UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[Mark One]

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 0-23999

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

Georgia	**58-2373424**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
2300 Windy Ridge Parkway, Tenth Floor **Atlanta, Georgia**	**30339**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (770) 955-7070

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the Registrant's class of capital stock outstanding as of July 25, 2013, the latest practicable date, is as follows: 19,312,084 shares of common stock, $0.01 par value per share.

MANHATTAN ASSOCIATES, INC.
FORM 10-Q
Quarter Ended June 30, 2013

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(in thousands, except share and per share data)

	June 30, 2013 (unaudited)	December 31, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 98,623**	$ 96,737
Short-term investments	**7,887**	6,310
Accounts receivable, net of allowance of $5,262 and $6,235 in 2013 and 2012, respectively	**68,469**	62,102
Deferred income taxes	**6,915**	7,787
Prepaid expenses and other current assets	**8,456**	8,571
Total current assets	**190,350**	181,507
Property and equipment, net	**14,169**	15,650
Goodwill, net	**62,262**	62,265
Deferred income taxes	**678**	732
Other assets	**1,382**	1,659
Total assets	**$ 268,841**	$ 261,813
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 7,380**	$ 10,229
Accrued compensation and benefits	**14,699**	16,720
Accrued and other liabilities	**9,754**	12,233
Deferred revenue	**54,494**	47,935
Income taxes payable	**4,482**	4,024
Total current liabilities	**90,809**	91,141
Other non-current liabilities	**10,626**	9,163
Shareholders' equity:		
Preferred stock, no par value; 20,000,000 shares authorized, no shares issued or outstanding in 2013 and 2012	**—**	—
Common stock, $.01 par value; 100,000,000 shares authorized; 19,308,861 and 19,620,967 shares issued and outstanding at June 30, 2013 and December 31, 2012, respectively	**193**	196
Retained earnings	**174,768**	166,016
Accumulated other comprehensive loss	**(7,555)**	(4,703)
Total shareholders' equity	**167,406**	161,509
Total liabilities and shareholders' equity	**$ 268,841**	$ 261,813

See accompanying Notes to Condensed Consolidated Financial Statements.

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Item 1. Financial Statements (continued)

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Income

(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(unaudited)			
Revenue:				
Software license	**$ 16,136**	$ 15,345	**$ 30,381**	$ 30,932
Services	**78,203**	69,322	**153,090**	139,692
Hardware and other	**8,177**	8,900	**15,646**	14,424
Total revenue	**102,516**	93,567	**199,117**	185,048
Costs and expenses:				
Cost of license	**1,937**	1,488	**3,715**	3,265
Cost of services	**35,058**	30,322	**70,104**	62,032
Cost of hardware and other	**7,023**	7,540	**13,237**	11,988
Research and development	**11,032**	10,802	**22,508**	22,353
Sales and marketing	**11,888**	11,415	**23,322**	23,818
General and administrative	**7,932**	9,240	**17,440**	19,548
Depreciation and amortization	**1,459**	1,418	**2,943**	2,762
Total costs and expenses	**76,329**	72,225	**153,269**	145,766
Operating income	**26,187**	21,342	**45,848**	39,282
Other income, net	**1,243**	802	**1,394**	678
Income before income taxes	**27,430**	22,144	**47,242**	39,960
Income tax provision	**10,023**	7,972	**16,480**	14,386
Net income	**$ 17,407**	$ 14,172	**$ 30,762**	$ 25,574
Basic earnings per share	**$ 0.91**	$ 0.72	**$ 1.60**	$ 1.29
Diluted earnings per share	**$ 0.89**	$ 0.70	**$ 1.57**	$ 1.25
Weighted average number of shares:				
Basic	**19,222**	19,765	**19,274**	19,834
Diluted	**19,509**	20,351	**19,597**	20,494

See accompanying Notes to Condensed Consolidated Financial Statements.

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Item 1. Financial Statements (continued)

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(unaudited)			
Net income	**$ 17,407**	$ 14,172	**$30,762**	$ 25,574
Other comprehensive loss, net of tax:				
Foreign currency translation adjustment	**(2,772)**	(1,822)	**(2,852)**	(734)
Unrealized gain on investments, net of tax of $53	—	92	—	92
Other comprehensive loss	**(2,772)**	(1,730)	**(2,852)**	(642)
Comprehensive income	**$ 14,635**	$ 12,442	**$27,910**	$ 24,932

See accompanying Notes to Condensed Consolidated Financial Statements.

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Item 1. Financial Statements (continued)

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(in thousands)

	Six Months Ended June 30, 2013	2012
	(unaudited)	
Operating activities:		
Net income	**$ 30,762**	$ 25,574
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**2,943**	2,762
Equity-based compensation	**4,040**	3,637
Loss (gain) on disposal of equipment	**1**	(3)
Tax benefit of stock awards exercised/vested	**4,987**	4,981
Excess tax benefits from equity-based compensation	**(4,874)**	(4,062)
Deferred income taxes	**2,265**	2,461
Unrealized foreign currency (gain) loss	**(372)**	173
Changes in operating assets and liabilities:		
Accounts receivable, net	**(6,971)**	(8,206)
Other assets	**227**	650
Accounts payable, accrued and other liabilities	**(7,341)**	(4,056)
Income taxes	**887**	7,163
Deferred revenue	**7,142**	2,876
Net cash provided by operating activities	**33,696**	33,950
Investing activities:		
Purchase of property and equipment	**(1,633)**	(3,250)
Net (purchases) maturities of investments	**(2,055)**	1,223
Net cash used in investing activities	**(3,688)**	(2,027)
Financing activities:		
Purchase of common stock	**(34,902)**	(50,235)
Proceeds from issuance of common stock from options exercised	**3,861**	17,933
Excess tax benefits from equity-based compensation	**4,874**	4,062
Net cash used in financing activities	**(26,167)**	(28,240)
Foreign currency impact on cash	**(1,955)**	(771)
Net change in cash and cash equivalents	**1,886**	2,912
Cash and cash equivalents at beginning of period	**96,737**	92,180
Cash and cash equivalents at end of period	**$ 98,623**	$ 95,092

See accompanying Notes to Condensed Consolidated Financial Statements.

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2013
(Unaudited)

1. Basis of Presentation and Principles of Consolidation

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Manhattan Associates, Inc. and its subsidiaries (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information, with the instructions to Form 10-Q and with Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required for complete financial statements. In the opinion of management, these condensed consolidated financial statements contain all normal recurring adjustments considered necessary for a fair presentation of the Company's financial position at June 30, 2013, the results of operations for the three and six months ended June 30, 2013 and 2012, and cash flows for the six months ended June 30, 2013 and 2012. The results for the three and six months ended June 30, 2013 are not necessarily indicative of the results to be expected for the full year. These statements should be read in conjunction with the Company's audited consolidated financial statements and management's discussion and analysis included in the Company's annual report on Form 10-K for the year ended December 31, 2012.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the Company's accounts and the accounts of its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

2. Revenue Recognition

The Company's revenue consists of fees from the licensing and hosting of software (collectively included in "Software license" revenue in the Condensed Consolidated Statements of Income), fees from implementation and training services (collectively, "professional services") and customer support services and software enhancements (collectively included in "Services" revenue in the Condensed Consolidated Statements of Income), and sales of hardware and other revenue, which consists of reimbursements of out-of-pocket expenses incurred in connection with professional services rendered (collectively included in "Hardware and other" revenue in the Condensed Consolidated Statements of Income). All revenue is recognized net of any related sales taxes.

The Company recognizes license revenue when the following criteria are met: (1) a signed contract is obtained covering all elements of the arrangement, (2) delivery of the product has occurred, (3) the license fee is fixed or determinable, and (4) collection is probable. Revenue recognition for software with multiple-element arrangements requires recognition of revenue using the "residual method" when (a) there is vendor-specific objective evidence (VSOE) of the fair values of all undelivered elements in a multiple-element arrangement that is not accounted for using long-term contract accounting, (b) VSOE of fair value does not exist for one or more of the delivered elements in the arrangement, and (c) all other applicable revenue-recognition criteria for software revenue recognition, are satisfied. For those contracts that contain significant customization or modifications, license revenue is recognized using contract accounting.

The Company allocates revenue to customer support services and software enhancements and any other undelivered elements of the arrangement based on VSOE of fair value of each element and such amounts are deferred until the applicable delivery criteria and other revenue recognition criteria have been met. The balance of the revenue, net of any discounts inherent in the arrangement, is recognized at the outset of the arrangement using the residual method as the product licenses are delivered. If the Company cannot objectively determine the fair value of each undelivered element based on the VSOE of fair value, the Company defers revenue recognition until all elements are delivered, all services have been performed, or until fair value can be objectively determined. The Company must apply judgment in determining all elements of the arrangement and in determining the VSOE of fair value for each element, considering the price charged for each product on a stand-alone basis or applicable renewal rates. For arrangements that include future software functionality deliverables, the Company accounts for these deliverables as a separate element of the arrangement. Because the Company does not sell these deliverables on a standalone basis, the Company is not able to establish VSOE of fair value of these deliverables. As a result, the Company defers all revenue under the arrangement until the future functionality has been delivered to the customer.

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (continued)
June 30, 2013
(Unaudited)

Payment terms for the Company's software licenses vary. Each contract is evaluated individually to determine whether the fees in the contract are fixed or determinable and whether collectibility is probable. Judgment is required in assessing the probability of collection, which is generally based on evaluation of customer-specific information, historical collection experience, and economic market conditions. If market conditions decline, or if the financial conditions of customers deteriorate, the Company may be unable to determine that collectibility is probable, and the Company could be required to defer the recognition of revenue until the Company receives customer payments. The Company has an established history of collecting under the terms of its software license contracts without providing refunds or concessions to its customers. Therefore, the Company has determined that the presence of payment terms that extend beyond contract execution in a particular contract do not preclude the conclusion that the fees in the contract are fixed or determinable. Although infrequent, when payment terms in a contract extend beyond twelve months, the Company has determined that such fees are not fixed or determinable and recognizes revenue as payments become due provided that all other conditions for revenue recognition have been met.

The Company's services revenue consists of fees generated from professional services and customer support and software enhancements related to the Company's software products. Professional services include system planning, design, configuration, testing and other software implementation support and are not typically essential to the functionality of our software. Fees from professional services performed by the Company are separately priced and are generally billed on an hourly basis, and revenue is recognized as the services are performed. In certain situations, professional services are rendered under agreements in which billings are limited to contractual maximums or based upon a fixed-fee for portions of or all of the engagement. Revenue related to fixed-fee based contracts is recognized on a proportional performance basis based on the hours incurred on discrete projects within an overall services arrangement. The Company has determined that output measures, or services delivered, approximate the input measures associated with fixed-fee services arrangements. Project losses are provided for in their entirety in the period in which they become known. Revenue related to customer support services and software enhancements is generally paid in advance and recognized ratably over the term of the agreement, typically twelve months.

Hardware and other revenue is generated from the resale of a variety of hardware products, developed and manufactured by third parties, that are integrated with and complementary to the Company's software solutions. As part of a complete solution, the Company's customers periodically purchase hardware from the Company for use with the software licenses purchased from the Company. These products include computer hardware, radio frequency terminal networks, radio frequency identification (RFID) chip readers, bar code printers and scanners, and other peripherals. Hardware revenue is recognized upon shipment to the customer when title passes. The Company generally purchases hardware from the Company's vendors only after receiving an order from a customer. As a result, the Company generally does not maintain hardware inventory.

In accordance with the other presentation matters within the Revenue Recognition Topic of the Financial Accounting Standards Board's (FASB) Accounting Standards Codification, the Company recognizes amounts associated with reimbursements from customers for out-of-pocket expenses as revenue. Such amounts have been included in "Hardware and other" revenue in the Condensed Consolidated Statements of Income. The total amount of expense reimbursement recorded to revenue was $3.9 million and $3.2 million for the three months ended June 30, 2013 and 2012, respectively, and $7.2 million and $5.6 million for the six months ended June 30, 2013 and 2012, respectively.

3. Fair Value Measurement

The Company measures its investments based on a fair value hierarchy disclosure framework that prioritizes and ranks the level of market price observability used in measuring assets and liabilities at fair value. Market price observability is affected by a number of factors, including the type of asset or liability and their characteristics. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1–Quoted prices in active markets for identical instruments.
- Level 2–Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3–Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (continued)
June 30, 2013
(Unaudited)

The Company's investments are categorized as available-for-sale securities and recorded at fair market value. Investments with maturities of 90 days or less from the date of purchase are classified as cash equivalents; investments with maturities of greater than 90 days from the date of purchase but less than one year are generally classified as short-term investments; and investments with maturities of one year or greater from the date of purchase are generally classified as long-term investments. Unrealized holding gains and losses are reflected as a net amount in a separate component of shareholders' equity until realized. For the purposes of computing realized gains and losses, cost is determined on a specific identification basis.

