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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): July 21, 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))

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Item 2.02 Results of Operations and Financial Condition.

On July 21, 2009, Manhattan Associates, Inc. (the "Company") issued a press release providing the results for its financial performance for the second quarter and six months ended June 30, 2009. 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), and restructuring charges, all net of income tax effects, and unusual tax adjustments. In addition, the press release presents certain information excluding the effects between periods 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. Non-GAAP measures used in the press release exclude the impact of acquisition-related costs, transaction tax expense recapture, SFAS 123(R) stock option expense, restructuring charges and unusual tax adjustments for the following reasons:

- 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 facilitate 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. We believe 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 restructuring charge incurred in 2009 and 2008 related to our reductions in force, or future restructuring charges related to staff reductions, are common costs that result from normal operating activities; rather, we believe these staff rationalizations relate to the extremely depressed economic conditions that have pervaded global markets since last year. Thus, we have not included these restructuring charges in the assessment of our operating performance.
- Lastly, we do not include the unusual tax adjustments in our evaluation of our operating results as they do 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 provide 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, 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.

Excluding the Effect of Foreign Currency Exchange

In the press release, we have presented certain information 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 reflects 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 July 21, 2009.

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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, hereunto duly authorized.

Manhattan Associates, Inc.

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

Dated: July 21, 2009

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release, dated July 21, 2009.

Exhibit 99.1

For Immediate Release

Contact:	Dennis Story	Terrie O'Hanlon
	Chief Financial Officer	Chief Marketing Officer
	Manhattan Associates, Inc.	Manhattan Associates, Inc.
	678-597-7115	678-597-7120
	dstory@manh.com	tohanlon@manh.com

Manhattan Associates Reports Second Quarter 2009 Results

ATLANTA — July 21, 2009 — Leading supply chain optimization provider Manhattan Associates, Inc. (NASDAQ: MANH) today reported second quarter 2009 non-GAAP adjusted diluted earnings per share of $0.14 compared to $0.42 in the 2008 second quarter, and a GAAP loss per share of $0.02 compared to earnings of $0.37 per share in the prior year second quarter. The Company posted total second quarter revenue of $58.4 million, which was down 35% from overall revenue posted in the second quarter of 2008, driving the earnings per share decline.

Manhattan Associates President and CEO Pete Sinisgalli commented, "Similar to the first quarter, businesses continue to be hesitant to release capital. This is particularly true for larger capital expenditures. As a result, we had no million-dollar contracts in either the first quarter or second quarter of the year. Our competitive win rate continues to be favorable and I believe when businesses in the markets we serve gain confidence in the economy we will see strong improvement in our financial results."

SECOND QUARTER 2009 FINANCIAL SUMMARY:

- Adjusted diluted earnings per share, a non-GAAP measure, were $0.14 in the second quarter of 2009, compared to $0.42 in the second quarter of 2008.
- The Company reported a GAAP loss per share of $0.02 in the second quarter of 2009, compared to $0.37 GAAP diluted earnings per share in the second quarter of 2008. The second quarter of 2009 includes a pre-tax restructuring charge of $3.8 million, or $0.12 per share, associated with the workforce reduction initiative executed in the quarter.
- Consolidated revenue for the second quarter of 2009 was $58.4 million, compared to $90.5 million in the second quarter of 2008. License revenue was $4.1 million in the second quarter of 2009, compared to $19.4 million in the second quarter of 2008.

- Adjusted operating income, a non-GAAP measure, was $5.2 million in the second quarter of 2009, compared to $15.5 million in the second quarter of 2008.
- The Company reported a GAAP operating loss, including a pre-tax restructuring charge of $3.8 million, for the second quarter of 2009 of $0.4 million compared to GAAP operating income of $13.3 million in the second quarter of 2008.
- Cash flow from operations was $10.8 million in the second quarter of 2009, compared to $21.0 million in the second quarter of 2008. Days Sales Outstanding were 61 days at June 30, 2009, compared to 78 days at June 30, 2008.
- Cash and investments on-hand at June 30, 2009 was $90.8 million compared to $89.2 million at March 31, 2009.
- The Company repurchased 577,606 common shares totaling $10.0 million at an average share price of $17.34 in the seconc quarter of 2009, self-funded from Q2 cash flow from operations. The Company has $15.0 million in remaining share repurchase authority.

