UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 10, 2009

MANHATTAN ASSOCIATES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Georgia	**0-23999**	**58-2373424**
(State or Other Jurisdiction of Incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

2300 Windy Ridge Parkway, Suite 1000, Atlanta, Georgia 30339
(Address of Principal Executive Offices)
(Zip Code)

(770) 955-7070
(Registrant's telephone number, including area code)

NONE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 10, 2009, Manhattan Associates, Inc. (the "Company") issued a press release providing the results for its financial performance for the fourth quarter and the year ended December 31, 2008. A copy of this press release is attached as Exhibit 99.1. Pursuant to General Instruction B.2 of Form 8-K, this exhibit is "furnished" and not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934.

Non-GAAP Financial Measures in the Press Release

The press release includes, as additional information regarding our operating results, our adjusted operating income, adjusted net income and adjusted earnings per share, which excludes the impact of acquisition-related costs and the amortization thereof, the recapture of previously recognized transaction tax expense, stock option expense under SFAS 123(R), asset impairment charges, and restructuring charge, all net of income tax effects, and unusual tax adjustments. The press release also presents our growth in GAAP revenue, operating income and adjusted operating income between periods excluding the effects of foreign currency exchange. These various measures are not in accordance with, or an alternative for, financial measures calculated in accordance with generally accepted accounting principles in the United States ("GAAP") and may be different from similarly titled non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be used as a substitute for, or considered superior to, measures of financial performance prepared in accordance with GAAP.

Adjusted Income and Earnings Per Share

We believe that these adjusted (non-GAAP) results provide more meaningful information regarding those aspects of our current operating performance that can be effectively managed, and consequently have developed our internal reporting, compensation and planning systems using these measures.

- Because we sporadically engage in acquisitions, we incur acquisition-related costs that consist primarily of expenses from accounting and legal due diligence, whether or not we ultimately proceed with the transaction. Additionally, we might assume and incur certain unusual costs, such as employee retention benefits, that result from arrangements made prior to the acquisition. These acquisition costs are difficult to predict and do not correlate to the expenses of our core operations. We believe our competitors typically present as a non-GAAP measure adjusted net income and adjusted earnings per share that exclude the amortization of acquisition-related intangible assets, and thus we exclude these amortization costs when calculating adjusted net income and adjusted earnings per share to provide more relevant and meaningful comparisons of our operating results with that of our competitors.
- Because we have recognized the full potential amount of the transaction (sales) tax expense in prior periods, any recovery of that expense resulting from the expiration of the state sales tax statutes or the collection of the taxes from our customers would overstate the current period net income derived from our core operations as the recovery is not a result of anything occurring within our control during the current period.
- Because stock option expense under SFAS 123(R) is determined in significant part by the trading price of our common stock and the volatility thereof, over which we have no direct control, the impact of such expense is not subject to effective management by us.

Excluding the impact of SFAS 123(R) in adjusted operating income, adjusted net income and adjusted earnings per share is consistent with similar practice by our competitors and other companies within our industry.

- We do not believe that the asset impairment charges recorded in the third quarter of 2008, related to the write-down of an investment in a technology company and in the value of an auction rate security, are common costs that result from normal operating activities, because: (1) we do not routinely make direct minority investments in other companies; and (2) we typically invest our treasury funds in cash, cash equivalents or other liquid investments, not illiquid, risky securities. The write-down in value of the auction rate security was due to unusual changes in the characteristics of the auction rate security since our initial investment in it, including failed auctions and default risk for a municipal obligor. Consequently, we have not included the impairments in the assessment of our operating performance.
- We do not believe that the restructuring charge related to our reduction in force in the fourth quarter of 2008 due to the economic downturn is a common cost that results from normal operating activities. Thus, we have not included the restructuring charge in the assessment of our operating performance.
- Lastly, we do not include the unusual tax adjustments in our evaluation of our operating results as it does not relate to our core operations. Thus, we have excluded these tax adjustments from adjusted non-GAAP results. During 2008, we released income tax reserves due to the expiration of tax audit statutes for U.S. federal income tax returns filed for 2004 and prior. Because we recorded the majority of the income tax reserves through retained earnings in conjunction with the adoption of FIN 48 on January 1, 2007, the release of the reserves would overstate the current period net income derived from our core operations. The reserve reversal is partially offset by tax expense on the repatriation of cash from a foreign subsidiary associated with the settlement of several large intercompany balances in order to reduce the unrealized foreign exchange gain/loss volatility in other income. The majority of the large intercompany balances were associated with a non-operating legal entity in Europe.

For these reasons, we have developed our internal reporting, compensation and planning systems using non-GAAP measures which adjust for these amounts.

We believe the reporting of adjusted operating income, adjusted net income and adjusted earnings per share facilitates investors' understanding of our historical operating trends, because it provides important supplemental measurement information in evaluating the operating results of our business, as distinct from results that include items that are not indicative of ongoing operating results, and thus provides the investors with useful insight into our profitability exclusive of unusual adjustments. While these adjusted items may not be considered as non-recurring in nature in a strictly accounting sense, the management regards those items as infrequent and not arising out of the ordinary course of business and finds it useful to utilize a non-GAAP measure in evaluating the performance of our underlying core business.