At June 30, 2013, the Company's cash, cash equivalents, and short-term investments balances were $58.2 million, $40.4 million, and $7.9 million, respectively. The Company currently has no long-term investments. Cash equivalents consist of highly liquid money market funds and certificates of deposit. Short-term investments consist of certificates of deposit. The Company uses quoted prices from active markets that are classified at Level 1 as a highest level observable input in the disclosure hierarchy framework for all available-for-sale securities. At June 30, 2013 and December 31, 2012, the Company had $30.3 million and $35.2 million in money market funds, respectively, which are classified as Level 1 and are included in cash and cash equivalents on the Condensed Consolidated Balance Sheets. The Company has no investments classified as Level 2 or Level 3.

4. Equity-Based Compensation

In January 2012, in order to simplify equity grant administration, the Company changed its practice of granting restricted stock in favor of granting restricted stock *units*, or RSUs, which convert to the Company's common stock upon vesting. There is no material difference between the grant of restricted stock and the grant of RSUs to either the Company or the recipients receiving the grants; however, in contrast to the granting of restricted stock, no stock will actually be issued under the granting of RSUs until the units vest. The Company does not currently grant stock options.

As previously reported, on December 31, 2012, Mr. Peter F. Sinisgalli stepped down from the role of Chief Executive Officer of the Company and became a non-employee member of the Board of Directors. In March 2013, the Board of Directors, upon the recommendation of the Compensation Committee in recognition of Mr. Sinisgalli's successful tenure as Chief Executive Officer and the superior performance of the Company under his leadership, approved the vesting of a portion of the equity incentives granted to him during his employment as Chief Executive Officer that were scheduled to vest during the first quarter of 2013. These previously granted incentives included options to acquire 3,750 shares at an exercise price of $15.53 per share and 10,597 shares of restricted stock and RSUs. The Board's action preserved 22% of Mr. Sinisgalli's non-vested employee equity value in recognition of his services and contribution, with the remaining 78% forfeited.

The Company recorded equity-based compensation related to stock options granted in prior years of $11,000 and $140,000 during the three months ended June 30, 2013 and 2012, respectively, and $159,000 and $260,000 for the six months ended June 30, 2013 and 2012, respectively.

A summary of changes in outstanding options for the six months ended June 30, 2013 is as follows:

	Number of Options
Outstanding at December 31, 2012	371,750
Exercised	(179,651)
Forfeited and expired	(5,906)
Outstanding at June 30, 2013	**186,193**

The Company granted 17,020 RSUs and 18,196 RSUs during the three months ended June 30, 2013 and 2012, respectively, and 211,292 RSUs and 216,075 RSUs during the six months ended June 30, 2013 and 2012, respectively. The Company recorded equity-based compensation expense related to restricted stock and RSUs of $2.1 million and $1.8 million during the three months ended June 30, 2013 and 2012, respectively, and $3.9 million and $3.4 million during the six months ended June 30, 2013 and 2012.

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MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (continued)
June 30, 2013
(Unaudited)

A summary of changes in unvested shares/units for the six months ended June 30, 2013 is as follows:

	Number of shares/units
Outstanding at December 31, 2012	597,199
Granted	211,292
Vested	(214,006)
Forfeited	(132,920)
Outstanding at June 30, 2013	**461,565**

5. Income Taxes

The Company's effective tax rate was 36.5% and 36.0% for the quarters ended June 30, 2013 and 2012, respectively, and 34.9% and 36.0% for the six months ended June 30 2013 and 2012, respectively. The increase in the effective tax rate for the quarter ended June 30, 2013 is due to an increase in foreign taxes, partially offset by the reinstatement of the federal research and development tax credit for the 2013 tax year. The decrease in the effective tax rate for the six months ended June 30, 2013 is due to the reinstatement of the federal research and development tax credit in January 2013 for the 2012 and 2013 tax years, partially offset by the establishment of state income tax reserves and an increase in foreign taxes.

The Company applies the provisions for income taxes related to, among other things, accounting for uncertain tax positions and disclosure requirements in accordance with the Income Taxes Topic of the FASB Accounting Standards Codification. For the three months ended June 30, 2013, there were no material changes to the Company's uncertain tax positions. Nor has there has been any change to the Company's policy that recognizes potential interest and penalties related to uncertain tax positions within its global operations in income tax expense.

The Company conducts business globally and, as a result, files income tax returns in the U.S. federal jurisdiction and in many state and foreign jurisdictions. The Company is no longer subject to income tax examinations for the years before 2009 in the U.S. federal, substantially all state and local, and substantially all non-US jurisdictions.

6. Net Earnings Per Share

Basic net earnings per share is computed using net income divided by the weighted average number of shares of common stock outstanding ("Weighted Shares") for each period presented. Diluted net earnings per share is computed using net income divided by the sum of Weighted Shares and common equivalent shares (CESs) outstanding for each period presented using the treasury stock method.

The following is a reconciliation of the net income and share amounts used in the computation of basic and diluted net earnings per common share for the three and six months ended June 30, 2013 and 2012 (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net income	**$ 17,407**	$ 14,172	**$30,762**	$ 25,574
Earnings per share:				
Basic	**$ 0.91**	$ 0.72	**$ 1.60**	$ 1.29
Effect of CESs	**(0.02)**	(0.02)	**(0.03)**	(0.04)
Diluted	**$ 0.89**	$ 0.70	**$ 1.57**	$ 1.25
Weighted average number of shares:				
Basic	**19,222**	19,765	**19,274**	19,834
Effect of CESs	**287**	586	**323**	660
Diluted	**19,509**	20,351	**19,597**	20,494

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (continued)
June 30, 2013
(Unaudited)

There were no anti-dilutive CESs during 2012 and 2013.

7. Contingencies

From time to time, the Company may be involved in litigation relating to claims arising out of its ordinary course of business, and occasionally legal proceedings not in the ordinary course. Many of the Company's product installations involve software products that are critical to the operations of its customers' businesses. Any failure in a product could result in a claim for substantial damages against the Company, regardless of its responsibility for such failure. Although the Company attempts to limit contractually its liability for damages arising from product failures or negligent acts or omissions, there can be no assurance that the limitations of liability set forth in the Company's contracts will be enforceable in all instances. The Company is not presently involved in any material litigation. The Company expenses legal costs associated with loss contingencies as such claims are incurred.

8. Operating Segments

The Company operates its business in three geographical segments: the Americas (North America and Latin America); Europe, Middle East, and Africa (EMEA); and Asia Pacific (APAC). The information for the periods presented below reflects these segments. All segments derive revenue from the sale and implementation of the Company's supply chain execution and planning solutions. The individual products sold by the segments are similar in nature and are all designed to help companies manage the effectiveness and efficiency of their supply chain. The Company uses the same accounting policies for each operating segment. The Chief Executive Officer and Chief Financial Officer evaluate performance based on revenue and operating results for each region.

The Americas segment charges royalty fees to the EMEA and APAC segments based on software licenses sold by those operating segments. The royalties, which totaled approximately $0.7 million for both three months periods ended June 30, 2013 and 2012, and approximately $1.3 million and $1.9 million for the six months ended June 30, 2013 and 2012, respectively, are included in cost of revenue in EMEA and APAC with a corresponding reduction in the Americas cost of revenue. The revenues represented below are from external customers only. The geographical-based costs consist of costs of personnel, direct sales and marketing expenses, and general and administrative costs to support the business. There are certain corporate expenses included in the Americas region that are not charged to the other segments, including research and development, certain marketing and general and administrative costs that support the global organization, and the amortization of acquired developed technology. Included in the Americas costs are all research and development costs including the costs associated with the Company's India operations.

The following table presents the revenues, expenses and operating income by reporting segment for the three and six months ended June 30, 2013 and 2012 (in thousands):

	Three Months Ended June 30,							
	2013				2012			
	Americas	EMEA	APAC	Consolidated	Americas	EMEA	APAC	Consolidated
Revenue:								
License	**$ 13,462**	**$ 1,118**	**$ 1,556**	**$ 16,136**	$ 12,361	$ 3,257	$ (273)	$ 15,345
Services	**62,510**	**10,477**	**5,216**	**78,203**	56,349	8,760	4,213	69,322
Hardware and other	**7,628**	**369**	**180**	**8,177**	8,384	317	199	8,900
Total revenue	**83,600**	**11,964**	**6,952**	**102,516**	77,094	12,334	4,139	93,567
Costs and Expenses:								
Cost of revenue	**34,435**	**6,212**	**3,371**	**44,018**	30,698	6,014	2,638	39,350
Operating expenses	**26,592**	**2,939**	**1,321**	**30,852**	26,964	3,314	1,179	31,457
Depreciation and amortization	**1,317**	**77**	**65**	**1,459**	1,302	62	54	1,418
Total costs and expenses	**62,344**	**9,228**	**4,757**	**76,329**	58,964	9,390	3,871	72,225
Operating income	**$ 21,256**	**$ 2,736**	**$ 2,195**	**$ 26,187**	$ 18,130	$ 2,944	$ 268	$ 21,342

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (continued)
June 30, 2013
(Unaudited)

	Six Months Ended June 30,							
	2013				2012			
	Americas	EMEA	APAC	Consolidated	Americas	EMEA	APAC	Consolidated
Revenue:								
Software license	$ 24,991	$ 2,437	$ 2,953	$ 30,381	$ 23,350	$ 7,316	$ 266	$ 30,932
Services	123,790	20,240	9,060	153,090	113,465	16,806	9,421	139,692
Hardware and other	14,639	718	289	15,646	13,474	619	331	14,424
Total revenue	163,420	23,395	12,302	199,117	150,289	24,741	10,018	185,048
Costs and Expenses:								
Cost of revenue	68,249	12,372	6,435	87,056	59,715	12,079	5,491	77,285
Operating expenses	54,289	6,383	2,598	63,270	56,223	7,016	2,480	65,719
Depreciation and amortization	2,662	151	130	2,943	2,536	122	104	2,762
Total costs and expenses	125,200	18,906	9,163	153,269	118,474	19,217	8,075	145,766
Operating income	$ 38,220	$ 4,489	$ 3,139	$ 45,848	$ 31,815	$ 5,524	$ 1,943	$ 39,282

License revenues related to the Company's warehouse and non-warehouse product groups for the three and six months ended June 30, 2013 and 2012 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Warehouse	$ 9,375	$ 9,746	$18,626	$ 18,423
Non-Warehouse	6,761	5,599	11,755	12,509
Total software license revenue	$ 16,136	$ 15,345	$30,381	$ 30,932

The Company's services revenues, which consist of fees generated from professional services and customer support and software enhancements related to its software products, for the three and six months ended June 30, 2013 and 2012 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Professional services	$ 52,492	$ 45,497	$101,643	$ 92,118
Customer support and software enhancements	25,711	23,825	51,447	47,574
Total services revenue	$ 78,203	$ 69,322	$153,090	$139,692

9. New Accounting Pronouncements

In February 2013, the FASB issued an Accounting Standards Update (ASU) on reporting of amounts reclassified out of accumulated other comprehensive income, an amendment to the Presentation of Comprehensive Income Topic of the FASB Accounting Standards Codification. The ASU requires disclosure of amounts reclassified out of accumulated other comprehensive income by component. In addition, companies are required to present either on the face of the financial statements or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income, but only if the amount reclassified is required to be reclassified to net income in its entirety in the same reporting period. For amounts that are not required to be reclassified in their entirety to net income, companies are required to cross-reference to other disclosures that provide additional detail about those amounts. This guidance is effective prospectively for annual and interim periods beginning after December 15, 2012. The Company adopted the ASU in its first quarter of 2013 reporting, which did not have an impact on its financial statements.

In July 2013, the FASB issued an ASU on presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists, an amendment to the Income Taxes Topic of the FASB

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (continued)
June 30, 2013
(Unaudited)

Accounting Standards Codification. The ASU requires companies to net the liability related to an unrecognized tax benefit against a deferred tax asset for a loss or other carryforward that would apply in settlement of the uncertain tax positions. In addition, under this ASU, unrecognized tax benefits will be netted against all available same-jurisdiction loss or other tax carryforwards that would be utilized, rather than only against carryforwards that are created by the unrecognized tax benefits. This guidance is effective prospectively for annual and interim periods beginning after December 15, 2013. The Company does not anticipate the adoption of this ASU will have a material impact on its financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

Certain statements contained in this filing are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to statements related to plans for future business development activities, anticipated costs of revenues, product mix and service revenues, research and development and selling, general and administrative activities, and liquidity and capital needs and resources. When used in this report, the words "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," and similar expressions are generally intended to identify forward-looking statements. Undue reliance should not be placed on these forward-looking statements, which reflect our opinions only as of the date of this quarterly report. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. For further information about these and other factors that could affect our future results, please see "Risk Factors" in Item 1A of our annual report on Form 10-K for the year ended December 31, 2012. Investors are cautioned that 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. The following discussion should be read in conjunction with the condensed consolidated financial statements for the three and six months ended June 30, 2013 and 2012, including the notes to those statements, included elsewhere in this quarterly report. We also recommend the following discussion be read in conjunction with management's discussion and analysis and consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2012. References in this filing to the "Company," "Manhattan," "Manhattan Associates," "we," "our," and "us" refer to Manhattan Associates, Inc., our predecessors, and our wholly-owned and consolidated subsidiaries.

