



The Manatron Blog: Shift Happens

Recently, Manatron.com launched The Manatron Blog. Below is the first entry – check www.manatron.com for updated posts and please provide any feedback you may have.

Shift Happens

Early Stephens

It has been ten years since we at Manatron decided to shed a number of our products to focus solely on being the industry-leader of property assessment and taxation software solutions. At the time, it seemed a no-brainer. It really was what we were best at. Some of our other product lines were struggling to gain critical mass – something essential to successful software organizations. City, County and State governments were beginning to demand better software solutions and we knew we were the company to fill that void. The ride has been fun, to say the least. For those of you who have watched us acquire key companies and achieve important wins, you've heard one common theme, at least from me. That is, our industry is changing. Actually, the world is changing. If you haven't seen "Shift Happens" (www.glumbert.com/media/shift), it's eight minutes of meaty food for thought.

Our industry is not really glamorous. If we all do our jobs perfectly, nobody says a word. One mistake, someone is angry. A big enough mistake and some or all of us are in the news. The property tax is a political hot potato. California's property tax revolt of the late seventies sparked a national trend of property tax reform that continues to this day. These reforms actually make our job of assessing and collecting property tax more complicated, not less.

At the same time, the Internet is changing the world in ways that only historians will know,

fully. It certainly is as monumental as any of the other oft-cited catalysts such as the printing press and the automobile. While local government has been slower to embrace the Internet, it is happening. Over the past two years, activity at the Manatron web site is up 100%. While I'd like to claim credit for my ingenious marketing team, I suspect it is simply a trend that more and more people are using the Internet as perhaps the primary source of information. We are simply caught up in this shift.

I believe, fundamentally, that these changes are going to be good for all of us. They keep us more accountable than ever before possible. Most of the time, this will be a good thing. I am also committed to making sure that Manatron, together with our clients, is the thought leader in the subject of property assessment/taxation. Therefore, in keeping true to my beliefs, I am launching the Manatron Blog, a blog about state and local government, property assessment and taxation and software. This is the inaugural entry. Over the coming weeks, months and years, many of our Product Managers, Engineers and marketing professionals will post entries. I hope some of our clients "guest" post, even. Our goal is to inform, provoke thought, to challenge thinking or sometimes to simply entertain. If you have comments, suggestions or ideas for blog topics, please let us know. In the meantime, it's warming up outside. In this world of constant change, we can all go "old-school" and enjoy the simpler pleasures only summer brings. And, oh by the way, don't forget to make plans for our 2007 User Conference in Tucson, AZ. I promise both facts and fun – and summer-like weather in October.

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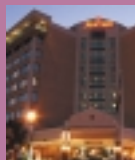
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CEO's Column



I hope all of you have been enjoying the summer and finding time to spend with your friends and family. Our weather here in Michigan has been very warm and dry, but the cherries and blueberries are in and have been great as usual. Plus, there are plenty of lakes to cool off in and enjoy. As you have probably guessed, I am proud of our great State as I am sure all of you are about the place you live.

We recently published our financial results for our fiscal year that ended in April. Our revenues grew by 15% to approximately \$42 million and our gross profit improved substantially. This allowed us to post a profit of nearly \$1 million for the year. For starters, let me thank all of you, as our return on profitability would not have been possible without your support and continued business. Secondly, I want to remind you that we are committed to being strong financially as this allows us to support your present software and ensures that we can continue to offer new and better products in the future. You might be interested to know that over \$8 million of our revenue was reinvested in our software last year, which is more than the entire revenue base of some of our competitors.

Our revenue improvement was due to acquisitions like ASIX, continued

support from our many great clients in our current markets, and the growing acceptance of our new suite of Government Revenue Management® software (GRM®). During July, the City of Virginia Beach went live on GRM. They are using this software in the Assessor, Treasurer and Commissioner of Revenue Offices, which are completely integrated. This represents the first installation of our fully integrated GRM solution in the State of Virginia, and our fifth nation-wide. Others include Kenai Borough, Alaska; Gwinnett County, Georgia; Kootenai County, Idaho and Payette County, Idaho. We expect GRM to be live in Minnesota, Nevada and South Carolina. I have been impressed with the innovativeness, organization skills, commitment and courage that each of these clients has shown along the way. They are certainly helping pave the way to a successful future for all of us.