We also believe that adjusted operating income, adjusted net income and adjusted earnings per share provide a basis for more relevant comparisons to other companies in the industry, enable investors to evaluate our operating performance in a manner consistent with our internal basis of measurement and also present our investors our operating results on the same basis as that used by our management. Management refers to adjusted operating income, adjusted net income and adjusted earnings per share in making operating decisions because we believe they provide meaningful supplemental information regarding our operational performance and our ability to invest in research and development and fund acquisitions and capital expenditures. In addition, adjusted operating income, adjusted net income and adjusted earnings per share facilitate management's internal comparisons to our historical operating results and comparisons to competitors' operating results. Further, we rely on adjusted operating income, adjusted net income and adjusted net income per share information as primary measures to review and assess the operating performance of our company and our management team in connection with our executive compensation and bonus plans. Since most of our employees are not directly involved with decisions surrounding acquisitions or severance related activities and other items that are not central to our core operations, we do not believe it is appropriate or fair to have their incentive compensation affected by these items. By adjusting those items not indicative of ongoing operating results, non-GAAP financial measures could serve as an alternative useful measure to evaluate our prospects for future performance because our investors are able to more conveniently predict the results of our operating activities on an on-going basis when excluding these less common items.

Excluding the Effect of Foreign Currency Exchange

In the press release, we have presented our growth in GAAP revenue, GAAP operating income and adjusted (non-GAAP) operating income on a 'constant currency' basis. Such constant currency financial data is not a GAAP financial measure. Constant currency removes from financial data the impact of changes in exchange rates between the U.S. dollar (our financial reporting currency) and the functional currencies of our foreign subsidiaries, by translating the current period financial data into U.S. dollars using the same foreign currency exchange rates that were used to translate the financial data for the previous period. We believe presenting certain information on a constant currency basis is useful to investors because it allows a more meaningful comparison of the performance of our foreign operations from period to period. Constant currency information should not be considered in isolation or as an alternative to financial information that reflect current period exchange rates, or to other financial information calculated and presented in accordance with GAAP.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release, dated February 10, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Manhattan Associates, Inc.

By: /s/ Dennis B. Story
Dennis B. Story
Senior Vice President and Chief Financial Officer

Dated: February 10, 2009

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release, dated February 10, 2009.

Contact: Dennis Story
Chief Financial Officer
Manhattan Associates, Inc.
678-597-7115
dstory@manh.com

Terrie O'Hanlon
Chief Marketing Officer
Manhattan Associates, Inc.
678-597-7120
tohanlon@manh.com

Manhattan Associates Reports Fourth Quarter and Full Year 2008 Revenue and Earnings

ATLANTA — February 10, 2009 — Leading supply chain optimization provider Manhattan Associates, Inc. (NASDAQ: MANH) today reported fourth quarter 2008 Earnings Per Share (EPS) in line with adjusted guidance previously issued for the quarter.

The Company's fourth quarter adjusted diluted earnings per share, a non-GAAP measure, were $0.26 compared to $0.37 in the 2007 fourth quarter, and within the Company's previously issued guidance range of $0.24 to $0.34 for the quarter ended December 31, 2008. GAAP diluted earnings per share were $0.08, a 76% decrease compared to the fourth quarter of 2007, due to a fourth quarter restructuring charge and an 11% drop in fourth quarter revenue compared to the fourth quarter of 2007. In 2008, the Company posted fourth quarter revenue of $75.7 million, and full-year revenue of $337.2 million, essentially flat with 2007 full-year revenue.

Manhattan Associates President and CEO Pete Sinisgalli commented, "Fourth quarter results were about as expected. The selling environment continued to be quite difficult, with several opportunities pushing into 2009. Nonetheless, with the actions we took during the fourth quarter to lower headcount and reduce expenses, we were able to post a decent financial result. More important, during the fourth quarter and throughout 2008, we made significant progress extending our market-leading suite of Supply Chain Optimization solutions."

"We do not expect the market to improve until the latter half of 2009 at the earliest," Sinisgalli continued. " However, we will continue to place significant energy into developing and advancing the world's leading suite of Supply Chain Optimization solutions, so that when markets return to more normal activity levels, we will be poised to capture significant market share," he concluded.

FOURTH QUARTER FINANCIAL SUMMARY:

Summarized results for the 2008 fourth quarter, as compared to the 2007 fourth quarter, follow:

Earnings Per Share

- Adjusted diluted earnings per share, a non-GAAP measure, were $0.26 compared to $0.37 in Q4 2007, representing a decrease of 30%.
- GAAP diluted earnings per share decreased 76% to $0.08 per share, which includes the impact of a restructuring charge of $4.7 million associated with the workforce reduction initiative executed in the fourth quarter and disclosed in the Company's Q3 2008 earnings release.

Revenue

- Consolidated revenue decreased 11% to $75.7 million. Currency changes during the quarter negatively affected total revenue by $2.2 million, or 3%.
  - License revenue decreased 26%, to $13.8 million.
  - Services revenue decreased 6%, to $53.8 million.

Operating Income

- Adjusted operating income, a non-GAAP measure, was $7.2 million compared to $13.3 million in the prior year quarter.
- GAAP operating income was $0.4 million compared to $11.5 million in Q4 2007, which includes the $4.7 million restructuring charge related to the Company's Q4 workforce reduction.