Business Overview

We are a leading developer and implementer of supply chain software solutions that help organizations optimize their supply chain operations from planning through execution. Our platform-based supply chain software solution portfolios – Manhattan SCOPE ® and Manhattan SCALE™ – are designed to deliver both business agility and total cost of ownership advantages to customers. Manhattan SCOPE (Supply Chain Optimization, Planning through Execution) leverages our Supply Chain Process Platform (SCPP) to unify the full breadth of the supply chain, while Manhattan SCALE (Supply Chain Architected for Logistics Execution) leverages Microsoft's .NET ® platform to unify logistics functions.

Early in the Company's history, our offerings were heavily focused on warehouse management solutions. As the Company grew in size and scope, our offerings expanded across the entire supply chain, while still maintaining a significant presence in, and a relatively strong concentration of revenues from warehouse management solutions, which is a component of our distribution management solution suite. Over time, as our non-warehouse management solutions have proliferated and increased in capability, the Company's revenue concentration in its warehouse management solutions has correspondingly decreased.

Our business model is singularly focused on the development and implementation of complex supply chain software solutions that are designed to optimize supply chain effectiveness and efficiency for our customers. We have three principal sources of revenue:

- licenses of our supply chain software;
- professional services, including solutions planning and implementation, related consulting, customer training, and customer support services and software enhancements (collectively, "services"); and
- hardware sales and other revenue.

In the three and six months ended June 30, 2013, we generated $102.5 million and $199.1 million, in total revenue, respectively, with a revenue mix of: license revenue 16%; services revenue 76%; and hardware and other revenue 8% for the three months ended June 30, 2013, and license revenue 15%; services revenue 77%; and hardware and other revenue 8% for the six months ended June 30, 2013.

We manage our business based on three geographic regions: North America and Latin America (Americas); Europe, Middle East, and Africa (EMEA); and Asia Pacific (APAC). Geographic revenue is based on the location of the sale. Our international revenue was approximately $25.8 million and $50.5 million for the three and six months ended June 30, 2013, respectively, which represents approximately 25% of our total revenue for both periods. International revenue includes all revenue derived from sales to customers outside the United States. At June 30, 2013, we employed approximately 2,450 employees worldwide, of which 1,160 employees are based in the Americas, 175 employees in EMEA, and 1,115 employees in APAC (including India). We have offices in Australia, China, France, India, Japan, the Netherlands, Singapore, and the United Kingdom, as well as representatives in Mexico and reseller partnerships in Latin America, Eastern Europe, the Middle East, South Africa, and Asia.

Global Economic Trends and Industry Factors

Global macroeconomic trends, technology spending, and supply chain management market growth are important barometers for our business. In both the three and six month periods ended June 30, 2013, approximately 75% of our total revenue was generated in the United States, 12% in EMEA, and the balance in APAC, Canada, and Latin America. Gartner Inc., an information technology research and advisory company, estimates that nearly 80% of every supply chain software solutions dollar invested is spent in the United States (50%) and Western Europe (28%); consequently, the health of the U.S. and Western European economies has a meaningful impact on our financial results.

We sell technology-based solutions with total pricing, including software and services, in many cases exceeding $1.0 million. Our software often is a part of our customers' and prospects' much larger capital commitment associated with facilities expansion and business improvement. We believe that, given the lingering uncertainty in the global macro environment, the current sales cycles for large license deals of $1.0 million or greater in our target markets have been extended. The current business climate within the United States and geographic regions in which we operate continues to affect customers' and prospects' decisions regarding timing of strategic capital expenditures. Delays with respect to such decisions can have a material adverse impact on our business, and may further intensify competition in our already highly competitive markets.

In July 2013, the International Monetary Fund (IMF) provided a World Economic Outlook (WEO) update lowering its previous 2013 world economic growth forecast to 3.1 percent growth in 2013, which is the same as 2012 growth rate. The WEO update noted that "global growth will recover from slightly above 3 percent in 2013 to 3 3/4 percent in 2014, some 1/4 percent weaker for both years than the April 2013 projections." The WEO update projected that advanced economies, which represent our primary revenue markets, would grow at about 1.2 percent in 2013 and 2.1 percent in 2014, while the emerging and developing economies would continue to grow at a solid pace of about 5.0 percent in 2013 and 5.4 percent in 2014.

During 2012 and continuing into 2013, the overall trend has been steady for the Company's large license deals, with recognized $1.0 million or larger software license sales totaling twelve for 2012 and totaling seven in the first half of 2013. However, the large deal flow has been inconsistent from quarter to quarter, reflecting what we believe to be ongoing macroeconomic uncertainty in the United States and Western Europe. While we are encouraged by our 2012 and first half of 2013 results, we, along with many of our customers, still remain cautious regarding the pace of global economic recovery. With global GDP growth continuing to be well below pre-2008 levels, we believe global economic volatility likely will continue to shape customers' and prospects' buying decisions, making it more difficult to forecast sales cycles for our products and the timing of large software license deals.

Revenue

License revenue. License revenue, a leading indicator of our business, is primarily derived from software license fees that customers pay for supply chain solutions. License revenue totaled $16.1 million, or 16% of total revenue, with gross margins of 88.0% for the three months ended June 30, 2013, and $30.4 million, or 15% of total revenue, with gross margins of 87.8% for the six months ended June 30, 2013. Our typical license revenue percentage mix of new to existing customers historically has approximated 50/50. However, for the three and six months ended June 30, 2013, the percentage mix of new to existing customers was approximately 30/70. We believe our current mix of new customer to existing customer license sales will fluctuate with continuing global macroeconomic uncertainty; however, we anticipate that the mix will return to historically normal levels in improved global economic conditions.

License revenue growth is influenced by the strength of general economic and business conditions and the competitive position of our software products. Our license revenue generally has long sales cycles and the timing of the closing of a few large license transactions can have a material impact on our quarterly license revenues, operating profit, operating margins, and earnings per share. For example, $1.0 million of license revenue in the second quarter of 2013 equates to approximately $0.03 of diluted earnings per share impact.

Our software solutions are singularly focused on the supply chain planning and execution markets, which are intensely competitive and characterized by rapid technological change. We are a market leader in the supply chain management software solutions market as defined by industry analysts such as ARC Advisory Group and Gartner. Our goal is to extend our position as a leading global supply chain solutions provider by growing our license revenues faster than our competitors through investment in innovation. We expect to continue to face increased competition from Enterprise Resource Planning (ERP) and Supply Chain Management applications vendors and business application software vendors that may broaden their solution offerings by internally developing, or by acquiring or partnering with independent developers of supply chain planning and execution software. Increased competition could result in price reductions, fewer customer orders, reduced gross margins, and loss of market share.

Services revenue. Our services business consists of professional services (consulting and customer training) and customer support services and software enhancements (CSSE). Services revenue totaled $78.2 million, or 76% of total revenue, with gross margins of 55.2% for the three months ended June 30, 2013, and $153.1 million, or 77% of total revenue, with gross margins of 54.2% for the six months ended June 30, 2013. Professional services accounted for approximately 65% of total services revenue and approximately 50% of total revenue in the three and six months ended June 30, 2013. Our operating margin profile may be lower than those of various other technology companies due to our large services revenue mix as a percentage of total revenue. While we believe our services margins are very strong, they do lower our overall operating margin profile as services margins are inherently lower than license revenue margins.

At June 30, 2013, our services organization totaled approximately 1,490 employees, accounting for 60% of our total employees worldwide. Our professional services organization provides our customers with expertise and assistance in planning and implementing our solutions. To ensure a successful product implementation, consultants assist customers with the initial installation of a system, the conversion and transfer of the customer’s historical data onto our system, and ongoing training, education, and system upgrades. We believe our professional services enable customers to implement our software more rapidly than if they were to rely on internal or other third party services, enable the customer to maximize value from our solution, strengthen our customer relationships, and add to our industry-specific knowledge base for use in future implementations and product innovations.

Although our professional services are optional, the majority of our customers use at least some portion of these services for their planning, implementation, or related needs. Professional services are typically rendered under time and materials-based contracts with services typically billed on an hourly basis. Professional services are sometimes rendered under fixed-fee based contracts with payments due on specific dates or milestones.

Typically, our professional services lag license revenue by several quarters, as implementation services and related consulting are performed after the purchase of the software. Services revenue growth is contingent upon license revenue growth and customer upgrade cycles, which are influenced by the strength of general economic and business conditions and the competitive position of our software products. In addition, our business has competitive exposure to offshore providers and other consulting companies. All of these factors potentially create the risk of pricing pressure, fewer customer orders, reduced gross margins, and loss of market share.

For CSSE, we offer a comprehensive 24 hour per day, 365 days per year program that provides our customers with software upgrades, when and if available, which include additional or improved functionality and technological advances incorporating emerging supply chain and industry initiatives.

Our CSSE revenues totaled $25.7 million and $51.4 million for the three and six months ended June 30, 2013, respectively, representing approximately 35% of services revenue and approximately 25% of total revenue for both periods. The growth of CSSE revenues is influenced by: (i) new license revenue growth, (ii) annual renewal of support contracts, and (iii) fluctuations in currency rates. Substantially all of our customers renew their annual support contracts. Over the last three years, our annual revenue renewal rate of customers subscribing to comprehensive support and software enhancements has been greater than 90%. CSSE fees generally are paid in advance, and our CSSE revenue generally is recognized ratably over the term of the agreement, typically twelve months. CSSE renewal revenue is not recognized unless payment is received from the customer.

Hardware and other revenue. Our hardware and other revenue totaled $8.2 million, representing 8% of total revenue with gross margins of 14.1% for the three months ended June 30, 2013, and $15.6 million, representing 8% of total revenue with gross margins of 15.4% for the six months ended June 30, 2013. In conjunction with the licensing of our software, and as a convenience for our customers, we resell a variety of hardware products developed and manufactured by third parties. These products include computer hardware, radio frequency terminal networks, RFID chip readers, bar code printers and scanners, and other peripherals. We resell all third-party hardware products pursuant to agreements with manufacturers or through distributor-authorized reseller agreements pursuant to which we are entitled to purchase hardware products at discount prices and to receive technical support in connection with product installations and any subsequent product malfunctions. We generally purchase hardware from our vendors only after receiving an order from a customer. As a result, we generally do not maintain hardware inventory.

Other revenue represents amounts associated with reimbursements from customers for out-of-pocket expenses. The total amount of expense reimbursement recorded to hardware and other revenue was $3.9 million and $7.2 million for the three and six months ended June 30, 2013.

Product Development

We continue to invest significantly in research and development (R&D), which historically has averaged 13% to 15% of revenue (excluding hardware and other revenue) to provide leading solutions that help global manufacturers, wholesalers, distributors, retailers, and logistics providers successfully manage accelerating and fluctuating demands as well as the increasing complexity and volatility of their local and global supply chains. Our research and development expenses were $11.0 million and $22.5 million for the three and six months ended June 30, 2013, respectively. At June 30, 2013, our R&D organization totaled approximately 630 employees, located in the U.S. and India, representing approximately 25% of our total employees worldwide.

We expect to continue to focus our R&D resources on the development and enhancement of supply chain software solutions. We offer what we believe to be the broadest solution portfolio in the supply chain solutions marketplace, to address all aspects of planning and forecasting, inventory optimization, order lifecycle management, transportation lifecycle management, and distribution management. We also plan to continue to enhance our existing solutions and to introduce new solutions to address evolving industry standards and market needs. We identify opportunities to further enhance our solutions and to develop and provide new solutions through our customer support organization, as well as through ongoing customer consulting engagements and implementations, interactions with our user groups, association with leading industry analysts and market research firms, and participation on industry standards and research committees. Our solutions address the needs of customers in various vertical markets, including retail, consumer goods, food and grocery, logistics service providers, industrial and wholesale, high technology and electronics, life sciences, and government.

Cash Flow and Financial Condition

For the three and six months ended June 30, 2013, we generated cash flow from operating activities of $13.6 million and $33.7 million, respectively. Our cash, cash equivalents, and investments at June 30, 2013 totaled $106.5 million, with no debt on our balance sheet. We currently have no credit facilities. During the past three years, our primary uses of cash have been funding investment in R&D and operations to drive earnings growth and repurchases of our common stock.

We repurchased 421,820 shares of Manhattan Associates' outstanding common stock under our repurchase program during the six months ended June 30, 2013. In July 2013, our Board of Directors approved raising the Company's remaining share repurchase authority to $50.0 million of Manhattan Associates' outstanding common stock.

For the remainder of 2013, we anticipate that our priorities for the use of cash will be in developing sales and services resources and continued investment in product development to drive and support profitable growth and extend our market leadership. We will continue to evaluate acquisition opportunities that are complementary to our product footprint and technology direction. We will also continue to weigh our share repurchase options against cash for acquisitions and investing in the business. We do not anticipate any borrowing requirements in the remainder of 2013 for general corporate purposes.

