

GOLDLEAF FINANCIAL SOLUTIONS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED FINANCIAL HIGHLIGHTS

	Three Months Ended December 31		Twelve Months Ended December 31	
(in thousands, except per share data)	2007	2006	2007	2006
REVENUES:				
Financial institution services	\$ 11,457	\$ 11,061	\$ 44,697	\$ 43,741
Retail inventory management services	2,047	2,046	8,205	8,194
Other products and services	1,030	904	3,767	3,716
Total revenues	14,534	14,011	56,669	55,651
COST OF REVENUES:				
Financial institution services	2,175	1,894	8,596	6,950
Retail inventory management services	216	212	842	905
Other products and services	758	655	2,744	2,639
Gross profit	11,385	11,250	44,487	45,157
OPERATING EXPENSES:				
General and administrative	5,149	7,739	20,923	22,796
Selling and marketing	3,910	4,492	17,586	18,765
Research and development	724	259	2,300	1,099
Amortization	623	238	2,368	1,984
Loss on Extinguishment of Debt	-	1,484	-	1,602
Other operating expense, net	12	21	39	36
Total operating expenses	10,418	14,233	43,216	46,282
OPERATING INCOME (LOSS)	967	(2,983)	1,271	(1,125)
INTEREST EXPENSE, NET	(19)	(154)	(589)	(2,597)
INCOME (LOSS) BEFORE INCOME TAXES	948	(3,137)	682	(3,722)
Income tax provision (benefit)	1,340	(524)	1,258	(750)
NET INCOME (LOSS)	(392)	(2,613)	(576)	(2,972)
Preferred stock dividends	-	17,686	-	19,386
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	\$ (392)	\$ (20,299)	\$ (576)	\$ (22,358)
INCOME (LOSS) PER SHARE:				
Basic	\$ (0.02)	\$ (1.33)	\$ (.03)	\$ (3.62)
Diluted	\$ (0.02)	\$ (1.33)	\$ (.03)	\$ (3.62)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	17,279	15,254	17,276	6,181

Diluted	17,279	15,254	17,276	6,181
---------	--------	--------	--------	-------

	As of	
	Dec. 31, 2007	Dec. 31, 2006
(in thousands)		
Balance Sheet Highlights:		
Cash and cash equivalents	\$ 2,648	\$ 6,760
Working capital	3,094	5,707
Total assets	81,649	75,150
Long-term debt	10,000	2,500
Capital lease obligations, net of current portion	544	957
Stockholders' equity	50,362	49,254

GOLDLEAF FINANCIAL SOLUTIONS, INC.

RECONCILIATION OF REPORTED NET INCOME (LOSS) TO EBITDAS

GAAP means generally accepted accounting principles in the United States ("GAAP"). EBITDAS is a non-GAAP financial measure. EBITDAS is defined as GAAP net income (loss) plus interest expense, income taxes, depreciation, amortization and non-cash stock based compensation expense less interest earned. We have provided EBITDAS because we believe it is a commonly used measure of financial performance in comparable companies and because we believe it will help investors and analysts evaluate companies on a consistent basis, as well as enhance an understanding of our operating results. Our management uses EBITDAS:

- as a measurement of operating performance because it assists us in comparing our operating performance on a consistent basis;
- for planning purposes, including the preparation of our internal annual operating budget and the calculation of our ability to borrow under our credit facility (with further adjustments as required under the terms of our credit facility);
- to allocate resources to enhance the financial performance of our business;
- to evaluate the effectiveness of our operational strategies; and
- to evaluate our capacity to fund capital expenditures and expand our business.

Other companies may calculate EBITDAS differently than we do. In addition, EBITDAS:

- does not represent net income or cash flows from operating activities as defined by GAAP;
- is not necessarily indicative of cash available to fund our cash flow needs; and
- should not be considered as an alternative to net income, income from operations, cash provided by operating activities or our other financial information as determined under GAAP.

The Company prepares its financial statements in accordance with GAAP in the United States. The Company also provides information related to non-GAAP financial measurements such as EBITDAS, and from time to time, other non-GAAP financial measurements that adjust for certain items outside of the ordinary course of its business. To enable interested parties to reconcile non-GAAP measures to the Company's GAAP financial statements, the Company clearly defines EBITDAS and quantifies all other adjustments to GAAP measurements as necessary. The Company provides EBITDAS information, a commonly used non-GAAP financial measurement, as a performance measure to assist in analyzing the Company's operations and in comparing the Company to its competitors. The Company may also provide other non-GAAP financial measurements that adjust for certain items outside of the ordinary course of business in order to assist in comparing the Company's current operating performance to its historical performance. These adjustments typically reflect non-recurring items, such as dispositions of assets, restructuring charges or other acquisition related items that have impacted the financial results, favorably or unfavorably, but are deemed to be outside of the ordinary course of operations. Investors should note that such

measures may not be comparable to similarly titled measures used by other companies, and investors are encouraged to use this information only in connection with the information contained in the Company's GAAP financial statements.

Reconciliations of net income (loss) to EBITDAS are as follows:

	Three Months Ended December 31		Twelve Months Ended December 31	
(in thousands)	2007	2006	2007	2006
Net income (loss)	\$ (392)	\$ (2,613)	\$ (576)	\$ (2,972)
Add back (deduct):				
Interest expense, net	19	154	589	2,597
Income tax provision (benefit)	1,340	(524)	1,258	(750)
Depreciation and amortization	1,158	1,048	4,530	4,405
Non-cash stock based compensation	133	3,300	248	3,809
EBITDAS	\$ 2,258	\$ 1,365	\$ 6,049	\$ 7,089