SIX MONTH 2009 FINANCIAL SUMMARY:

- Adjusted diluted earnings per share, a non-GAAP measure, were $0.22 for the six months ended June 30, 2009, compared to $0.77 for the six months ended June 30, 2008.
- GAAP loss per share for the six months ended June 30, 2008 was $0.01, compared to $0.66 earnings per share for the six months ended June 30, 2008. The first half of 2009 results include pre-tax restructuring charges of $3.9 million, or $0.12 per share.
- Consolidated revenue for the six months ended June 30, 2009 was $119.2 million compared to $178.8 million for the six months ended June 30, 2008. License revenue was $9.0 million for the six months ended June 30, 2009, compared to $37.7 million in the six months ended June 30, 2008.

- Adjusted operating income, a non-GAAP measure, was $8.0 million for the six months ended June 30, 2009, compared to $26.5 million for the six months ended June 30, 2008.
- GAAP operating income, including a pre-tax restructuring charge of $3.9 million, was $0.2 million for the six months ended June 30, 2009, compared to $22.4 million for the six months ended June 30, 2008.
- The Company repurchased approximately 1.3 million common shares at an average share price of $15.93, for a total investment of $20.0 million.

SALES ACHIEVEMENTS:

- Completing software license wins with new customers such as Better Life Commercial Chain Share Co., Chanel (Australia), Dongguan Jiarong Supermarket Co., Kem Krest Corporation, Kuehne & Nagel, Mulberry Group Plc, Shandong JiaJiaYue Group Co., WWRD United Kingdom.
- Expanding partnerships with existing customers such as ACCO Brands Benelux, Brinkmann Corporation, CEVA Logistics Singapore, Complete Entertainment Services LTD, Excell Home Fashions, Inc., LeSaint Logistics, Movianto UK , Orchard Brands, Inc., O'Reilly Automotive, Inc., Panalpina Management AG, Republic National Distributing Company, River Island Clothing Company, RGH Enterprises, Inc., Teva Phamaceutical USA, The Bear Factory Limited, The Beistle Company, APL Co. and Weldom.

2009 GUIDANCE

Due to economic uncertainty and limited visibility, Manhattan Associates has decided to suspend its earnings guidance for the remainder of 2009. Our previously published guidance for fiscal year 2009 should not be relied upon as reflecting management's current expectations for full year results.

"Given our challenges forecasting license revenue in the first half of 2009 and the ongoing turbulence in the global economy, we have suspended our earnings guidance for the remainder of the year. We will revisit our guidance policy when markets stabilize," Mr. Sinisgalli said.

CONFERENCE CALL

The Company's conference call regarding its second quarter financial results will be held at 4:30 p.m. Eastern Time on Tuesday, July 21, 2009. 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 Web cast, please go to the Web site at least 15 minutes before the call to download and install any necessary audio software. For those who cannot listen to the live broadcast, a 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 15403556, or via the Web at www.manh.com. The phone replay will be available for two weeks after the call, and the Internet broadcast will be available until Manhattan Associates' third 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 June 30, 2009.

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 certain information excluding the effect between periods 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 19-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 contains "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: the global economic downturn; disruptions in credit markets; delays in product development; competitive pressures; software errors; and additional risk factors set forth in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2008. 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.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	**2009**	2008
	(unaudited)		(unaudited)	
Revenue:				
Software license	**$ 4,126**	$ 19,365	**$ 9,048**	$ 37,677
Services	**49,422**	62,289	**100,265**	122,126
Hardware and other	**4,861**	8,836	**9,921**	19,011
Total revenue	**58,409**	90,490	**119,234**	178,814
Costs and Expenses:				
Cost of license	**1,035**	1,641	**2,459**	2,785
Cost of services	**21,319**	29,856	**44,476**	61,136
Cost of hardware and other	**4,177**	7,317	**8,298**	15,583
Research and development	**9,188**	11,711	**19,415**	24,365
Sales and marketing	**9,026**	14,676	**19,105**	28,248
General and administrative	**7,251**	8,867	**15,213**	17,938
Depreciation and amortization	**3,010**	3,158	**6,175**	6,406
Restructuring charge	**3,829**	—	**3,892**	—
Total costs and expenses	**58,835**	77,226	**119,033**	156,461
Operating (loss) income	**(426)**	13,264	**201**	22,353
Other (expense) income, net	**(404)**	650	**(637)**	2,951
(Loss) income before income taxes	**(830)**	13,914	**(436)**	25,304
Income tax (benefit) provision	**(274)**	4,835	**(142)**	8,793
Net (loss) income	**$ (556)**	$ 9,079	**$ (294)**	$ 16,511
Basic (loss) earnings per share	**$ (0.02)**	$ 0.37	**$ (0.01)**	$ 0.68
Diluted (loss) earnings per share	**$ (0.02)**	$ 0.37	**$ (0.01)**	$ 0.66
Weighted average number of shares:				
Basic	**22,391**	24,259	**22,687**	24,341
Diluted	**22,391**	24,826	**22,687**	24,833