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Results of Operations

The following table summarizes our consolidated results for the three and six months ended June 30, 2013 and 2012.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(in thousands, except per share data)			
Revenue	**$102,516**	$ 93,567	**$ 199,117**	$ 185,048
Costs and expenses	**(76,329)**	(72,225)	**(153,269)**	(145,766)
Operating income	**26,187**	21,342	**45,848**	39,282
Other income, net	**1,243**	802	**1,394**	678
Income before income taxes	**27,430**	22,144	**47,242**	39,960
Net income	**$ 17,407**	$ 14,172	**$ 30,762**	$ 25,574
Diluted earnings per share	**$ 0.89**	$ 0.70	**$ 1.57**	$ 1.25
Diluted weighted average number of shares	**19,509**	20,351	**19,597**	20,494

We manage our business based on three geographic regions: the Americas, EMEA, and APAC. Geographic revenue information is based on the location of sale. The revenues represented below are from external customers only. The geographical-based expenses include costs of personnel, direct sales and marketing expenses, and general and administrative costs to support the business. There are certain corporate expenses included in the Americas region that are not charged to the other segments, including research and development, certain marketing and general and administrative costs that support the global organization, and the amortization of acquired developed technology. Included in the Americas costs are all research and development costs, including the costs associated with the Company's India operations. During the three and six months ended June 30, 2013 and 2012, we derived the majority of our revenues from sales to customers within our Americas region. The following table summarizes revenue and operating profit by region:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	% Change vs. Prior Year	2013	2012	% Change vs. Prior Year
	(in thousands)			(in thousands)		
Revenue:						
Software license						
Americas	**$13,462**	$ 12,361	9%	**$ 24,991**	$ 23,350	7%
EMEA	**1,118**	3,257	−66%	**2,437**	7,316	−67%
APAC	**1,556**	(273)	670%	**2,953**	266	1010%
Total software license	**$16,136**	$ 15,345	5%	**$ 30,381**	$ 30,932	−2%
Services						
Americas	**$62,510**	$56,349	11%	**$123,790**	$ 113,465	9%
EMEA	**10,477**	8,760	20%	**20,240**	16,806	20%
APAC	**5,216**	4,213	24%	**9,060**	9,421	−4%
Total services	**$78,203**	$69,322	13%	**$ 153,090**	$139,692	10%
Hardware and Other						
Americas	**$ 7,628**	$ 8,384	−9%	**$ 14,639**	$ 13,474	9%
EMEA	**369**	317	16%	**718**	619	16%
APAC	**180**	199	−10%	**289**	331	−13%
Total hardware and other	**$ 8,177**	$ 8,900	−8%	**$ 15,646**	$ 14,424	8%

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Summarizes revenue and operating profit by region (continued):

	Three Months Ended June 30, 2013	2012	% Change vs. Prior Year	Six Months Ended June 30, 2013	2012	% Change vs. Prior Year
	(in thousands)			(in thousands)		
Total Revenue						
Americas	**$ 83,600**	$ 77,094	8%	**$163,420**	$150,289	9%
EMEA	**11,964**	12,334	–3%	**23,395**	24,741	–5%
APAC	**6,952**	4,139	68%	**12,302**	10,018	23%
Total revenue	**$102,516**	$93,567	10%	**$199,117**	$ 185,048	8%
Operating income:						
Americas	**$ 21,256**	$ 18,130	17%	**$ 38,220**	$ 31,815	20%
EMEA	**2,736**	2,944	–7%	**4,489**	5,524	–19%
APAC	**2,195**	268	719%	**3,139**	1,943	62%
Total operating income	**$ 26,187**	$ 21,342	23%	**$ 45,848**	$ 39,282	17%

Summary of the Second Quarter 2013 Condensed Consolidated Financial Results

- Diluted earnings per share was $0.89 in the second quarter of 2013, compared to $0.70 in the second quarter of 2012.
- Consolidated total revenue was $102.5 million in the second quarter of 2013, compared to $93.6 million in the second quarter of 2012. License revenue was $16.1 million in the second quarter of 2013, compared to $15.3 million in the second quarter of 2012.
- Operating income was $26.2 million in the second quarter of 2013, compared to $21.3 million in the second quarter of 2012.
- Cash flow from operations was $13.6 million in the second quarter of 2013, compared to $20.9 million in the second quarter of 2012. Days Sales Outstanding was 61 days at June 30, 2013, compared to 56 days at March 31, 2013.
- Cash and investments on-hand were $106.5 million at June 30, 2013, compared to $108.5 million at March 31, 2013.
- During the three months ended June 30, 2013, we repurchased 196,188 shares of Manhattan Associates common stock under the share repurchase program authorized by the Board of Directors, for a total investment of $14.4 million. In July 2013, the Board of Directors approved raising our share repurchase authority to an aggregate of $50.0 million of our outstanding common stock.

The results of our operations for the second quarters of 2013 and 2012 are discussed below.

Revenue

	Three Months Ended June 30, 2013	2012	% Change vs. Prior Year	% of Total Revenue 2013	2012
	(in thousands)				
Software license	**$ 16,136**	$ 15,345	**5%**	**16%**	16%
Services	**78,203**	69,322	**13%**	**76%**	74%
Hardware and other	**8,177**	8,900	**–8%**	**8%**	10%
Total revenue	**$102,516**	$93,567	**10%**	**100%**	100%

Our revenue consists of fees generated from the licensing and hosting of software; fees from professional services, customer support services, and software enhancements; hardware sales of complementary radio frequency and computer equipment; and other revenue representing amounts associated with reimbursements from customers for out-of-pocket expenses.

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License revenue. License revenue increased $0.8 million, or 5%, in the quarter ended June 30, 2013 compared to the same period in the prior year. We completed four large software license deals greater than $1.0 million in the second quarter of 2013. The license sales percentage mix across our product suite in the quarter ended June 30, 2013 was approximately 55/45 of warehouse management solutions to non-warehouse management solutions.

Services revenue. Services revenue increased $8.9 million, or 13%, in the second quarter of 2013 compared to the same quarter in the prior year due to a $7.0 million increase in professional services revenue and a $1.9 million increase in customer support and software enhancements. The increase in services revenue was due to customer-specific initiatives in conjunction with customer upgrade activity and large license deals signed. Services revenue for the Americas, EMEA and APAC segments increased $6.2 million, $1.7 million and $1.0 million, respectively, in the second quarter of 2013 compared to the second quarter of 2012.

Hardware and other. Hardware sales decreased by $1.4 million to $4.3 million in the second quarter of 2013 compared to $5.7 million for the second quarter of 2012. Sales of hardware are largely dependent upon customer-specific desires, which fluctuate from quarter to quarter. Other revenue represents reimbursements for professional service travel expenses that are required to be classified as revenue and are included in hardware and other revenue. Reimbursements by customers for out-of-pocket expenses were approximately $3.9 million and $3.2 million for the quarters ended June 30, 2013 and 2012, respectively.

Cost of Revenue

	Three Months Ended June 30,		
	2013	2012	% Change vs. Prior Year
Cost of software license	**$ 1,937**	$ 1,488	30%
Cost of services	**35,058**	30,322	16%
Cost of hardware and other	**7,023**	7,540	–7%
Total cost of revenue	**$44,018**	$39,350	12%

Cost of license. Cost of license consists of the costs associated with software reproduction, hosting services and royalties on third-party software sold with or as part of our products. Cost of license increased by $0.4 million in the second quarter of 2013 compared to the same quarter of 2012.

Cost of services. Cost of services consists primarily of salaries and other personnel-related expenses of employees dedicated to professional and technical services and customer support services. The $4.7 million, or 16%, increase in cost of services in the quarter ended June 30, 2013 compared to the same quarter in the prior year was principally due to a $3.6 million increase in compensation and other personnel-related expenses resulting from increased headcount in our services organization, a $0.5 million increase in performance-based bonus expenses and a $0.3 million increase in travel expenses.

Cost of hardware and other. Cost of hardware decreased by $1.2 million to $3.2 million in the second quarter of 2013 compared to $4.4 million in the same quarter of 2012. Cost of hardware and other includes professional services billed travel expenses reimbursed by customers of approximately $3.9 million and $3.1 million for the quarters ended June 30, 2013 and 2012, respectively.

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Operating Expenses

	Three Months Ended June 30,		
	2013	2012	% Change vs. Prior Year
	(in thousands)		
Research and development	**$11,032**	$ 10,802	**2%**
Sales and marketing	**11,888**	11,415	**4%**
General and administrative	**7,932**	9,240	**–14%**
Depreciation and amortization	**1,459**	1,418	**3%**
Operating expenses	**$32,311**	$32,875	**–2%**

Research and development. Research and development expenses primarily consist of salaries and other personnel-related costs for personnel involved in our research and development activities. Research and development expenses for the quarter ended June 30, 2013 slightly increased as compared to the quarter ended June 30, 2012.

Our principal research and development activities have focused on the integration of acquired products, new product releases and the expansion of our existing products, including the product footprint of our supply chain optimization solutions suite, which we call Supply Chain Optimization from Planning through Execution (SCOPE). The Manhattan SCOPE Platform provides not only a sophisticated service-oriented architecture-based application framework, but a platform that facilitates integration with ERP and other supply chain solutions. For each of the quarters ended June 30, 2013 and 2012, we did not capitalize any research and development costs.

Sales and marketing. Sales and marketing expenses include salaries, commissions, travel and other personnel-related costs, and the costs of our marketing and alliance programs and related activities. Sales and marketing expenses increased by $0.5 million, or 4%, in the second quarter of 2013 compared to the same quarter of the prior year primarily due to an increase of $0.7 million in marketing programs partially offset by a decrease of $0.4 million in performance-based bonus expenses.

General and administrative. General and administrative expenses consist primarily of salaries and other personnel-related costs of executive, financial, human resources, information technology, and administrative personnel, as well as facilities, legal, insurance, accounting, and other administrative expenses. General and administrative expenses decreased by $1.3 million, or 14%, in the current year quarter compared to the same quarter in the prior year principally due to a $1.6 million reversal of a previously expensed transaction tax resulting from the expiration of the tax audit statutes, partially offset by an increase of $0.3 million in compensation and other personnel-related expenses including temporary contracted personnel, and an increase of $0.3 million in equity-based compensation.

Depreciation and amortization. Depreciation expense was $1.5 million and $1.4 million for the quarters ended June 30, 2013 and 2012, respectively. Amortization of intangibles associated with various acquisitions in prior years was immaterial as they are nearly fully amortized.

Operating Income

Operating income for the second quarter of 2013 was $26.2 million compared to $21.3 million for the second quarter of 2012. Operating margins were 25.5% for the second quarter of 2013 versus 22.8% for the same quarter in the prior year. Operating income and margin increased primarily due to strong revenue growth and expense management during the year. In addition, operating income for the three months ended June 30, 2013 included a $1.6 million reversal of a previously expensed transaction tax resulting from the expiration of the tax audit statutes.

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Other Income, Net and Taxes

	Three Months Ended June 30,		
	2013	2012	% Change vs. Prior Year
Other income, net	**$ 1,243**	$ 802	55%
Income tax provision	**10,023**	7,972	26%

Other income, net. Other income, net principally includes interest income, foreign currency gains and losses, and other non-operating expenses. Other income, net increased $0.4 million in the second quarter of 2013 compared to the second quarter of 2012 primarily due to a $0.4 million increase in foreign currency gains related to the fluctuation of the U.S. dollar relative to foreign currencies, principally the Indian Rupee. We recorded net foreign currency gains of approximately $1.0 million and $0.6 million during the quarters ended June 30, 2013 and 2012, respectively.

Income tax provision. Our effective income tax rate was 36.5% and 36.0% for the quarters ended June 30, 2013 and 2012, respectively. The increase in the effective tax rate for the quarter ended June 30, 2013 compared to the same quarter in the prior year is principally due to an increase in foreign taxes, partially offset by the reinstatement of the federal research and development tax credit for the 2013 tax year.

Summary of the First Half of 2013 Condensed Consolidated Financial Results

- Diluted earnings per share for the six months ended June 30, 2013 was a record $1.57, compared to $1.25 for the six months ended June 30, 2012.
- Consolidated revenue for the six months ended June 30, 2013 was a record $199.1 million, compared to $185.0 million for the six months ended June 30, 2012. License revenue was $30.4 million for the six months ended June 30, 2013, compared to $30.9 million for the six months ended June 30, 2012.
- Operating income was $45.8 million for the six months ended June 30, 2013, compared to $39.3 million for the six months ended June 30, 2012.
- During the six months ended June 30, 2013, we repurchased 421,820 shares of Manhattan Associates common stock under the share repurchase program authorized by the Board of Directors, for a total investment of $30.3 million.

The results of our operations for the six months ended June 30, 2013 and 2012 are discussed below.

Revenue

	Six Months Ended June 30,				
			% Change vs.	% of Total Revenue	
	2013	2012	Prior Year	2013	2012
	(in thousands)				
Software license	**$ 30,381**	$ 30,932	**–2%**	**15%**	17%
Services	**153,090**	139,692	**10%**	**77%**	75%
Hardware and other	**15,646**	14,424	**8%**	**8%**	8%
Total revenue	**$199,117**	$ 185,048	**8%**	**100%**	100%

License revenue. License revenue decreased slightly by $0.6 million, or 2%, in the six months ended June 30, 2013 over the same period in the prior year. Our license revenue performance depends heavily on the number and relative value of large deals we close in the period. We completed seven large deals greater than $1.0 million in the first six months of 2013 and 2012. Due to the sluggish economic recovery in the United States and other geographic regions in which we operate, the sales cycle on these deals remains somewhat less predictable.