Cash

- The Company posted record cash flow from operations, both for the full year and in the fourth quarter. Cash flow from operations in Q4 2008 was $18.3 million, 17% higher than in the fourth quarter of 2007, with Days Sales Outstanding of 78 days. Full-year cash flow from operations totaled $63.8 million, a 67% increase over 2007.
- Cash and investments on-hand at December 31, 2008 was $88.7 million compared to $72.8 million at December 31, 2007.

Common Share Repurchase

- The Company repurchased 651,614 common shares totaling $10.0 million at an average share price of $15.35 in the fourth quarter of 2008. The Company has $15.0 million in remaining share repurchase authority.

FULL YEAR FINANCIAL SUMMARY:

Summarized results for the full year of 2008, as compared to the full year of 2007, follow:

Earnings Per Share

- Adjusted diluted earnings per share, a non-GAAP measure, increased 6% to a record $1.38 versus $1.30 in 2007.
- GAAP diluted earnings per share were $0.94, a decrease of 17% compared to $1.13 per share for full year 2007. Excluding unusual adjustments taken in the second half of 2008, GAAP diluted earnings per share increased 3%.

Revenue

- Consolidated revenue in 2008 was essentially flat at $337.2 million compared to $337.4 million for the full year 2007. Currency changes for the full year did not significantly impact total revenue.
  - License revenue decreased 11%, to $65.3 million.
  - Services revenue increased 4% and totaled $236.0 million.

Operating Income

- Adjusted operating income, a non-GAAP measure, was $44.3 million compared to $50.5 million in 2007, down 12% on lower license revenue.
- GAAP operating income was $26.0 million compared to $43.1 million in 2007, a decrease of 40% on lower license revenue and unusual charges taken in the second half of 2008. Excluding $9.9 million of unusual charges, GAAP operating income decreased 17%.

Tax Rate

- GAAP and non-GAAP effective tax rates were 27.6% and 32.5% respectively, compared to 35.5% on a GAAP and non-GAAP basis in the full year of 2007. The lower tax rates primarily resulted from tax contingency reserves released due to expiring tax audit statutes, and from realizing tax credits associated with research and development and job training.

Common Share Repurchase

- The Company repurchased approximately 1.7 million common shares during the full year of 2008 at an average share price of $20.52, for a total investment of $35.0 million.

SALES ACHIEVEMENTS:

Significant sales-related achievements during the quarter include:

- Closing four contracts of $1.0 million or more in recognized license revenue during the quarter. During 2008, the Company closed 15 contracts of this size.
- Completing software license wins with new customers such as A.N. Deringer, Inc., BUT International SAS, Carolina Logistics Services, LLC, Fasteners for Retail, J.J. Taylor Companies, Inc., Loglibris, Optimal LTD, Pfizer, Inc., QVC, Inc. and Wakefern Food Corporation.
- Expanding partnerships with existing customers such as Al-Shiwari Group, American Eagle Outfitters, Bakkavor Limited, Bed Bath & Beyond, Inc., Benjamin Moore, Genuine Parts Company, InterDesign, LeSaint Logistics, Maersk Distribution Services, McKesson Corporation, Performance Team Freight Systems, Sara Lee Corporation, simplehuman LLC, Staples, Sunglass Hut Trading Company and Whirlpool Corporation.

2009 GUIDANCE

Manhattan Associates provided the following diluted earnings per share guidance for the first quarter and full year 2009. A full reconciliation of GAAP to non-GAAP diluted earnings per share is included in the supplemental information attached to this release.

	Fully Diluted EPS			
	Per Share range		% Growth range	
GAAP Earnings Per Share				
Q1 2009 - diluted earnings per share	$ 0.15	$ 0.25	-50%	-17%
Full year 2009 - diluted earnings per share	$ 1.03	$ 1.28	10%	36%
Adjusted Earnings Per Share				
Q1 2009 - diluted earnings per share	$ 0.20	$ 0.30	-43%	-14%
Full year 2009 - diluted earnings per share	$ 1.23	$ 1.48	-11%	7%

Manhattan Associates currently intends to publish, in each quarterly earnings release, certain expectations with respect to future financial performance. These statements are forward-looking. Actual results may differ materially, especially in the current uncertain economic environment. These statements do not reflect the potential impact of mergers, acquisitions or other business combinations that may be completed after the date of this release.

Manhattan Associates will make its earnings release and published expectations available on its website (www.manh.com). Beginning March 15, 2009, Manhattan Associates will observe a "Quiet Period" during which Manhattan Associates and its representatives will not comment concerning previously published financial expectations. Prior to the start of the Quiet Period, the public can continue to rely on the expectations published in this 2009 Guidance section as still being Manhattan Associates' current expectation on matters covered, unless Manhattan Associates publishes a notice stating otherwise. During the Quiet Period, previously published expectations should be considered historical only, speaking only as of or prior to the Quiet Period, and Manhattan Associates disclaims any obligation to update any previously published financial expectations during the Quiet Period. The Quiet Period will extend until the date when Manhattan Associates' next quarterly earnings release is published, currently scheduled for the third week of April 2009.

CONFERENCE CALL

The Company's conference call regarding its fourth quarter financial results will be held at 4:30 p.m. Eastern Time on Tuesday, February 10, 2008. Investors are invited to listen to a live webcast of the conference call through the investor relations section of Manhattan Associates' website. To listen to the live webcast, please go to Manhattan's website at least 15 minutes before the call to download and install any necessary audio software. For those who cannot listen to the webcast live, a telephone replay can be accessed shortly after the call by dialing +1.800.642.1687 in the U.S. and Canada, or +1.706.645.9291 outside the U.S., and entering the conference identification number 80024471, and a webcast replay is available at www.manh.com. The telephone replay will be available for two weeks after the call, and webcast replay will be available until Manhattan Associates publishes its second quarter 2009 earnings release.