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	**2009**	2008
Operating (loss) income	**$ (426)**	$ 13,264	**$ 201**	$22,353
Stock option expense (a)	**1,010**	1,372	**2,410**	2,676
Purchase amortization (b)	**741**	844	**1,482**	1,725
Sales tax recoveries (c)	**—**	—	**—**	(234)
Restructuring charge (d)	**3,829**	—	**3,892**	—
Adjusted operating income (Non-GAAP)	**$ 5,154**	$ 15,480	**$ 7,985**	$26,520
Income tax (benefit) provision	**$ (274)**	$ 4,835	**$ (142)**	$ 8,793
Stock option expense (a)	**314**	477	**783**	930
Purchase amortization (b)	**234**	293	**482**	599
Sales tax recoveries (c)	**—**	—	**—**	(81)
Restructuring charge (d)	**1,244**	—	**1,265**	—
Adjusted income tax provision (Non-GAAP)	**$ 1,518**	$ 5,605	**$ 2,388**	$10,241
Net (loss) income	**$ (556)**	$ 9,079	**$ (294)**	$16,511
Stock option expense (a)	**696**	895	**1,627**	1,746
Purchase amortization (b)	**507**	551	**1,000**	1,126
Sales tax recoveries (c)	**—**	—	**—**	(153)
Restructuring charge (d)	**2,585**	—	**2,627**	—
Adjusted net income (Non-GAAP)	**$ 3,232**	$ 10,525	**$ 4,960**	$19,230
Diluted EPS	**$ (0.02)**	$ 0.37	**$ (0.01)**	$ 0.66
Stock option expense (a)	**0.03**	0.04	**0.07**	0.07
Purchase amortization (b)	**0.02**	0.02	**0.04**	0.05
Sales tax recoveries (c)	**—**	—	**—**	(0.01)
Restructuring charge (d)	**0.12**	—	**0.12**	—
Adjusted diluted EPS (Non-GAAP)	**$ 0.14**	$ 0.42	**$ 0.22**	$ 0.77
Fully diluted shares	**22,391**	24,826	**22,687**	24,833
Effect of common stock equivalents (e)	**53**	—	**44**	—
Adjusted fully diluted shares (Non-GAAP)	**22,444**	24,826	**22,731**	24,833

(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 six months ended June 30, 2009 and 2008:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	**2009**	2008
Cost of services	**$ 188**	$ 117	**$ 321**	$ 239
Research and development	**258**	196	**471**	392

Sales and marketing	**(42)**	426	**405**	846
General and administrative	**606**	633	**1,213**	1,199
Total stock option expense	**$ 1,010**	$ 1,372	**$ 2,410**	$ 2,676

(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 June 30, 2009, we committed to and initiated plans to reduce our workforce by approximately 140 positions to realign our capacity based on the revised revenue outlook for 2009. As a result of this initiative, we recorded a restructuring charge of approximately $3.8 million in the second quarter of 2009. The restructuring charge primarily consists of employee severance and outplacement services. We also recorded additional employee severance expense of $63,000 in the first quarter of 2009 related to the restructuring action taken in the fourth quarter of 2008. We do not believe that the restructuring charge is a common cost that resulted from normal operating activities. Consequently, we have excluded this charge from adjusted non-GAAP results.

(e) All common stock equivalents were anti-diluted for GAAP for the three and six months ended June 30, 2009 because we recorded a net loss. Adjustment represents common equivalent shares for these periods using the treasury stock method to properly present diluted shares for our adjusted net income.

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

	June 30, 2009 (unaudited)	December 31, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 87,968**	$ 85,739
Accounts receivable, net of allowance of $5,220 and $5,566 in 2009 and 2008, respectively	**39,405**	63,896
Deferred income taxes	**6,734**	6,667
Income tax receivable	**843**	—
Prepaid expenses and other current assets	**4,800**	6,979
Total current assets	**139,750**	163,281
Property and equipment, net	**18,525**	21,721
Long-term investments	**2,801**	2,967
Acquisition-related intangible assets, net	**4,955**	6,438
Goodwill, net	**62,276**	62,276
Deferred income taxes	**10,526**	10,932
Other assets	**2,519**	2,606
Total assets	**$ 241,352**	$ 270,221
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 6,394**	$ 8,480
Accrued compensation and benefits	**11,115**	17,429
Accrued and other liabilities	**15,334**	16,188
Deferred revenue	**32,626**	32,984
Income taxes payable	**—**	2,365
Total current liabilities	**65,469**	77,446
Other non-current liabilities	**12,935**	12,936
Shareholders' equity:		
Preferred stock, no par value; 20,000,000 shares authorized, no shares issued or outstanding in 2009 or 2008	**—**	—
Common stock, $.01 par value; 100,000,000 shares authorized; 22,500,285 and 23,581,109 shares issued and outstanding at June 30, 2009 and December 31, 2008, respectively	**225**	234
Additional paid-in capital	**—**	—
Retained earnings	**165,530**	182,882
Accumulated other comprehensive loss	**(2,807)**	(3,277)
Total shareholders' equity	**162,948**	179,839
Total liabilities and shareholders' equity	**$ 241,352**	$ 270,221