The license sales percentage mix across our product suite in the six months ended June 30, 2013 was approximately 60/40 of warehouse management solutions to non-warehouse management solutions, respectively.

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Services revenue. Services revenue increased $13.4 million, or 10%, in the six months ended June 30, 2013 compared to the same period in the prior year due to a $9.5 million increase in professional services revenue and a $3.9 million increase in customer support and software enhancements. The increase in services revenue was primarily due to customer-specific initiatives in conjunction with customer upgrade activity and implementation services for large license deals signed. Services revenue for the Americas and EMEA segments increased $10.3 million and $3.4 million, respectively, partially offset by a decrease in services revenue for the APAC segment of $0.4 million, in the six months ended June 30, 2013 compared to the same period in the prior year.

Hardware and other. Hardware sales decreased by $0.3 million, or 4%, to $8.5 million in the six months ended June 30, 2013 compared to $8.8 million for the same period in the prior year. Sales of hardware are largely dependent upon customer-specific desires, which fluctuate from year to year. Reimbursements for out-of-pocket expenses are required to be classified as revenue and are included in hardware and other revenue. Reimbursements by customers for out-of-pocket expenses were approximately $7.2 million and $5.6 million for the six months ended June 30, 2013 and 2012, respectively.

Cost of Revenue

	Six Months Ended June 30,		
	2013	2012	% Change vs. Prior Year
Cost of software license	**$ 3,715**	$ 3,265	14%
Cost of services	**70,104**	62,032	13%
Cost of hardware and other	**13,237**	11,988	10%
Total cost of revenue	**$ 87,056**	$77,285	13%

Cost of license. Cost of license consists of the costs associated with software reproduction; hosting services and royalties on third-party software sold with or as part of our products. Cost of license increased by $0.5 million, or 14%, in the first half of 2013 compared to the same period of 2012 principally due to the increase in royalties fees.

Cost of services. Cost of services consists primarily of salaries and other personnel-related expenses of employees dedicated to professional and technical services and customer support services. The $8.1 million, or 13%, increase in cost of services in the six months ended June 30, 2013 compared to the same period in the prior year was principally due to a $7.0 million increase in compensation and other personnel-related expenses resulting from increased headcount in our services organization, an increase of $0.4 million in equity-based compensation and an increase of $0.3 million in performance-based bonus expense.

Cost of hardware and other. Cost of hardware decreased by $0.4 million to approximately $6.1 million in the six months ended June 30, 2013 compared to $6.5 million in the same period of 2012. Cost of hardware and other includes out-of-pocket expenses to be reimbursed by customers of approximately $7.1 million and $5.5 million for the six months ended June 30, 2013 and 2012, respectively.

Operating Expenses

	Six Months Ended June 30,		
	2013	2012	% Change vs. Prior Year
	(in thousands)		
Research and development	**$ 22,508**	$ 22,353	**1%**
Sales and marketing	**23,322**	23,818	**–2%**
General and administrative	**17,440**	19,548	**–11%**
Depreciation and amortization	**2,943**	2,762	**7%**
Operating expenses	**$ 66,213**	$ 68,481	**–3%**

Research and development. Research and development expenses primarily consist of salaries and other personnel-related costs for personnel involved in our research and development activities. Research and development expenses for the six months ended June 30, 2013 increased slightly by $0.2 million, or 1%, compared to the same period in 2012.

Sales and marketing. Sales and marketing expenses include salaries, commissions, travel and other personnel-related costs and the costs of our marketing and alliance programs and related activities. Sales and marketing expenses decreased slightly by $0.5 million, or 2%, in the first half of 2013 compared to the same period of the prior year. This decrease was mainly attributable to the decrease in performance-based compensation expense of $1.2 million partially offset by an increase in travel expenses of $0.5 million and an increase in marketing programs expense of $0.4 million.

General and administrative. General and administrative expenses consist primarily of salaries and other personnel-related costs of executive, financial, human resources, information technology and administrative personnel, as well as facilities, legal, insurance, accounting and other administrative expenses. General and administrative expenses decreased $2.1 million, or 11%, during the six months ended June 30, 2013 compared to the same period in the prior year. The decrease was primarily attributable to a $1.6 million reversal of a previously expensed transaction tax resulting from the expiration of the tax audit statutes and a decrease of $0.6 million in professional fees, partially offset by an increase of $0.3 million in compensation and other personnel-related expenses including temporary contracted personnel.

Depreciation and amortization. Depreciation expense amounted to $2.9 million and $2.8 million for the six months ended June 30, 2013 and 2012, respectively. Amortization of intangibles associated with various acquisitions in prior years was immaterial as they are nearly fully amortized.

Operating Income

Operating income for the six months ended June 30, 2013 was $45.8 million compared to $39.3 million for the six months ended June 30, 2012. Operating margins were 23.0% for the first six months of 2013 versus 21.2% for the first six months of 2012. Operating income and margin for the six months ended June 30, 2013 included a $1.6 million reversal of a previously expensed transaction tax resulting from the expiration of the tax audit statutes. Furthermore, operating income and margins increased due to strong revenue growth and expense management during the year in addition to favorable foreign currency translation effects of $0.5 million for the six months ended June 30, 2013, primarily due to the weakening of the Indian Rupee versus the U.S. dollar during the six months ended June 30, 2013 compared to the same period in the prior year.

Other Income, Net and Taxes

	Six Months Ended June 30,		
	2013	**2012**	**% Change vs. Prior Year**
Other income, net	**$ 1,394**	$ 678	106%
Income tax provision	**16,480**	14,386	15%

Other income, net. Other income, net principally includes interest income, foreign currency gains and losses and other non-operating expenses. Other income, net increased $0.7 million in the six months ended June 30, 2013 compared to the same period in 2012 primarily related to the fluctuation of the U.S. dollar relative to foreign currencies, principally the Indian Rupee. We recorded a net foreign currency gains of $0.8 million and $0.2 million during the six months ended June 30, 2013 and 2012, respectively.

Income tax provision. Our effective income tax rate was 34.9% and 36.0% for the six months ended June 30, 2013 and 2012, respectively. The decrease in the effective tax rate for the six months ended June 30, 2013 compared to the same period in the prior year is principally due to the reinstatement of the federal research and development tax credit in January 2013 for the 2012 and 2013 tax years, partially offset by the establishment of state income tax reserves and an increase in foreign taxes.

Liquidity and Capital Resources

Our consolidated cash and investments as of June 30, 2013 was $106.5 million with $38.3 million held by our foreign subsidiaries. Our main source of operating cash flow is cash collections from our customers, which we use to fund our operations. We believe that our cash balances and positive operating cash flow in the U.S. are sufficient to fund our current and projected liquidity needs in the U.S. for the foreseeable future. For our foreign subsidiaries, it is our intent to reinvest undistributed earnings, totaling $34.9 million at June 30, 2013, and indefinitely postpone their remittance to the U.S. In the future, if we elect to repatriate the unremitted earnings of our foreign subsidiaries in the form of dividends or otherwise, we would be subject to additional U.S. income taxes which could result in a higher effective tax rate.

In the remainder of 2013, we expect that our priorities for the use of cash will be our share repurchase program, developing sales and services resources and continued investment in product development to drive and support profitable growth and to extend our market leadership. We expect to continue to weigh our share repurchase options against using cash for investing in the business and acquisition opportunities that are complementary to our product footprint and technology direction. We do not anticipate any borrowing requirements in the remainder of 2013 for general corporate purposes.

Our operating activities generated cash flow of approximately $33.7 million and $34.0 million for the six months ended June 30, 2013 and 2012, respectively.

Our investing activities used cash of approximately $3.7 million and $2.0 million during the six months ended June 30, 2013 and 2012, respectively. The primary use of cash for investing activities for the six months ended June 30, 2013 was $1.6 million in capital expenditures and net purchases of $2.1 million in short-term investments. The primary use of cash for investing activities for the six months ended June 30, 2012 was $3.2 million in capital expenditures partially offset by the net maturities of $1.2 million in short-term investments.

Our financing activities used cash of approximately $26.2 million and $28.2 million for the six months ended June 30, 2013 and 2012, respectively. The principal use of cash for financing activities for the six months ended June 30, 2013 was to purchase approximately $34.9 million of our common stock, including $4.6 million of shares withheld for taxes due upon vesting of restricted stock and restricted stock units, partially offset by proceeds generated from options exercised of $3.9 million and a $4.9 million excess tax benefit from equity-based compensation. The principal use of cash for financing activities for the six months ended June 30, 2012 was to purchase approximately $50.2 million of our common stock, including $3.0 million for shares withheld for taxes due upon vesting of restricted stock, partially offset by proceeds generated from options exercised of $17.9 million and a $4.1 million excess tax benefit from equity-based compensation.

Periodically, opportunities may arise to grow our business through the acquisition of complementary and synergistic companies, products, and technologies. Any material acquisition could result in a decrease to our working capital depending on the amount, timing, and nature of the consideration to be paid. We believe that existing balances of cash and investments will be sufficient to meet our working capital and capital expenditure needs at least for the next twelve months, although there can be no assurance that this will be the case.

Critical Accounting Policies and Estimates

In the first six months of 2013, there were no significant changes to our critical accounting policies and estimates from those disclosed in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K for the year ended December 31, 2012.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There were no material changes to the Quantitative and Qualitative Disclosures about Market Risk previously disclosed in our annual report on Form 10-K for the year ended December 31, 2012.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

No system of controls, no matter how well designed and operated, can provide absolute assurance that the objectives of the system of controls are met, and no evaluation of controls can provide absolute assurance that the system of controls has operated effectively in all cases. Our disclosure controls and procedures however are designed to provide reasonable assurance that the objectives of disclosure controls and procedures are met.

As of the end of the period covered by this report, our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective to provide reasonable assurance that the objectives of disclosure controls and procedures are met.

Changes in Internal Control over Financial Reporting

During the six months ended June 30, 2013, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, including any corrective actions with regard to material weaknesses.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be a party to legal proceedings arising in the ordinary course of business, and we could be a party to legal proceedings not in the ordinary course of business. The Company is not currently a party to any legal proceeding the result of which it believes could have a material adverse impact upon its business, financial position, results of operations, or cash flows.

Many of our product installations involve software products that are critical to the operations of our customers' businesses. Any failure in our products could result in a claim for substantial damages against us, regardless of our responsibility for such failure. Although we attempt to contractually limit our liability for damages arising from product failures or negligent acts or omissions, there can be no assurance that the limitations of liability set forth in our contracts will be enforceable in all instances.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the risk factors disclosed in Item 1A, "Risk Factors," of the Company's annual report on Form 10-K for the year ended December 31, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table provides information regarding our common stock repurchases under our publicly-announced repurchase program and shares withheld for taxes due upon vesting of restricted stock for the quarter ended June 30, 2013. All repurchases related to the repurchase program were made on the open market.

Period	Total Number of Shares Purchased(a)	Average Price Paid per Share(b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
April 1 - April 30, 2013	24,363	$69.60	24,133	$ 48,320,145
May 1 - May 31, 2013	92,706	72.44	92,706	41,604,946
June 1 - June 30, 2013	79,349	75.78	79,349	35,591,674
Total	196,418	73.44	196,188	

(a) Includes 230 shares withheld for taxes due upon vesting of restricted stock during April.

(b) The average price paid per share for shares withheld for taxes due upon vesting of restricted stock was $68.51 in April.

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In July 2013, our Board of Directors approved raising our repurchase authority for the Company's common stock to a total of $50.0 million.

Item 3. Defaults Upon Senior Securities.

No events occurred during the quarter covered by the report that would require a response to this item.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

No events occurred during the quarter covered by the report that would require a response to this item.

Item 6. Exhibits.

Exhibit 10.1	(a) Form of Executive Employment Agreement (Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 000-23999), filed on April 4, 2013).
	(b) Updated Schedule to Form of Executive Employment Agreement of Initial Salaries and Target Bonus Opportunities for Named Executive Officers
Exhibit 10.2	Form of Director and Officer Indemnification Agreement (Incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 000-23999), filed on April 4, 2013).
Exhibit 10.3	Executive Employment agreement with Steven P. Smith
Exhibit 31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* In accordance with Item 601(b)(32)(ii) of the SEC's Regulation S-K, this Exhibit is hereby furnished to the SEC as an accompanying document and is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933.

SIGNATURES

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

MANHATTAN ASSOCIATES, INC.

Date: July 31, 2013	/s/ Eddie Capel
	Eddie Capel President and Chief Executive Officer (Principal Executive Officer)
Date: July 31, 2013	/s/ Dennis B. Story
	Dennis B. Story Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)

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EXHIBIT INDEX

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EXHIBIT 10.1(b)

UPDATED SCHEDULE[1] OF
INITIAL SALARIES AND TARGET BONUS OPPORTUNITIES
FOR NAMED EXECUTIVE OFFICERS
AS SET FORTH IN EXECUTIVE EMPLOYMENT AGREEMENTS

Name	Base Salary[2]	Target Bonus[2]
Eddie Capel	$ 475,000	$ 475,000
Dennis B. Story	$ 360,000	$ 250,000
Bruce S. Richards	$ 283,000	$ 160,000
Robert G. Howell	$ 240,000	$ 240,000

(1) This schedule replaces the similar schedule appearing at the back of the Form of Executive Employment Agreement filed as Exhibit 10.1 to the Company's Form 8-K filed on April 4, 2013.