GAAP VERSUS NON-GAAP PRESENTATION

The Company provides adjusted operating income, adjusted net income and adjusted earnings per share in this press release as additional information regarding the Company's operating results. These measures are not in accordance with — or an alternative for — GAAP, and may be different from non-GAAP operating income, non-GAAP net income and non-GAAP earnings per share measures used by other companies. The Company believes that the presentation of these non-GAAP financial measures facilitates investors' understanding of its historical operating trends, because it provides important supplemental measurement information in evaluating the operating results of its business, as distinct from results that include items that are not indicative of ongoing operating results. The Company consequently believes that the presentation of these non-GAAP financial measures provides investors with useful insight into its profitability. This release should be read in conjunction with its Form 8-K earnings release filing for the quarter ended December 31, 2008.

The non-GAAP adjusted operating income, adjusted net income and adjusted earnings per share exclude the impact of acquisition-related costs and the amortization thereof, the recapture of previously recognized sales tax expense, stock option expense under SFAS 123(R), asset impairment charges, and restructuring charges, all net of income tax effects, and unusual tax adjustments. A reconciliation of the Company's GAAP financial measures to non-GAAP adjustments is included in the supplemental information attached to this release.

The Company has also presented its revenue, operating income and adjusted operating income growth between periods excluding the effect of changes in exchange rates between the U.S. dollar and the functional currencies of its foreign subsidiaries. Certain information regarding the effect of currency exchange rate fluctuation on results is included in note 5 to the supplemental information attached to this release.

ABOUT MANHATTAN ASSOCIATES, INC.

Manhattan Associates continues to deliver on its 18-year heritage of providing global supply chain excellence to more than 1,200 customers worldwide that consider supply chain optimization core to their strategic market leadership. The company's supply chain innovations include: Manhattan SCOPE™, a portfolio of software solutions and technology that leverages a Supply Chain Process Platform to help organizations optimize their supply chains from planning through execution; Manhattan ILS™, a portfolio of distribution management and transportation management solutions built on Microsoft® .NET technology; and Manhattan Carrier™, a suite of supply chain solutions specifically addressing the needs of the motor carrier industry. For more information, please visit www.manh.com.

This press release may contain "forward-looking statements" relating to Manhattan Associates, Inc. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those Contemplated by such forward-looking statements. Among the important factors that could cause actual results to differ materially from those *indicated by such forward-looking statements are delays in product development, undetected software errors, competitive pressures, technical difficulties, market acceptance, availability of technical personnel, changes in customer requirements, risks of international operations and general economic conditions. Additional risk factors are set forth in Item 1A. of the Company's Annual Report on Form 10-K for the year ended December 31, 2007. Manhattan Associates undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results.*

###

www.manh.com

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	**2008**	2007
Revenue:				
Software license	**$ 13,834**	$ 18,577	**$ 65,313**	$ 73,031
Services	**53,818**	57,053	**235,967**	226,153
Hardware and other	**7,999**	9,363	**35,921**	38,217
Total Revenue	**75,651**	84,993	**337,201**	337,401
Costs and Expenses:				
Cost of license	**1,648**	1,289	**5,961**	5,334
Cost of services	**26,195**	28,127	**116,707**	109,758
Cost of hardware and other	**6,651**	7,757	**29,270**	32,268
Research and development	**11,496**	11,278	**48,407**	46,594
Sales and marketing	**11,350**	13,229	**51,177**	53,406
General and administrative	**10,108**	8,440	**37,145**	33,366
Depreciation and amortization	**3,168**	3,356	**12,699**	13,617
Asset impairment charges	**—**	—	**5,205**	—
Restructuring charge	**4,667**	—	**4,667**	—
Total costs and expenses	**75,283**	73,476	**311,238**	294,343
Operating income	**368**	11,517	**25,963**	43,058
Other income, net	**1,667**	1,599	**5,545**	4,608
Income before income taxes	**2,035**	13,116	**31,508**	47,666
Income tax provision	**57**	4,662	**8,710**	16,915
Net income	**$ 1,978**	$ 8,454	**$ 22,798**	$ 30,751
Basic earnings per share	**$ 0.08**	$ 0.34	**$ 0.95**	$ 1.17
Diluted earnings per share	**$ 0.08**	$ 0.33	**$ 0.94**	$ 1.13
Weighted average number of shares:				
Basic	**23,500**	25,066	**24,053**	26,174
Diluted	**23,549**	25,983	**24,328**	27,329