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

	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
	(unaudited)	
Operating activities:		
Net (loss) income	**$ (294)**	$ 16,511
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	**6,175**	6,406
Stock compensation	**4,018**	4,337
Loss on disposal of equipment	**12**	32
Tax (deficiency) benefit of stock awards exercised/vested	**(1,088)**	119
Excess tax benefits from stock based compensation	**(9)**	(76)
Deferred income taxes	**386**	—
Unrealized foreign currency loss (gain)	**723**	(1,292)
Changes in operating assets and liabilities:		
Accounts receivable, net	**25,082**	(3,840)
Other assets	**2,342**	1,126
Accounts payable, accrued and other liabilities	**(9,872)**	(193)
Income taxes	**(2,944)**	1,791
Deferred revenue	**(986)**	2,196
Net cash provided by operating activities	**23,545**	27,117
Investing activities:		
Purchase of property and equipment	**(1,360)**	(5,560)
Net maturities of investments	**80**	21,533
Net cash (used in) provided by investing activities	**(1,280)**	15,973
Financing activities:		
Purchase of common stock	**(20,540)**	(12,351)
Excess tax benefits from stock based compensation	**9**	76
Proceeds from issuance of common stock from options exercised	**544**	2,187
Net cash used in financing activities	**(19,987)**	(10,088)
Foreign currency impact on cash	**(49)**	(749)
Net change in cash and cash equivalents	**2,229**	32,253
Cash and cash equivalents at beginning of period	**85,739**	44,675
Cash and cash equivalents at end of period	**$ 87,968**	$ 76,928

MANHATTAN ASSOCIATES, INC.

SUPPLEMENTAL INFORMATION

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

	2008				2009		2008	2009
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	YTD	YTD
GAAP Diluted EPS	**$ 0.30**	**$ 0.37**	**$ 0.18**	**$ 0.08**	**$ 0.01**	**$ (0.02)**	**$ 0.66**	**$ (0.01)**
Adjustments to GAAP:								
Stock option expense	0.03	0.04	0.04	0.04	0.04	0.03	0.07	0.07
Purchase amortization	0.02	0.02	0.02	0.02	0.02	0.02	0.05	0.04
Sales tax recoveries	(0.01)	—	—	—	—	—	(0.01)	—
Asset impairment charge	—	—	0.22	—	—	—	—	—
Non-recurring tax adjustments	—	—	(0.11)	(0.02)	—	—	—	—
Restructuring charge	—	—	—	0.13	—	0.12	—	0.12
Adjusted Diluted EPS	**$ 0.35**	**$ 0.42**	**$ 0.34**	**$ 0.26**	**$ 0.07**	**$ 0.14**	**$ 0.42**	**$ 0.22**

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

	2008				2009		2008	2009
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	YTD	YTD
Revenue:								
Americas	$72,129	$73,551	$67,957	$63,609	$50,827	$47,372	$145,680	$ 98,199
EMEA	12,028	11,961	10,083	8,726	7,030	7,818	23,989	14,848
APAC	4,167	4,978	4,696	3,316	2,968	3,219	9,145	6,187
	$88,324	**$90,490**	**$82,736**	**$75,651**	**$60,825**	**$58,409**	**$178,814**	**$119,234**
GAAP Operating Income (Loss):								
Americas	$ 7,065	$10,643	$ 1,618	$ (477)	$ 260	$ (407)	$ 17,708	$ (147)
EMEA	2,055	2,215	1,292	1,078	738	1,124	4,270	1,862
APAC	(31)	406	332	(233)	(371)	(1,143)	375	(1,514)
	$ 9,089	**$13,264**	**$ 3,242**	**$ 368**	**$ 627**	**$ (426)**	**$ 22,353**	**$ 201**
Adjustments (pre-tax):								
Americas:								
Stock option expense	$ 1,304	$ 1,372	$ 1,399	$ 1,383	$ 1,400	$ 1,010	$ 2,676	$ 2,410
Purchase amortization	881	844	769	759	741	741	1,725	1,482
Sales tax recoveries	(234)	—	—	—	—	—	(234)	—
Asset impairment charge	—	—	5,205	—	—	—	—	—
Restructuring charge	—	—	—	4,369	59	2,960	—	3,019
	$ 1,951	$ 2,216	$ 7,373	$ 6,511	$ 2,200	$ 4,711	$ 4,167	$ 6,911
EMEA:								
Restructuring charge	—	—	—	204	$ —	$ 20	$ —	$ 20
	$ —	$ —	$ —	$ 204	$ —	$ 20	$ —	$ 20