(2) Salaries and target bonuses set forth above are as initially set forth in employment agreements, and are subject to subsequent increase or adjustment at the discretion of the Board of Directors or the Compensation Committee thereof.

EXHIBIT 10.3

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (this " **Agreement**") is entered into as of the "**Effective Date**" set forth below, by and between Manhattan Associates Limited, a company registered in England and Wales under company number 03562638 whose registered office is at the address set out below ("**Company**"), and the undersigned "**Executive**."

In consideration of Company's employment and continued employment of Executive, Company and Executive agree as follows:

1. **Contents of Agreement**. This Agreement consists of this Signature Page and attached Schedules A ("General Terms and Conditions"), B ("Position and Certain Compensation Information"), and C ("Non-compete Company List").

2. **Definitions**. Except as otherwise defined in this Agreement, capitalized terms will have the meanings set forth in Section 1 of Schedule A entitled "Definitions."

THIS AGREEMENT WILL BECOME EFFECTIVE WHEN SIGNED BY BOTH PARTIES BELOW AND AS OF THE DATE SIGNED BY EXECUTIVE BELOW.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

EXECUTIVE	**COMPANY**
Steven P. Smith [ADDRESS REDACTED FOR PRIVACY PURPOSES]	Manhattan Associates Limited 2 The Arena, Downshire Way, Bracknell RG12 1PU
/s/ Steven P. Smith	/s/ Eddie Capel
EXECUTIVE SIGNATURE	AUTHORIZED SIGNATURE
S. P. Smith	Eddie Capel, President and CEO, Manhattan Associates, Inc.
NAME PRINTED	NAME & TITLE PRINTED
16 July, 2013	24 July, 2013
EFFECTIVE DATE	DATE

SCHEDULE A GENERAL TERMS AND CONDITIONS

1. **Definitions**. Except as otherwise specified in this Agreement, the definitions of the capitalized terms set forth in this Section 1 will apply with respect to the entire Agreement.

1.1 **Agreement**. This Executive Employment Agreement.

1.2 **Base Salary**. Executive's base salary as set forth on Schedule B, as may be increased annually at the discretion of the Board or the Committee.

1.3 **Board**. The Board of Directors of Company's Parent as constituted from time to time.

1.4 **Bonus Target Amount**. The target amount for Executive's Performance-related Bonus, as set forth on Schedule B, as may be adjusted annually at the discretion of the Board or the Committee.

1.5 **Cause**. An act or acts or omission or omissions to act by Executive involving Executive's (i) willful and continued failure substantially to perform his duties with Company (other than a failure resulting from Executive's Disability) and that failure continues for thirty (30) days following written notice from Company to Executive that provides a reasonable description of the basis for the determination that Executive has failed to perform his duties, (ii) conviction for a criminal offence other than a minor crime of the type that would not be disclosable under the United States federal securities laws were Executive a reporting officer under those laws, (iii) willful and continued failure to cooperate with any investigation or similar proceeding involving Company by any governmental authority regarding any material breach of law or regulation and continuation of that failure for thirty (30) days following written notice from Company to Executive that provides a reasonable description of the basis for the determination that Executive has failed to cooperate; (iv) breach of this Agreement in any material respect where that breach is not susceptible to remedy or cure or has already materially damaged Company, or is susceptible to remedy or cure and no such material damage yet has occurred, and is not cured or remedied reasonably promptly after specific written notice from Company to Executive that provides a reasonable description of the breach, or (v) conduct that the Board has determined, reasonably and in good faith, to be dishonest, fraudulent, unlawful, or grossly negligent, or does not comply with Company's Code of Conduct or materially fails to comply with a set of standards of conduct and business practices that have been labeled as such and provided by Company to Executive prior to that conduct, which is not cured to the reasonable satisfaction of the Board within thirty (30) days of written notice from the Board to Executive.

1.6 **Change of Control**. The occurrence of any of the following events:

(i) Any transaction or series of transactions pursuant to which Parent sells, transfers, leases, exchanges, or disposes of all or substantially all (*i.e.,* at least eighty-five percent (85%)) of its assets for cash or property, or for a combination of cash and property, or for other consideration;

(ii) Any transaction pursuant to which one or more Persons acquire by merger, consolidation, reorganization, division, or other business combination or transaction, or by a purchase of an interest in Parent, an interest in Parent so that after that transaction, the shareholders of Parent immediately prior to that transaction no longer have a controlling (*i.e.,* fifty percent (50%) or more) voting interest in Parent;

(iii) Any change in the composition of the Board within a twelve (12) month period resulting in fewer than a majority of the directors being Incumbent Directors; or

(iv) Any transaction or series of transactions pursuant to which any Person or Persons acting in concert acquire outstanding voting securities of Parent, if, after that transaction or those transactions, the acquiring Persons own, control, or hold, with power to vote, at least forty percent (40%) of any class of voting securities of Parent.

1.7 **Committee**. The Compensation Committee of the Board.

1.8 **Company**. As defined in the Preamble to this Agreement; *provided, however*, where the context reasonably requires, "Company" also will include Parent and its other affiliates.

1.9 **Company Business**. The business of developing, marketing, selling, licensing, installing, implementing, deploying, servicing, and maintaining supply chain computer software solutions designed for one or more of the following: (i) management of warehouses and distribution centers; (ii) management of transportation logistics throughout the supply chain, including carrier management, transportation procurement, and transportation execution; (iii) product order, fulfillment and returns processes; (iv) retail, wholesale, and multi-channel inventory planning and management; (v) supply chain event monitoring and reporting; and (vi) supply chain analysis and evaluation.

1.10 **Competing Business**. Activities, products, or services that are the same as or similar to the Company Business.

1.11 **Confidential Information**. (A) Any and all data and information in whatever form: (i) relating to or arising from the business of Company, or of third Persons, regardless of whether the data or information constitutes a trade secret as defined by applicable law; (ii) disclosed to Executive or of which Executive becomes or became aware as a consequence of Executive's relationship with Company; (iii) having value to Company; (iv) not generally known to competitors of Company; and (v) which includes, without limitation: trade secrets; methods of operation; customer and prospective customer information; price lists; financial information and projections; Company organizational structure information; business plans and strategies; Company product information including design, development, and marketing information, installation and configuration guides, user manuals, functional and technical specifications, data models and data dictionaries, and software source code; Company policies, processes, methods, and procedures; Company inventions and discoveries; and similar information; and (B) third party confidential information in Company's possession.

1.12 **Constructive Termination**. The occurrence during Executive's employment of any one of the events set forth in (i) through (vi) below and satisfaction of the following conditions: (a) Executive provides notice to Company of the Constructive Termination condition within ninety (90) days of his learning of its initial existence; (b) Company fails to remedy the Constructive Termination condition within thirty (30) days following the notice; and (c) Executive terminates his employment within six (6) months of his learning of the existence of the Constructive Termination condition. The Constructive Termination events are as follows: (i) a material adverse change in Executive's authority, duties, or responsibilities; (ii) a material failure to pay Executive the compensation required by this Agreement; (iii) after a Change of Control, (a) relocation of Company's headquarters more than thirty (30) miles outside of the Atlanta, Georgia, greater metropolitan area or (b) Company requiring Executive to be based more than thirty (30) miles from the Work Location at which Executive was based immediately prior to the Change of Control; (iv) after a Change of Control, the material reduction in the compensation and benefits provided to Executive under the employee benefit plans, programs, and practices in effect immediately prior to the Change of Control; (v) after a Change of Control, the insolvency or the filing by Parent of a petition for bankruptcy of Parent; or (vi) after a Change of Control, Parent's failure promptly to obtain an agreement from any successor or assignee of Parent to assume and agree to perform Parent's obligations under this Agreement unless that successor or assignee is bound to the performance of this Agreement as a matter of law. For the avoidance of doubt, provided Executive complies with conditions (a) through (c) above, he will not be required to serve the Required Termination Notice on Company in order to terminate his employment

1.13 **Disability**. Executive's inability as a result of physical or mental incapacity to substantially perform Executive's duties for Company on a full-time basis, which inability lasts for a period of six (6) consecutive months. The Board (or the Committee, if requested to do so by the Board) will be responsible for determining in good faith an Executive's Disability based on the information received by the Board (or the Committee).

1.14 **Duties**. Duties of the type performed by Executive for Company during the twelve (12) month period immediately prior to the Termination Date.

1.15 **Effective Date**. The date on which this Agreement becomes effective as set forth on the Signature Page.

1.16 **Equity Awards**. Stock options, restricted stock, restricted stock units, and other equity awards that may be granted under the Stock Incentive Plan.

1.17 **Executive**. As defined in the Preamble to this Agreement.

1.18 **Garden Leave**. Following either Party giving a Required Termination Notice or Executive purporting to terminate his employment in a manner that would be a breach of this Agreement, a period during which Company requires Executive not to perform any Duties (or to perform only specified Duties) for all or part of the Notice Period (or in the case of Executive purporting to terminate his employment in a manner that would be a breach of this Agreement, six (6) months) in accordance with the terms of this Agreement.

1.19 **Incumbent Directors**. The Persons who, at the Effective Date, constitute the Board, and any Person becoming a director after the Effective Date and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of Company in which that Person is named as a nominee for director, without written objection to that nomination); provided, however, that no individual initially elected or nominated as a director of Company as a result of an actual or threatened election contest (as described in Rule 14a-11 under the United States' Securities Act of 1934) or other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (as defined in Section 3(a)(9) of the Act and as used in Section 13(d)(3) and 14(d)(2) of the Act) other than the Board, including by reason of any agreement intended to avoid or settle any such contest or solicitation, will be deemed an Incumbent Director; and provided further, that subject to the provisions of this Section 1.19, no Person will be deemed to be an Incumbent Director until that time as they take office as a director of Company.

1.20 **Invention**. Any idea, invention, discovery, improvement, innovation, design, process, method, formula, technique, machine, article of manufacture, composition of matter, algorithm, or computer program, and any improvements to any of the above.

1.21 **Parent**. Company's parent company, Manhattan Associates, Inc., a Georgia (U.S.) corporation.

1.22 **Notice Period**. The six (6) month advance notice period immediately following the giving of a Required Termination Notice.

1.23 **Parties**. Executive and Company.

1.24 **Performance-related Bonus**. Executive's performance-related annual cash bonus, calculated in a manner consistent with the terms of Company's performance-related bonus plan and this Agreement.

1.25 **Person**. A natural person, or a corporation, partnership, limited partnership, joint venture, limited liability company, trust, other business, non-business, charitable, or governmental entity, or governmental agency.

1.26 **Recoupment Policy**. A policy of recoupment of compensation adopted or amended from time to time by the Board or the Committee as it deems necessary or desirable to comply with the requirements of Section 954 of the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act (providing for recovery of erroneously awarded compensation), Section 304 of the United States' Sarbanes-Oxley Act of 2002 (providing for forfeiture of certain bonuses and profits), and any implementing rules and regulations of the U.S. Securities and Exchange Commission and applicable listing standards of a national securities exchange adopted in accordance with either of those Acts, which policy is incorporated into this Agreement by this reference.

1.27 **Release**. A release of Company from any and all liabilities and claims of any kind, including without limitation all contractual and statutory claims, and in particular Executive's right to statutory notice, in form and substance reasonably acceptable to Company, in compliance with applicable law, constituting a valid statutory compromise agreement, and endorsed by a relevant independent adviser who has advised Executive as to its terms and effect.

1.28 **Required Termination Notice**. Six (6) months' written notice by either Party of termination of Executive's employment with Company.

1.29 **Restricted Employee**. Any senior employee of Company employed at the Termination Date serving at the level of "director" or above, in any research, technical, IT, financial, marketing, or sales function, or in another managerial role, whom Executive has managed or with whom he has worked at any time in the twelve (12) month period immediately prior to the Termination Date, not including any employee in an administrative, clerical, manual, or secretarial capacity.

1.30 **Restriction Period**. That period beginning on the Termination Date and ending on the later of (i) the date that is the twelve (12) month anniversary of the Termination Date or (ii) if severance payments become due to the Executive pursuant to Section 4.1, the date on which the last of those severance payments is due, provided that to the extent that Executive remains employed by Company for a period of time following the giving of a Required Termination Notice, including in order to serve out the notice period, or during a Garden Leave, the Restricted Period will be reduce by the length of time that Executive remains so employed.

1.31 **Stock Incentive Plan**. The Manhattan Associates, Inc. 2007 Stock Incentive Plan, as amended, or any successor plan to that plan.

1.32 **Subject Invention**. Any Invention that is conceived by Executive during the term of his employment with Company solely or jointly with others and: (i) relates to the actual or anticipated business, research, or development of Company; (ii) results from any work performed by Executive using any equipment, facilities, materials, Confidential Information, or Company personnel; or (iii) is suggested by or results from any task assigned to Executive by, or performed by Executive for or on behalf of, Company.