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
RECONCILIATION OF SELECTED GAAP TO NON-GAAP MEASURES
(in thousands, except per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	**2008**	2007
Operating income	**$ 368**	$ 11,517	**$ 25,963**	$ 43,058
Stock option expense (a)	**1,383**	799	**5,458**	4,274
Purchase amortization (b)	**759**	1,083	**3,253**	4,653
Sales tax recoveries (c)	**—**	(146)	**(234)**	(1,438)
Asset impairment charges (d)	**—**	—	**5,205**	—
Restructuring charge (f)	**4,667**	—	**4,667**	—
Adjusted operating income (Non-GAAP)	**$ 7,177**	$ 13,253	**$ 44,312**	$ 50,547
Income tax provision	**$ 57**	$ 4,662	**$ 8,710**	$ 16,915
Stock option expense (a)	**481**	283	**1,897**	1,517
Purchase amortization (b)	**263**	385	**1,130**	1,652
Sales tax recoveries (c)	**—**	(51)	**(81)**	(510)
Asset impairment charges (d)	**—**	—	**(94)**	—
Unusual tax adjustments (e)	**381**	—	**3,032**	—
Restructuring charge (f)	**1,622**	—	**1,622**	—
Adjusted income tax provision (Non-GAAP)	**$ 2,804**	$ 5,279	**$ 16,216**	$ 19,574
Net income	**$ 1,978**	$ 8,454	**$ 22,798**	$ 30,751
Stock option expense (a)	**902**	516	**3,561**	2,757
Purchase amortization (b)	**496**	698	**2,123**	3,001
Sales tax recoveries (c)	**—**	(95)	**(153)**	(928)
Asset impairment charges (d)	**—**	—	**5,299**	—
Unusual tax adjustments (e)	**(381)**	—	**(3,032)**	—
Restructuring charge (f)	**3,045**	—	**3,045**	—
Adjusted Net income (Non-GAAP)	**$ 6,040**	$ 9,573	**$ 33,641**	$ 35,581
Diluted EPS	**$ 0.08**	$ 0.33	**$ 0.94**	$ 1.13
Stock option expense (a)	**0.04**	0.02	**0.15**	0.10
Purchase amortization (b)	**0.02**	0.03	**0.09**	0.11
Sales tax recoveries (c)	**—**	(0.00)	**(0.01)**	(0.03)
Asset impairment charges (d)	**—**	—	**0.22**	—
Unusual tax adjustments (e)	**(0.02)**	—	**(0.12)**	—
Restructuring charge (f)	**0.13**	—	**0.13**	—
Adjusted Diluted EPS (Non-GAAP)	**$ 0.26**	$ 0.37	**$ 1.38**	$ 1.30
Fully Diluted Shares	**23,549**	25,983	**24,328**	27,329

(a) SFAS 123(R) requires us to expense stock options issued to employees. Because stock option expense is determined in significant part by the trading price of our common stock and the volatility thereof, over which we have no direct control, the impact of such expense is not subject to effective management by us. Thus, we have excluded the impact of this expense from adjusted non-GAAP results. The stock option expense is included in the following GAAP operating expense lines for the three and twelve months ended December 31, 2008 and 2007:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	**2008**	2007
Cost of services	**$ 118**	$ 22	**$ 476**	$ 343
Research and development	**199**	171	**790**	645
Sales and marketing	**436**	266	**1,717**	1,381
General and administrative	**630**	340	**2,475**	1,905
Total stock option expense	**$ 1,383**	$ 799	**$ 5,458**	$ 4,274

(b) Adjustments represent purchase amortization from prior acquisitions. Such amortization is commonly excluded from GAAP net income by companies in our industry and we therefore exclude these amortization costs to provide more relevant and meaningful comparisons of our operating results to that of our competitors.

(c) Adjustment represents recoveries of previously expensed sales tax resulting primarily from the expiration of the sales tax audit statutes in certain states. Because we have recognized the full potential amount of the sales tax expense in prior periods, any recovery of that expense resulting from the expiration of the statutes or the collection of tax from our customers would overstate the current period net income derived from our core operations as the recovery is not a result of any event occurring within our control during the current period. Thus, we have excluded these recoveries from adjusted non-GAAP results.

(d) During the quarter ended September 30, 2008, we recorded an impairment charge of $1.7 million, writing down the remaining balance of a $2.0 million investment in a technology company we made in July 2003. We recorded the additional impairment due to a down round of financing in which our preferred share ownership was converted into common stock, eliminating our preference rights associated with liquidation, thereby substantially impairing our ability to recoup our investment. In addition, we recorded an impairment charge of $3.5 million on an investment in an auction rate security. We reduced the carrying value to zero due to credit downgrades of the underlying issuer and the bond insurer as well as increasing publicly reported exposure to bankruptcy risk by the issuer. We do not include these impairment charges in our assessment of our operating results. Due to the unusual nature of these items and consistent with our past treatment, we have excluded the effect of these impairments from adjusted non-GAAP results because they are not indicative of ongoing operating performance.

(e) The majority of the adjustment represents release of income tax reserves resulting from expiration of tax audit statutes for U.S. federal income tax returns filed for 2004 and prior. During 2008, we completed our IRS audit examination for the 2005 return identifying no significant contingencies or errors. Because we recorded the majority of the income tax reserves through retained earnings in conjunction with the adoption of FIN 48 on January 1, 2007, the release of the reserves would overstate the current period net income derived from our core operations. The reserve reversal is partially offset by $0.6 million tax expense on the repatriation of cash from a foreign subsidiary associated with the settlement of several large intercompany balances in order to reduce the unrealized foreign exchange gain/loss volatility in other income. The majority of the large intercompany balances were associated with a non-operating legal entity in Europe. We do not include this tax in our assessment of our operating performance as it does not relate to our core operations. Thus, we have excluded these tax adjustments from adjusted non-GAAP results.