I also want to bring your attention to The Manatron Blog, a new feature on our web site (www.manatron.com) that you may be interested in. The first article "Shift Happens" recently posted by Early Stephens, Manatron's Chief-Technology Officer, has elicited quite a few comments. We invite you to check this and future articles out, give us your comments, and perhaps send in some of your own postings that you think all of us could benefit from.

That's all for now. Please don't hesitate to email us with any comments, questions or suggestions at manatron.standard@manatron.com or call us, toll-free at 1-866-471-2900. Thanks again for your business.

Investor Update:

Manatron Announces Q4 and Year End Earnings

- Net revenue growth of 15.1% for the full year
- New GRM® contracts totaling \$5.8 million were signed during the fourth quarter

On June 28th, Manatron announced its financial results for the fourth quarter and full fiscal year, which ended April 30, 2007. For the quarter, the Company reported net revenues of \$10.1 million, a slight increase over the net revenues of \$9.9 million that were recognized in the prior year fourth quarter. This marked the fourth consecutive quarter in which revenues exceeded \$10 million. For the full year, the Company reported net revenues of \$41.8 million, which is a 15.1 percent increase over the net revenues of \$36.3 million that were posted in fiscal 2006.

"Our financial performance during every quarter of fiscal 2007 showed marked improvement over the prior year," said Paul Sylvester, Manatron's Chief Executive Officer. "While much of this was due to a reduction in our payroll cost as a result of the restructuring we initiated a little over a year ago, the ASIX acquisition, further penetration of our GRM® software in the market and solid momentum in Ohio were major contributors to our progress in fiscal 2007. We have clearly moved forward toward our goal of positioning Manatron as the nation's leading provider of property tax solutions."

Select Financials (As of 7/19/07)

Fiscal Year End:	April 30
Current Price (7/19/07):	\$8.90
52-Week Range:	\$10.35 - \$5.61
Shares Outstanding:	5.084 Million
Market Cap:	\$45.25 Million

In the Spotlight:

Manatron VCS Tax Solution: Coweta County, Georgia

Coweta County Replaces AS400 Tax Collection Systems with Proven, PC-Based Manatron System

Coweta County Replaces AS400 Tax Collection Systems with Proven, PC-Based Manatron System

Coweta County, a metropolitan county of Atlanta, is one of the fastest growing counties in the State of Georgia. Only a 40 minute drive to the heart of downtown Atlanta, the county is located to the southwest of the city. Georgia's 67th county bears the name of the Coweta Indians, a Creek tribe headed by William McIntosh, Jr., the half-Scott, half Creek who relinquished lands to the Federal government in the 1825 Treaty of Indian Springs. Country singers Alan Jackson and Doug Stone both call Coweta home.



With a population of 110,000, the County is one of the largest in Georgia and has 53,000 real and personal property accounts that represent over \$3.9 billion in assessed value. Because of the importance of this vital revenue source, it is imperative that the County's Tax Commissioner is able to completely, accurately and fairly apply the property tax burden to the taxpayers of Coweta County.

In the late 1990's, the Tax Commissioner's Office purchased an AS400 collection system in order to combat Y2K issues they were going to face with their old system. After running on this AS400 system for a few years the Coweta County Commissioners made the decision to invest in modern, PC-based technology throughout the county's government

offices. The Tax Commissioner's office began hosting demonstrations from various vendors in the spring of 2006. Ultimately, they chose Manatron and its VCSTax solution.

Tommy Ferrell, Coweta County Tax Commissioner, chose Manatron VCSTax because of the system's reputation in the State of Georgia. He and his staff were confident the solution had all the features necessary to bill and collect taxes for the County. "Manatron was well established in Georgia and the experience of Manatron's staff was unequalled," commented Ferrell. "We just felt more comfortable going with Manatron."

Since implementation, Mr. Ferrell and his staff have completed a smooth tax collection season and have seen a significant difference in their day-to-day operations. "We are able to access so much more directly from the system on our own and we don't have to call someone each time we need a report or other information," said Ferrell. "We are learning more and more how to use the system in order to work more efficiently. Things are going pretty well."

"The support that we have received from Manatron has been exceptional," added Ferrell. "Anything we see that needs to be changed or we need help with, we make a call and it is taken care of quickly. We are extremely pleased with our decision to upgrade to VCSTax."