1.33 **Termination Date**. The date on which Executive's employment with Company is terminated with or without Cause, for any reason or for no reason, upon the initiative of either Party (including, where applicable, the date of termination of Garden Leave).

1.34 **Work**. Any copyrightable work of authorship, including, without limitation, computer programs (including the contents of read-only memories), any technical descriptions for products, user's guides, graphical works, audiovisual works, sound recordings, literary works, illustrations, advertising materials, and any contribution to those materials.

1.35 **Work Location**. Executive's primary place of business as set forth on Schedule B, as may be changed by Company from time to time at the discretion of the Executive's direct supervisor or the Board.

2. **Employment.**

2.1 **Position and Responsibilities**. As of the Effective Date, Company will continue to employ Executive, and Executive accepts continuing employment by Company, at the position set forth on Schedule B, and Executive will continue to report to the direct supervisor set forth on Schedule B, all in accordance with and subject to the terms set forth in this Agreement. Executive will perform those responsibilities consistent with his position and those other duties as may be and previously have been determined from time to time by Parent's CEO, Executive's direct supervisor (if different from Parent's CEO), or the Board from time to time, and perform those responsibilities to the best of his ability while devoting his full business time to those responsibilities. Executive will act in good faith to promote the interests of Company. Executive may participate in those civic and charitable activities as Executive elects that do not meaningfully interfere with his duties for Company. Executive will conduct himself in a business-like and professional manner as appropriate for his position and represent Company in a manner that complies with good business and ethical practices. Executive will be subject to and abide by the written policies and procedures of Company applicable to executive personnel of Company, as adopted from time to time by Company and communicated to Executive.

2.2 **Executive's Work Location**. Executive will work out of his Work Location set forth on Schedule B, which Work Location may be changed by Company from time to time at the discretion of Executive's direct supervisor or the Board.

3. **Compensation**. During the term of Executive's employment with Company, the following compensation provisions will apply:

3.1 **Base Salary**. Company will pay to Executive the Base Salary, subject to all payroll and income tax withholdings and other authorized deductions, which Base Salary may be increased annually at the discretion of the Board or the Committee.

3.2 **Performance-Related Bonus**. Executive will be eligible to receive the Performance-related Bonus with a target opportunity equal to the Bonus Target Amount, subject to those terms and conditions as may be established by Company. The Board or the Committee will determine the amount of the bonus, in its reasonable discretion, utilizing financial information reviewed or audited by Company's independent auditors. Company will pay the bonus in accordance with its policies in place from time to time, and the bonus will be subject to all payroll and income tax withholdings and other authorized deductions.

3.3 **Equity Awards**. Executive will be eligible to receive grants of Equity Awards. The grants will have an annual value that reflects Executive's position, duties, and responsibilities with Company and will be commensurate with grants to other executive officers of Parent. The grants may be performance-based, service-based, or any combination of them. The Board or the Committee will determine, in its discretion, the form, vesting, forfeiture, and other terms and conditions of the grants. Each grant of an Equity Award will be subject to the terms and conditions of the award agreement for that grant.

3.4 **Employee Benefits**. Executive will be eligible to participate in all employee benefit plans that Company provides for its employees at the executive level, including pension, health care, life insurance, and disability plans, subject always to the rules of those plans and any applicable restrictions in those plans based on Executive's age. Concurrently with the execution by the Parties of this Agreement, Company will cause Parent to enter into with Executive, and Executive will enter into with Parent, an Indemnification Agreement, prepared by or at the direction of Parent, under which Parent will indemnify Executive to the full extent permitted by law and under Parent's Articles of Incorporation and Bylaws for and with respect to any claim, loss, or cause of action resulting from, arising out of, or in connection with Executive's service as an officer, director, or employee of Parent of any of its affiliates (including Company). Company will ensure that Executive is covered under a directors and officers liability insurance policy in the same manner as other executive officers and directors of Parent.

3.5 **Expenses**. Executive will be promptly reimbursed for expenses reasonably incurred in the performance of his executive duties in accordance with the written policies of Company in effect from time to time.

3.6 **Vacation**. Except as otherwise set forth on Schedule B or agreed to between the Parties in writing, Executive will be eligible for vacation each calendar year in accordance with the standard Company vacation policy.

3.7 **Car Allowance**. Executive will be entitled to a car allowance in the amount set forth on Schedule B.

3.8 **Recoupment of Compensation.** Performance-related Bonuses, other incentive compensation, and Equity Awards paid or granted to Executive, whether pursuant to this Agreement or otherwise, will be subject to those terms and conditions of any applicable Recoupment Policy.

4. **Termination of Employment**.

4.1 **Termination**. Executive's employment under the terms of this Agreement will continue until it is terminated in writing by the Parties, or until Executive's employment is terminated in accordance with the terms of this Agreement. Either Company or Executive may terminate Executive's employment by giving the other the Required Termination Notice. Further, Company may terminate Executive's employment upon written notice with immediate effect for Cause, and Executive's employment will terminate with immediate effect as a result of Executive's Disability or upon and as a result of Executive's death, or in accordance with written notice given by Executive for Constructive Termination. If Executive's employment is terminated (i) by Company for Cause, (ii) as a result of Executive's Disability, or (iii) upon and as a result of Executive's death, or if Executive terminates his employment other than for Constructive Termination, then Company's obligations under this Agreement will cease as of the Termination Date; provided, however, that Executive (or his estate) will be entitled to (a) salary earned through the Termination Date, (b) any bonuses or other incentive compensation earned and payable under the terms of the applicable bonus or other incentive plan as of the Termination Date, (c) benefits earned by or payable to Executive pursuant to the terms of any health, life insurance, disability, welfare, retirement, or other plan or program maintained by Company in which Executive participates or any award agreements under the Stock Incentive Plan, and (d) payment in lieu of accrued but untaken vacation calculated through the Termination Date. If Company terminates Executive's employment other than pursuant to clause (i) through (iii) of this Section 4.1, or if Executive terminates his employment as a Constructive Termination, Executive will be entitled to receive the severance payments provided in Section 4.4 (subject to the conditions set forth in Section 4.4). Except as otherwise provided in this Agreement, if Executive's employment is terminated and he is entitled to severance payments under this Section 4.1, then he will not be required to mitigate damages by seeking other employment, and any compensation or benefits he receives will not reduce the amount payable by Company under this Agreement. The severance payments provided pursuant to Section 4.4 will be the only severance benefits payable to Executive by Company as a result of the termination of Executive's employment other than a statutory redundancy payment (if any) to which Executive may be entitled, and Executive waives his rights (if any) to any severance benefits under any other plan or program of Company, Parent or any other of Parent's affiliates.

4.2 **Garden Leave.** Following the giving by either Party of the Required Termination Notice or Executive purporting to terminate his employment in a manner that is in breach of this Agreement, Company may require Executive to serve Garden Leave, during which Executive will: (i) continue to receive Base Salary and other contractual benefits in the usual way and subject to the terms of any benefits arrangements, (ii) remain an employee of Company and remain bound by his duties and obligations, whether contractual or otherwise, which will continue in full force and effect; (iii) without the prior written consent of Company, not (a) contact or deal with (or attempt to contact or deal with) any Company customer, client, supplier, agent, distributor, shareholder, employee, officer, or other business contact, (b) enter onto the premises of Company unless requested to do so by Company, or (c) commence any other employment or professional engagement. Company will notify Executive in writing if it desires to exercise its rights under this Section 4.2.

4.3 **Payment in Lieu of Notice**. Promptly following the giving by either Party of the Required Termination Notice, Company may elect to terminate this Agreement with immediate effect by making a payment to Executive in lieu of Base Salary and Car Allowance in the amount that would have been due to Executive during the remainder of the Notice Period, plus a payment in an amount equal to the monthly costs that Company would have incurred for insurance for Executive and his dependents under the Company's private medical insurance for the remainder of the Notice Period (including a tax gross-up on those monthly insurance costs), but no other benefits.

4.4 **Severance Payments**. Subject to the conditions set forth in the following sentence and the limitations set forth in the last sentence of this paragraph, if Executive's employment is terminated under Section 4.1 entitling Executive to receive severance payments, then the severance payments will comprise the following payments, subject to withholding of all applicable payroll and income taxes and other authorized deductions: (i) twelve (12) full months of Executive's Base Salary and Car Allowance (but reduced by any statutory redundancy payment to which Executive may be entitled), payable in twelve (12) equal monthly installments on Company's regular payroll dates beginning on the first payroll date after the Release is executed and delivered to Company by Executive and becomes effective, except that the twelve (12) month period referred to in this clause 4.4(i) will be reduced to reflect the duration of any Garden Leave or of any Notice Period during which Executive continues to receive his salary and benefits or payment in lieu of notice; (ii) twelve (12) monthly payments each of which is equal to the monthly costs that Company would have incurred for insurance for Executive and his dependents under the Company's private medical insurance (plus a tax gross-up on such payments) for that twelve (12) month period, except that the twelve (12) month period referred to in this clause 4.4(ii) will be reduced to reflect the duration of any Garden Leave, or of any Notice Period during which Executive continues to receive his salary and benefits, or by the number of months' worth of Base Salary and medical insurance costs Executive receives comprising payment in lieu of notice; and (iii) if that termination of Executive's employment occurs on or within twenty-four (24) months following a Change of Control, (a) a pro rata bonus for the year of termination (based on the number of days that have elapsed to the Termination Date), calculated at target performance level, less any bonus amount already paid or payable for that year, and (b) an additional annual bonus amount equal to the greater of Executive's target bonus for the year of termination or Executive's target bonus for the prior year, which bonus payments ((a) and (b) above) will be paid as a lump sum on the sixtieth (60th) day after the Termination Date. Company's obligation to make the severance payments under this Section 4.4 is subject to the conditions that (a) Executive executes and delivers to Company the Release within the time period specified in the Release, and the Release becomes effective, and (b) Executive complies with the restrictive covenants and post-termination obligations in Sections 8 through 11, inclusive. If Executive dies after becoming entitled to severance payments under this Section 4.4, the severance payments under this Section 4.4 will continue for the lesser of six (6) months or the remainder of the twelve (12) month period referred to above.

4.5 **Vesting of Unvested Equity Awards**. Except as otherwise agreed in writing between Company (or its successor) and Executive, if a Change of Control occurs, any outstanding Equity Awards granted to Executive not yet vested as of that Change of Control will remain in effect in accordance with their terms (or Company may, without Executive's consent, substitute for those unvested Equity Awards an equity award with substantially equivalent value, terms, and conditions of the survivor, continuing, successor, or purchasing entity, or their parent). If on or within twenty-four (24) months following the date of a Change of Control Executive's employment is terminated under Section 4.1 entitling Executive to receive severance payments, then any outstanding unvested Equity Awards granted to Executive prior to that Change of Control (or any equity awards substituted for those Equity Awards) will fully vest (to the extent they have not otherwise vested) as of the date that the Release becomes effective. If any performance period for an outstanding unvested Equity Award has not been completed as of the date of a Change of Control, then the target performance level for that Equity Award will be deemed to have been achieved as of the date of that Change of Control.

The provisions of this Section 4.5 are, by this Agreement, deemed to be a part of, and where necessary, amend, each Equity Award agreement of Executive and to supersede any contrary provisions in each of those agreements.

5. **Inventions**. By this Agreement, Executive irrevocably assigns to Company all of Executive's rights to all Subject Inventions in the United Kingdom, the European Union, the United States of America, and all other countries, and the right to claim priority in the Subject Inventions.

6. **Patent Applications and Maintenance** . If Company elects to file one or more patent applications, either in the United States of America, the European Union, or in any other jurisdiction, on a Subject Invention of which Executive is an inventor, Executive will sign all necessary documentation relating to the patent application(s), including formal assignments to Company, and will cooperate with attorneys or other Persons designated by Company to provide all information necessary for the prosecution of the patent application(s) in the applicable jurisdictions. Executive also will assist Company in every proper way to maintain its patents during and following the period of employment, including, but not limited to, the performance of all lawful acts, such as the giving of testimony in any interference proceedings, infringement suits, or other litigation, as may be deemed necessary or advisable by Company.

7. **Copyrights**.

7.1 **Ownership by Company**. Any Works created by Executive in the course of Executive's duties as an employee of Company are subject to the "Work for Hire" provisions contained in Sections 101 and 201 of the United States Copyright Law, Title 17 of the United States Code. All right, title, and interest in and to copyrights in all Works that have been or will be prepared by Executive within the scope of Executive's employment with Company will be the property of Company. To the extent the provisions of Title 17 of the United States Code do not vest the copyrights to any Works in Company, Executive, by this Agreement, assigns to Company all right, title, and interest to copyrights Executive may have in the Works.

7.2 **Assistance to Company**. Executive will assist Company in every proper way to maintain Company's copyrights during and following Executive's period of employment including, but not limited to, the performance of all lawful acts, such as the giving of testimony in any infringement suits or other litigation, as may be deemed necessary or advisable by Company.