(f) During the quarter ended December 31, 2008, we committed to and initiated plans to reduce our workforce by 170 positions due to intermediate term market demand and to realign our capacity with demand forecasts. As a result of this initiative, we recorded a restructuring charge of approximately $4.7 million in the fourth quarter of 2008. The restructuring charge primarily consists of employee severance, outplacement services, and payout of unused vacation. We do not believe that the restructuring charge is common cost that resulted from normal operating activities. Consequently, we have excluded this charge from adjusted non-GAAP results.

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	December 31, 2008	December 31, 2007
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 85,739**	$ 44,675
Short term investments	**—**	17,904
Accounts receivable, net of allowance of $5,566 and $6,618 in 2008 and 2007, respectively	**63,896**	72,534
Deferred income taxes	**6,667**	6,602
Prepaid expenses and other current assets	**6,979**	8,646
Total current assets	**163,281**	150,361
Property and equipment, net	**21,721**	24,421
Long-term investments	**2,967**	10,193
Acquisition-related intangible assets, net	**6,438**	9,691
Goodwill, net	**62,276**	62,285
Deferred income taxes	**10,932**	9,846
Other assets	**2,606**	4,863
Total assets	**$ 270,221**	$ 271,660
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 8,480**	$ 9,112
Accrued compensation and benefits	**17,429**	19,357
Accrued and other liabilities	**16,188**	10,040
Deferred revenue	**32,984**	31,817
Income taxes payable	**6,811**	8,156
Total current liabilities	**81,892**	78,482
Other non-current liabilities	**8,490**	7,473
Shareholders' equity:		
Preferred stock, no par value; 20,000,000 shares authorized, no shares issued or outstanding in 2008 or 2007	**—**	—
Common stock, $.01 par value; 100,000,000 shares authorized; 23,581,109 and 24,899,919 shares issued and outstanding at December 31, 2008 and 2007, respectively	**234**	249
Additional paid-in capital	**—**	17,744
Retained earnings	**182,882**	165,189
Accumulated other comprehensive (loss) income	**(3,277)**	2,523
Total shareholders' equity	**179,839**	185,705
Total liabilities and shareholders' equity	**$ 270,221**	$ 271,660

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Twelve Months Ended December 31, 2008	2007
Operating activities:		
Net income	**$ 22,798**	$ 30,751
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**12,699**	13,617
Asset impairment charge	**5,205**	—
Stock compensation	**8,864**	6,199
Loss on disposal of equipment	**156**	12
Tax benefit of stock awards exercised/vested	**202**	1,835
Excess tax benefits from stock based compensation	**(100)**	(721)
Deferred income taxes	**(1,389)**	(2,759)
Unrealized foreign currency gain	**(694)**	(1,419)
Changes in operating assets and liabilities:		
Accounts receivable, net	**7,077**	(10,618)
Other assets	**2,691**	3,451
Accounts payable, accrued and other liabilities	**5,997**	(5,339)
Income taxes	**(1,324)**	1,528
Deferred revenue	**1,659**	1,737
Net cash provided by operating activities	**63,841**	38,274
Investing activities:		
Purchase of property and equipment	**(7,708)**	(9,401)
Net maturities of investments	**21,623**	84,517
Net cash provided by investing activities	**13,915**	75,116
Financing activities:		
Purchase of common stock	**(35,107)**	(99,931)
Excess tax benefits from stock based compensation	**100**	721
Proceeds from issuance of common stock from options exercised	**3,177**	10,910
Net cash used in financing activities	**(31,830)**	(88,300)
Foreign currency impact on cash	**(4,862)**	1,136
Net change in cash and cash equivalents	**41,064**	26,226
Cash and cash equivalents at beginning of year	**44,675**	18,449
Cash and cash equivalents at end of year	**$ 85,739**	$ 44,675
Supplemental disclosures of cash flow information- noncash investing activity:		
Tenant improvements funded by landlord	**$ —**	$ 7,918

MANHATTAN ASSOCIATES, INC.
SUPPLEMENTAL INFORMATION

1. GAAP and Adjusted Earnings per share by quarter are as follows:

	2007				2008				2007	2008
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	YTD
GAAP Diluted EPS	**$ 0.19**	**$ 0.32**	**$ 0.29**	**$ 0.33**	**$ 0.30**	**$ 0.37**	**$ 0.18**	**$ 0.08**	**$ 1.13**	**$ 0.94**
Adjustments to GAAP:										
Stock option expense	0.03	0.03	0.03	0.02	0.03	0.04	0.04	0.04	0.10	0.15
Purchase amortization	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.11	0.09
Sales tax recoveries	(0.01)	(0.02)	(0.01)	—	(0.01)	—	—	—	(0.03)	(0.01)
Asset impairment charge	—	—	—	—	—	—	0.22	—	—	0.22
Non-recurring tax adjustments	—	—	—	—	—	—	(0.11)	(0.02)	—	(0.12)
Restructuring charge	—	—	—	—	—	—	—	0.13	—	0.13
Adjusted Diluted EPS	**$ 0.23**	**$ 0.36**	**$ 0.34**	**$ 0.37**	**$ 0.35**	**$ 0.42**	**$ 0.34**	**$ 0.26**	**$ 1.30**	**$ 1.38**