APAC:								
Restructuring charge	—	—	—	94	$ 4	$ 849	$ —	$ 853
	$ —	$ —	$ —	$ 94	$ 4	$ 849	$ —	$ 853
Total Adjustments	**$ 1,951**	**$ 2,216**	**$ 7,373**	**$ 6,809**	**$ 2,204**	**$ 5,580**	**$ 4,167**	**$ 7,784**
Adjusted non-GAAP Operating Income (Loss):								
Americas	$ 9,016	$12,859	$ 8,991	$ 6,034	$ 2,460	$ 4,304	$ 21,875	$ 6,764
EMEA	2,055	2,215	1,292	1,282	738	1,144	4,270	1,882
APAC	(31)	406	332	(139)	(367)	(294)	375	(661)
	$11,040	**$15,480**	**$10,615**	**$ 7,177**	**$ 2,831**	**$ 5,154**	**$ 26,520**	**$ 7,985**

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):**

	2008				2009		2008	2009
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	YTD	YTD
Professional services	$41,718	$42,866	$40,693	$33,728	$32,345	$30,767	$ 84,584	$ 63,112
Customer support and software enhancements	18,119	19,423	19,330	20,090	18,498	18,655	37,542	37,153
Total services revenue	**$59,837**	**$62,289**	**$60,023**	**$53,818**	**$50,843**	**$49,422**	**$122,126**	**$100,265**

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

	2008				2009		2008	2009
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	YTD	YTD
Hardware revenue	$ 7,141	$ 5,428	$ 5,756	$ 4,916	$ 3,080	$ 2,992	$12,569	$ 6,072
Billed travel	3,034	3,408	3,155	3,083	1,980	1,869	6,442	3,849
Total hardware and other revenue	**$ 10,175**	**$ 8,836**	**$ 8,911**	**$ 7,999**	**$ 5,060**	**$ 4,861**	**$19,011**	**$ 9,921**

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):

	2008				2009		2008	2009
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	YTD	YTD
Revenue	$ 1,131	$ 1,189	$ 132	$(2,209)	$(2,387)	$(1,996)	$ 2,320	$(4,383)
Costs and expenses	1,601	911	(331)	(3,112)	(3,307)	(2,560)	2,512	(5,867)
Operating income	(470)	278	463	903	920	564	(192)	1,484
Foreign currency gains (losses) in other income	1,641	299	542	1,395	(366)	(506)	1,940	(872)
	$ 1,171	**$ 577**	**$ 1,005**	**$ 2,298**	**$ 554**	**$ 58**	**$ 1,748**	**$ 612**

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):

	2008				2009		2008	2009
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	YTD	YTD
Operating income	$ (619)	$ 59	$ 540	1,248	$ 1,129	$ 800	$ (560)	$ 1,929
Foreign currency gains (losses) in other income	94	385	787	549	336	(367)	479	(31)
Total impact of changes in the Indian Rupee	**$ (525)**	**$ 444**	**$ 1,327**	**$ 1,797**	**$ 1,465**	**$ 433**	**$ (81)**	**$ 1,898**

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

	2008				2009		2009	2009
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	YTD	YTD
Interest income	$ 660	$ 351	$ 385	$ 272	$ 133	$ 102	$ 1,011	$ 235
Foreign currency gains (losses)	1,641	299	542	1,395	(366)	(506)	1,940	(872)
Total other income (expense)	**$ 2,301**	**$ 650**	**$ 927**	**$ 1,667**	**$ (233)**	**$ (404)**	**$ 2,951**	**$ (637)**

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

	2008				2009		2008	2009
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	YTD	YTD
Capital expenditures	$ 2,716	$ 2,844	$ 1,258	$ 890	$ 873	$ 487	$ 5,560	$ 1,360

8. **Stock Repurchase Activity**

During 2009, we repurchased 1,256,106 shares of common stock totaling $20.0 million at an average price of $15.93. In 2008 for the full year, we repurchased approximately 1.7 million shares of common stock totaling $35.0 million at an average price of $20.52.