8. **Agreement Not to Solicit Customers**. During the term of Executive's employment by Company, Executive will not, either directly or indirectly, on Executive's behalf or on behalf of another Person, for the purpose of selling or providing any Competing Business, solicit, divert, or appropriate, or attempt to solicit, divert, or appropriate, any Company customer or prospective customer. Further, during the Restriction Period, Executive will not, either directly or indirectly, on Executive's behalf or on behalf of another Person, for the purpose of selling or providing any Competing Business, solicit, divert, or appropriate, or attempt to solicit, divert, or appropriate, any Company customer or potential customer: (i) with which Executive deals or has dealt on behalf of Company (ii) whose dealings with Company are or were coordinated or supervised by Executive; (iii) about which Executive obtains or obtained confidential information in the ordinary course of business as a result of Executive's association with Company; or (iv) that receives or received products or services authorized by Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Executive within twelve (12) months prior to the Termination Date.

9. **Agreement Not to Solicit Employees**. During the term of Executive's employment by Company, Executive will not, either directly or indirectly, on Executive's behalf or on behalf of another Person, solicit, divert, or hire away, or attempt to solicit, divert, or hire away, any Company employee. Further, during the Restriction Period, Executive will not, in connection with any Competing Business either directly or indirectly, on Executive's behalf or on behalf of another Person, solicit, divert, or hire away, or attempt to solicit, divert, or hire away, any Restricted Employee.

10. **Non-Competition.** During Executive's employment by Company, Executive will not work for any other Person (other than volunteering free time to a charitable organization), or engage in any other business activity that would interfere with the performance of Executive's job responsibilities or that is in violation of policies established from time to time by Company, without Company's prior written consent. During Executive's employment by Company, any money or other remuneration received by Executive for services rendered to a Company customer belong to Company. Executive acknowledges that: (i) Company (including Parent and its affiliates) is engaged in the Company Business in various geographies throughout the North and South America, Europe, the Middle East, and Africa, and Asia; (ii) Executive possesses selective and specialized skills, knowledge, learning, and abilities relating to the Company Business, and Executive's employment with Company involves further acquisition and development of such selective and specialized skills, knowledge, learning, and abilities; and (iii) Executive has and will have, during Executive's employment with Company, access to Confidential Information. In light of the above, during the Restriction Period, Executive will not, without Company's prior written consent, perform in the geographies of Europe, the Middle East, Africa, Asia, Australia, New Zealand, the Pacific Ocean islands commonly considered to be included in "Asia-Pacific," or any other geographic location in which Company (including Parent and Parent's other affiliates) is engaged in the Company Business, any Duties for, or that benefit, directly or indirectly, any Competing Business engaged in by a company listed or described on Schedule C to this Agreement.

11. **Confidential Information**.

11.1 **Non-disclosure and Non-use**. Except as reasonably necessary or appropriate in connection with Executive's performance of Executive's responsibilities for Company, Executive will not disclose Confidential Information to any Person or use or exploit (including reverse engineering, decompiling, or disassembling) Confidential Information.

11.2 **Exceptions**. Notwithstanding the foregoing, the non-disclosure restriction of Section 11.1 will not apply to any data or information: (i) that has been voluntarily disclosed to the public by Company, except where that disclosure has been made by Executive without authorization from Company; (ii) that has been independently developed and disclosed by others; or (iii) that otherwise has entered the public domain through lawful means.

11.3 **Duration**. Except as otherwise provided in this Section 11, the covenants of confidentiality, non-use, and non-exploitation set forth in this Section 11 will continue throughout the term of Executive's employment with Company, and indefinitely following the Termination Date; provided that Executive's non-disclosure obligations with respect to Confidential Information will terminate at such time as the data or information is no longer confidential.

11.4 **Notice Requirement**. Executive agrees to notify Company immediately if Executive learns of any unauthorized disclosure, use, or exploitation of Confidential Information by another Person.

12. **Return of Property**. Upon termination of Executive's employment with Company, Executive promptly will deliver to Company all Company property in his possession or control, including, but not limited to, all keys, credit cards, security cards, computers, computer software (including computer discs and storage devices of any kind), mobile phones, and other equipment or personal items provided by Company to Executive for use during Executive's employment, together with all Company documents and all copies of those documents (both hard copy and electronically stored), written or recorded materials, plans, records, notes, files, drawings, or papers relating to the affairs of Company, including all notes or records relating to employees of Company.

13. **Obligations to Others**. Except as may have been disclosed previously by Executive to Company, Executive represents and warrants that Executive is not or was not a party to any agreement with any other Person that purports to require Executive to assign any Work or any Invention created, conceived, or first practiced by Executive during any period of time during which Executive has been or will continue to be an employee of Company, nor is Executive subject to any law, court order, or regulation that purports to require that assignment. Further, Executive represents and warrants that Executive is not presently under any agreement that will prevent Executive from performing Executive's duties for Company, and is not in breach of any agreement with respect to any confidential information, including trade secrets, owned by any other Person. Executive will not disclose to Company any protected confidential information, including trade secrets, of any other Person.

14. **Remedies**. Executive acknowledges that the covenants contained in Sections 5 through 13, inclusive, of this Agreement are of the essence of this Agreement, that each of those covenants is reasonable and necessary to protect the business, interests, and properties of Company, and that Company will suffer irreparable loss and damage if Executive breaches any of those covenants. Therefore, in addition to all other remedies provided by law, Company will be entitled to seek equitable relief in connection with any breach or contemplated breach of any of those covenants referred to above. With respect to misappropriation of a "trade secret" as that term is defined under applicable law, Company's remedies under this Agreement will be in addition to all other remedies provided by law or in equity. The existence of any claim that Executive may have against Company will not constitute a defense to the enforcement by Company of the covenants contained in this Agreement. Executive acknowledges that Executive's breach of this Agreement may result in an immediate termination of Executive's employment.

15. **Notices**. A Party providing notice under this Agreement will provide that notice to the other Party in writing, addressed as follows:

For notices to Company:

Manhattan Associates, Inc.
2300 Windy Ridge Parkway, Tenth Floor
Atlanta, GA 30339, USA
Attn: Chief Executive Officer

For notices to the Executive:

The address set forth on the Signature Page to this Agreement.

A notice provided under this Agreement will be deemed given upon receipt, if hand delivered in person or delivered by courier, or three (3) days after posting, postage prepaid. Either Party may change its address for receipt of notices by providing notice in accordance with this Section 15.

16. **Disciplinary and Grievance Procedures**. There is no disciplinary procedure that applies to Executive's employment with Company. Executive will refer any grievance he may have regarding his employment or any appeal in connection with any disciplinary decision relating to him to Parent's Chief Human Resources Officer in writing in the first instance. Company will have the right to suspend Executive from his duties on those terms and conditions as the Company determines for the purpose of carrying out an investigation into any allegation against Executive of misconduct, negligence, bullying harassment, or discrimination, and pending any disciplinary hearing. Company will be required to continue to pay Executive's Base Salary and provide all other contractual benefits to the Executive during any period of suspension. Company will not be required to give any reason for exercising its right under this Section 16.

17. **Data Protection**. Executive consents to Company (including its affiliates) processing, both electronically and manually, the data it collects in relation to Executive in the course of his employment for the purposes of Company's administration and management of its employees and its business, compliance with applicable procedures, laws, and regulations, and Company's or its agents' transfer, storage and processing of data outside the European Economic Area, in particular to and in the United States and any other country in which Parent or any of its affiliates has offices.

18. **Miscellaneous**.

18.1 **Applicable Law**. This Agreement will be governed by and construed in accordance with the laws of England and Wales.

18.2 **Dispute Resolution**. Non-exclusive venue for any dispute arising under or in connection with this Agreement will be in the courts of England and Wales. By this Agreement, each Party expressly agrees that those courts will have personal jurisdiction and venue with respect to that Party, and each Party submits to the personal jurisdiction and venue of those courts and waives any objection based on inconvenient forum.

18.3 **Entire Agreement.** This Agreement constitutes the final, full, and exclusive expression of the Parties' agreement with respect to: (i) Executive's position, responsibilities, compensation, prospective termination of employment, and severance, (ii) Inventions, (iii) Works, (iv) customer non-solicitation, (v) employee non-solicitation, (vi) non-competition, (vii) Confidential Information, (viii) and agreements between Executive and Persons other than Company, and this Agreement supersedes all prior agreements, understandings, writings, proposals, representations, and communications, oral or written, with respect to that subject matter, including any prior Executive Employment Agreement, Severance and Non-Competition Agreement, or similar agreement between the Parties; provided, however, that any such prior Executive Employment Agreement or Non-Competition Agreement, or similar prior agreement, letter, or other document, will remain in effect to the limited extent necessary to enable either Party to pursue remedies against the other Party for a breach by the other Party prior to the Effective Date of the terms of that prior agreement, letter, or other document. This Agreement does not supersede Company rules, regulations, and policies, including those contained in Company's employee handbook and other Company documents provided by Company to Executive from time to time, except to the extent inconsistent with this Agreement.

18.4 **Invalidity of Provisions**. The provisions of this Agreement are severable. If for any reason a court finds that any provision in this Agreement is unenforceable in whole or in part, including if a court finds that a restrictive covenant set forth in any of Sections 8 through 11, inclusive, does not comply with applicable law in terms of the geographic area, duration, or scope of the covenant, then the court will modify that provision to the extent necessary to render the provision enforceable while, to the extent possible, preserving the original intent of the Parties, and the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

18.5 **Amendments; Waiver**. This Agreement may be amended or modified, in whole or in part, only by a written amendment signed by Executive and, on behalf of Company, by an officer of Company acting with specific authorization and approval of the Board or the Committee, and no term of this Agreement may be waived except in a written wavier signed by the Party waiving the benefit of that term (and in the case of Company, with the specific authorization of the Board or the Committee). No failure on the part of either Party to exercise any right will operate as a continuing waiver of that right or a waiver of that Party's right to exercise the same, a similar, or any other right in the future.

18.6 **Assignment; Binding Effect**. Neither Party has the right to assign its rights or delegate its duties under this Agreement; provided, however, that Company has the right to assign its rights and delegate its duties under this Agreement to a Person or Persons that purchase all or substantially all of the assets or stock of Company. Any attempt to assign or delegate in violation of the foregoing restrictions will be null and void. This Agreement will binding upon, inure to the benefit of, and be enforceable by the Parties and their respective heirs, legal representatives, successors, and permitted assignees.

18.7 **Headings**. The section headings in this Agreement are for reference purposes only and are not intended in any way to describe, interpret, define, or limit the extent or intent of all or any portion of this Agreement.

18.8 **Counterparts**. This Agreement may be executed in counterparts, each of which will be deemed an original and both of which together will constitute one and the same instrument.

18.9 **Representation of Authority**. The official executing this Agreement on behalf of Company represents and warrants that he or she has the requisite authority to do so and fully bind Company.

18.10 **Legal Fees and Expenses**. Each Party will be responsible for its or his own costs, fees, and expenses, including attorney's fees and expenses, in connection with any dispute arising out of the subject matter of this Agreement; provided, however, that if Executive's employment is terminated after a Change of Control (i) by Company without Cause or (ii) by Executive as a result of a Constructive Termination, Executive will be entitled to recover from Company his reasonable attorneys' fees and expenses incurred in connection with any dispute relating to Executive's enforcement of his rights related to that termination to the extent that Executive prevails in a material manner with respect to that dispute.

18.11 **Parent as Third Party Beneficiary**. The Parties intend that Parent be a third party beneficiary of this Agreement.

SCHEDULE B POSITION AND CERTAIN COMPENSATION INFORMATION

Name of Executive: Steven P. Smith

Executive’s Start Date (for continuous service): 4 October 2004

Executive’s Direct Supervisor: Eddie Capel

Executive’s Job Title: Senior Vice President, EMEA and APAC

Executive’s Work Location: Bracknell, England

Base Salary (Monthly): £15,250.00; Base Salary (annualized): £183,000

Bonus Target Amount: £80,000

Vacation Days (Number to Be Accrued per Calendar Year): 23

Car Allowance: £17,550 per calendar year

EXHIBIT 31.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Eddie Capel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 31st day of July, 2013

/s/ Eddie Capel
Eddie Capel, President and Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dennis B. Story, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 31st day of July, 2013

/s/ Dennis B. Story

Dennis B. Story, Executive Vice President, Chief Financial Officer and Treasurer

EXHIBIT 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This Certificate is being delivered pursuant to the requirements of Section 1350 of Chapter 63 (Mail Fraud) of Title 18 (Crimes and Criminal Procedures) of the United States Code and shall not be relied on by any person for any other purpose.

The undersigned, who are the Chief Executive Officer and Chief Financial Officer, respectively, of Manhattan Associates, Inc. (the "Company"), hereby each certify that, to the undersigned's knowledge:

The Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2013 (the "Report"), which accompanies this Certification, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and all information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated this 31st day of July, 2013

/s/ Eddie Capel

Eddie Capel, President and Chief Executive Officer

/s/ Dennis B. Story

Dennis B. Story, Executive Vice President, Chief Financial Officer and Treasurer

In accordance with SEC Release No. 34-47986, this Exhibit is furnished to the SEC as an accompanying document and is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933. A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.