2. Revenues and operating income (loss) by reportable segment are as follows (in thousands):

	2007				2008				2007	2008
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	YTD
Revenue:										
Americas	$ 68,446	$ 75,599	$ 69,850	$ 70,427	$ 72,129	$ 73,551	$ 67,957	$ 63,609	$ 284,322	$ 277,246
EMEA	5,844	9,809	10,463	10,733	12,028	11,961	10,083	8,726	36,849	42,798
APAC	3,900	4,221	4,276	3,833	4,167	4,978	4,696	3,316	16,230	17,157
	$ 78,190	**$ 89,629**	**$ 84,589**	**$ 84,993**	**$ 88,324**	**$ 90,490**	**$ 82,736**	**$ 75,651**	**$ 337,401**	**$ 337,201**
GAAP Operating Income (Loss):										
Americas	$ 8,734	$ 12,338	$ 8,894	$ 10,334	$ 7,065	$ 10,643	$ 1,618	$ (477)	$ 40,300	$ 18,849
EMEA	(1,321)	1,145	1,432	1,166	2,055	2,215	1,292	1,078	2,422	6,640
APAC	(131)	189	261	17	(31)	406	332	(233)	336	474
	$ 7,282	**$ 13,672**	**$ 10,587**	**$ 11,517**	**$ 9,089**	**$ 13,264**	**$ 3,242**	**$ 368**	**$ 43,058**	**$ 25,963**
Adjustments (pre-tax):										
Americas:										
Stock option expense	$ 1,121	$ 1,130	$ 1,224	$ 799	$ 1,304	$ 1,372	$ 1,399	$ 1,383	$ 4,274	$ 5,458
Purchase amortization	1,195	1,195	1,180	1,083	881	844	769	759	4,653	3,253
Sales tax recoveries	(373)	(650)	(269)	(146)	(234)	—	—	—	(1,438)	(234)
Asset impairment charge	—	—	—	—	—	—	5,205	—	—	5,205
Restructuring charge	—	—	—	—	—	—	—	4,369	—	4,369
	1,943	1,675	2,135	1,736	1,951	2,216	7,373	6,511	7,489	18,051
EMEA:										
Restructuring charge	—	—	—	—	—	—	—	204	—	204
	—	—	—	—	—	—	—	204	—	204
APAC:										
Restructuring charge	—	—	—	—	—	—	—	94	—	94
	—	—	—	—	—	—	—	94	—	94
Total Adjustments	**$ 1,943**	**$ 1,675**	**$ 2,135**	**$ 1,736**	**$ 1,951**	**$ 2,216**	**$ 7,373**	**$ 6,809**	**$ 7,489**	**$ 18,349**
Adjusted non-GAAP Operating Income (Loss):										
Americas	$ 10,677	$ 14,013	$ 11,029	$ 12,070	$ 9,016	$ 12,859	$ 8,991	$ 6,034	$ 47,789	$ 36,900
EMEA	(1,321)	1,145	1,432	1,166	2,055	2,215	1,292	1,282	2,422	6,844
APAC	(131)	189	261	17	(31)	406	332	(139)	336	568
	$ 9,225	**$ 15,347**	**$ 12,722**	**$ 13,253**	**$ 11,040**	**$ 15,480**	**$ 10,615**	**$ 7,177**	**$ 50,547**	**$ 44,312**

3. Our services revenue consists of fees generated from professional services and customer support and software enhancements related to our software products as follows (in thousands):

	2007				2008				2007	2008
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	YTD
Professional services	$ 38,831	$ 39,865	$ 41,488	$ 38,946	$ 41,718	$ 42,866	$ 40,693	$ 33,728	$ 159,130	$ 159,005
Customer support and software enhancements	15,969	15,998	16,949	18,107	18,119	19,423	19,330	20,090	67,023	76,962
Total services revenue	**$ 54,800**	**$ 55,863**	**$ 58,437**	**$ 57,053**	**$ 59,837**	**$ 62,289**	**$ 60,023**	**$ 53,818**	**$ 226,153**	**$ 235,967**

4. Hardware and other revenue includes the following items (in thousands):

	2007				2008				2007	2008
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	YTD
Hardware revenue	$ 6,666	$ 7,270	$ 5,614	$ 5,661	$ 7,141	$ 5,428	$ 5,756	$ 4,916	$ 25,211	$ 23,241
Billed Travel	2,971	3,098	3,235	3,702	3,034	3,408	3,155	3,083	13,006	12,680
Total Hardware and other revenue	**$ 9,637**	**$ 10,368**	**$ 8,849**	**$ 9,363**	**$ 10,175**	**$ 8,836**	**$ 8,911**	**$ 7,999**	**$ 38,217**	**$ 35,921**

MANHATTAN ASSOCIATES, INC.
SUPPLEMENTAL INFORMATION

5. Impact of Currency Fluctuation

The following table reflects the increases (decreases) in the results of operations for each period attributable to the change in foreign currency exchange rates from the prior period as well as foreign currency gains (losses) included in other income, net for each period (in thousands):

	2007				2008				2007	2008
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	YTD
Revenue	$ 748	$ 992	$ 1,049	$ 1,231	$ 1,131	$ 1,189	$ 132	$ (2,209)	$ 4,020	$ 243
Costs and Expenses	858	1,306	1,629	1,892	1,601	911	(331)	(3,112)	5,685	(931)
Operating Income	(110)	(314)	(580)	(661)	(470)	278	463	903	(1,665)	1,174
Foreign currency gains (losses) in other income	(22)	(602)	897	892	1,641	299	542	1,395	1,165	3,877
	$ (132)	**$ (916)**	**$ 317**	**$ 231**	**$ 1,171**	**$ 577**	**$ 1,005**	**$ 2,298**	**$ (500)**	**$ 5,051**

