	168,090	230,208
Total current assets	<u>1,443,569</u>	<u>1,213,937</u>
Capitalized software, net	1,773,754	2,349,935
Equipment, net	283,229	245,707
Total assets	<u>\$ 3,500,552</u>	<u>\$ 3,809,579</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities on long-term debt	\$ 11,945	\$ 11,945
Accounts payable, trade	45,790	90,445
Deferred revenue	1,256,170	1,175,151
Accrued payroll and related liabilities	184,661	241,435
Other accrued liabilities	95,034	51,996
Total current liabilities	<u>1,593,600</u>	<u>1,570,972</u>
Long-term debt	31,852	43,797
Deferred income taxes	174,000	171,000
Total liabilities	1,799,452	1,785,769
Stockholders' equity:		
Common stock, \$0.001 par value, 12,000,000 shares authorized, 4,269,610 and 4,272,610 shares issued and outstanding, respectively	3,274,757	3,271,323
Accumulated other comprehensive income (loss)	(15,061)	3,373
Accumulated deficit	<u>(1,558,596)</u>	<u>(1,250,886)</u>
Total stockholders' equity	1,701,100	2,023,810
Total liabilities and stockholders' equity	<u>\$ 3,500,552</u>	<u>\$ 3,809,579</u>

See accompanying notes to Unaudited Consolidated Financial Statements

AGENT INFORMATION SOFTWARE, INC.
Quarterly Report

Unaudited Consolidated Statements of Operations

For the Three Months Ended March 31, 2013 and 2012

	March 31 2013	March 31 2012
	<u> </u>	<u> </u>
Sales:		
Recurring sales	\$ 1,058,233	\$ 1,062,479
Non-recurring sales	109,297	83,819
Total net sales	<u>1,167,530</u>	<u>1,146,298</u>
Cost and expenses:		
Cost of sales	372,013	339,881
Research and development	133,613	110,994
Sales, marketing and customer service	390,010	547,029
General and administrative	257,000	279,870
Total costs and expenses	<u>1,152,636</u>	<u>1,277,774</u>
Income from operations	14,894	(131,476)
Other income (expense):		
Other income (expense), net	(337)	6,374
Total other income (expense):	<u>(337)</u>	<u>6,374</u>
Income before provision for income taxes	14,557	(125,102)
Provision for income taxes	<u>4,000</u>	<u>3,800</u>
Net income (loss)	<u>\$ 10,557</u>	<u>\$ (128,902)</u>
Earnings per share - Basic	\$ 0.00	\$ (0.03)
Weighted average shares outstanding - Basic	4,269,610	4,272,610
Earnings per share - Diluted	\$ 0.00	\$ (0.03)
Weighted average shares outstanding - Diluted	4,746,610	4,877,854

See accompanying notes to Unaudited Consolidated Financial Statements

AGENT INFORMATION SOFTWARE, INC.

Unaudited Consolidated Statements of Changes in Stockholders' Equity

For the Three Months Ended March 31, 2013 and 2012

	Common Stock		Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2011	4,272,610	\$ 3,269,122	\$ (1,121,984)	\$ 8,778	\$ 2,155,916
Net loss			(128,902)		(128,902)
Foreign currency translation Comprehensive loss				(5,405)	(5,405)
					(134,307)
Stock option expense		2,201			2,201
Balance, March 31, 2012	4,272,610	\$ 3,271,323	\$ (1,250,886)	\$ 3,373	\$ 2,023,810
Net loss			(447,169)		(447,169)
Foreign currency translation Comprehensive loss				7,313	7,313
					(439,856)
Common stock redemption	(3,000)	(400)			(400)
Stock option expense		5,030			5,030
Balance, December 31, 2012	4,269,610	\$ 3,273,752	\$ (1,569,153)	\$ 16,091	\$ 1,720,690
Net income			10,557		10,557
Foreign currency translation Comprehensive loss				(31,152)	(31,152)
					(20,595)
Stock option expense		1,005			1,005
Balance, March 31, 2013	4,269,610	\$ 3,274,757	\$ (1,558,596)	\$ (15,061)	\$ 1,701,100

See accompanying notes to Unaudited Consolidated Financial Statements

AGENT INFORMATION SOFTWARE, INC.**Quarterly Report****Unaudited Consolidated Statements of Cash Flows****For the Three Months Ended March 31, 2013 and 2012**

	March 31 2013	March 31 2012
Cash flows from operating activities:		
Net income (loss)	\$ 10,557	\$ (128,902)
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Depreciation and amortization	172,135	170,760
Stock option expense	1,005	2,201
Changes in operating assets and liabilities:	274,517	233,932
Net cash provided by operating activities	<u>458,214</u>	<u>277,991</u>
Cash flows from investing activities:		
Acquisitions of property and equipment	(112,900)	(17,561)
Capitalized software development	(134,006)	(98,868)
Net cash used in investing activities	<u>(246,906)</u>	<u>(116,429)</u>
Cash flows from financing activities:		
Payments of long-term debt	(2,987)	(2,985)
Common stock redemption	-	-
Net cash used in financing activities	<u>(2,987)</u>	<u>(2,985)</u>
Effect of exchange rate changes on cash	<u>(31,152)</u>	<u>-</u>
Net increase (decrease) in cash	177,169	158,577
Cash and cash equivalents, beginning of year	295,070	610,536
Cash and cash equivalents, March 31, 2013 and 2012	<u>\$ 472,239</u>	<u>\$ 769,113</u>

See accompanying notes to Unaudited Consolidated Financial Statements