Manhattan Associates has a large research and development center in Bangalore, India. The following table reflects the increases (decreases) in the financial results for each period attributable to changes in the Indian Rupee exchange rate (in thousands):

	2007				2008				2007	2008
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	YTD
Operating Income	$ (14)	$ (443)	$ (693)	$ (725)	$ (619)	$ 59	$ 540	1,248	$ (1,875)	$ 1,228
Foreign currency gains (losses) in other income	(82)	(536)	(312)	(248)	94	385	787	549	(1,178)	1,815
Total impact of changes in the Indian Rupee	**$ (96)**	**$ (979)**	**$ (1,005)**	**$ (973)**	**$ (525)**	**$ 444**	**$ 1,327**	**$ 1,797**	**$ (3,053)**	**$ 3,043**

6. Other income includes the following components (in thousands):

	2007				2008				2007	2008
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	YTD
Interest income	$ 1,114	$ 900	$ 722	$ 707	$ 660	$ 351	$ 385	$ 272	$ 3,443	$ 1,668
Foreign currency gains (losses)	(22)	(602)	897	892	1,641	299	542	1,395	1,165	3,877
Total other income	**$ 1,092**	**$ 298**	**$ 1,619**	**$ 1,599**	**$ 2,301**	**$ 650**	**$ 927**	**$ 1,667**	**$ 4,608**	**$ 5,545**

7. Capital expenditures are as follows (in thousands):

	2007				2008				2007	2008
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	YTD
Capital expenditures	$ 2,956	$ 3,511	$ 1,467	$ 1,467	$ 2,716	$ 2,844	$ 1,258	$ 890	$ 9,401	$ 7,708

8. Stock Repurchase Activity

In 2008, we repurchased approximately 1.7 million shares of common stock totaling $35.0 million at an average price of $20.52. In 2007, we repurchased 3.6 million shares of common stock totaling $100.0 million at an average price of $28.05.

9. Effective Tax Rate Reconciliation for GAAP and Adjusted Results (in thousands except tax rate and per share data):

	Three Months Ended December 31, 2008					Twelve Months Ended December 31, 2008				
	Income before income taxes	Income tax provision	Net income	Diluted EPS	Effective Tax Rate	Income before income taxes	Income tax provision	Net income	Diluted EPS	Effective Tax Rate
GAAP results before impairment charges	$ 2,035	$ 707	$ 1,328	$ 0.06	34.75%	$ 36,713	$ 12,757	$ 23,956	$ 0.98	34.75%
Impairment of technology investment (a)	—	—	—	—		(1,730)	94	(1,824)	(0.07)	
Impairment of auction rate security (a)	—	—	—	—		(3,475)	—	(3,475)	(0.14)	
Provision to return adjustments (b)	—	(269)	269	0.01		—	(1,109)	1,109	0.05	
Unusual tax adjustments (c)	—	(381)	381	0.02		—	(3,032)	3,032	0.12	
GAAP results- reported	$ 2,035	$ 57	$ 1,978	$ 0.08	2.81%	$ 31,508	$ 8,710	$ 22,798	$ 0.94	27.64%
Adjusted results	$ 8,844	$ 3,073	$ 5,771	$ 0.25	34.75%	$ 49,857	$ 17,325	$ 32,532	$ 1.34	34.75%
Provision to return adjustments (b)	—	(269)	269	0.01			(1,109)	1,109	0.05	
Adjusted results- reported	$ 8,844	$ 2,804	$ 6,040	$ 0.26	31.71%	$ 49,857	$ 16,216	$ 33,641	$ 1.38	32.53%

(a) During the quarter ended September 30, 2008, we recorded an impairment charge of $1.7 million, writing down the remaining balance of a $2.0 million investment in a technology company we made in July 2003. We recorded the additional impairment due to a down round of financing in which our preferred share ownership was converted into common stock, eliminating our preference rights associated with liquidation, thereby substantially impairing our ability to recoup our investment. In addition, we recorded an impairment charge of $3.5 million on an investment in an auction rate security. We reduced the carrying value to zero due to credit downgrades of the underlying issuer and the bond insurer as well as increasing publicly reported exposure to bankruptcy risk by the issuer. We recorded a tax valuation allowance against these capital losses as we do not have any future capital gains to offset these losses.

(b) Provision to return adjustments include the true-up of the 2007 tax provision to the 2007 tax return filed in the third quarter of 2008. The majority of the adjustments relate to research and development and job training tax credits.

(c) The majority of the adjustment represents release of income tax reserves resulting from expiration of tax audit statutes for U.S. federal income tax returns filed for 2004 and prior. During 2008, we completed our IRS audit examination for the 2005 return identifying no significant contingencies or errors. The reserve reversal is partially offset by $0.6 million tax expense on the repatriation of cash from a foreign subsidiary associated with the settlement of several large intercompany balances in order to reduce the unrealized foreign exchange gain/loss volatility in other income. The majority of the large intercompany balances were associated with a non-operating legal entity in Europe.