Customer
Focused

City of Virginia Beach: Live on GRM

Manatron recently announced that the City of Virginia Beach, VA has gone live on Manatron GRM. This features complete integration of the Assessor, Treasurer and Commissioner of Revenue Offices on Manatron CAMA and Manatron Tax. This represents the first installation of an fully integrated GRM solution in the State of Virginia for the company and its fourth nation-wide. Others include Kenai Borough, Alaska; Kootenai County, Idaho and Payette County, Idaho.

"The City of Virginia Beach project is a significant completion for us," said Paul Sylvester, Manatron's Chief Executive Officer. "We now have four jurisdictions running live on GRM and this provides us with excellent momentum as we move forward, both in other GRM implementations and marketing GRM across the country. Virginia Beach has been an excellent partner and we look forward to continuing to serve them in the future."

"We have made significant investments in our software, services and people these last couple of years as we have prepared to take the City of Virginia Beach live on our GRM suite of software" said Bill McKinzie, Manatron's President and Chief Operating Officer. "The City believed in Manatron and our vision when GRM development was just underway. They have been exceptional to work with and I am extremely pleased that we have been successful in completing this installation."

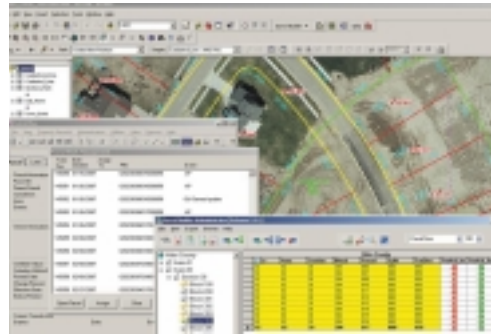
In the News:

Business Partner Profile: The Sidwell Company

Helping During a UPS

Do you like being interrupted? Your server does not like to be interrupted either. The heat and thunderstorms of summer tend to cause unexpected power outages. Having an uninterruptible power supply (UPS) can preserve many hours of existing work as well as ensure that your server can quickly become operational after the power has been restored. Does your UPS have the ability to notify your server that it should shut itself down after the power has been off for a few minutes? Unexpected power outages can result in a corrupt database and require a full restore from a previous backup. The net result is that lots of data may need to be reentered or recreated. Speaking of backups, do you know where your backups are located? Have you tested your backups lately? If you have backup concerns, we now offer Manatron Offsite Backup Services (MOBS).

Manatron, Inc., the nation's leading provider of comprehensive property tax systems, and The Sidwell Company, one of the most well-known and respected GIS and mapping companies in the industry, have joined forces to create a powerful partnership in order to provide jurisdictions the latest technical advancements in CAMA and GIS integration.



Manatron & Sidwell Provide Innovative GIS/CAMA Integration

The Manatron / Sidwell partnership brings together two experts in the land records industry. The combination of Manatron's robust CAMA capabilities with Sidwell's innovative land records management software brings a solidly integrated GIS/CAMA solution to our customers. To enhance this partnership, both Manatron and Sidwell have a long-standing relationship with ESRI, which allows us to utilize the latest ESRI technology in our joint development efforts. The ultimate result of this partnership is the integration of Manatron CAMA with Sidwell Farms® and Sidwell Parcel Builder®, which provides enhanced GIS-based features for our shared customers.

Features:

- Data maintenance tools provide bi-directional communication between GIS and CAMA datasets.
- Integrated, yet simple-to-use data

maintenance tools specifically designed with a focus on step-by-step processes crucial to the land records professional

- Parcel Identification Number (PIN) management within a geographical environment.
- Advanced hard-copy plotting capabilities

Benefits:

- Disparate data integration, eliminating the need for separate "silos" of information
- Simplified data maintenance routines, which ultimately increases productivity
- Data redundancy between offices is eliminated

The Sidwell Company

The Sidwell Company specializes in development and implementation of GIS and mapping Solutions. Among the comprehensive products and services offered by the company are GIS planning, design and implementation; data conversion and cadastral database development; aerial photography; software development; photogrammetric services including topographic, planimetric, and digital orthophoto mapping; project management; training; technical support services and web hosting for GIS data.

Sidwell is an Authorized ESRI Business Partner, and as such, is a reseller, developer, consultant, data and web service provider with a track record of meeting and exceeding your project needs. In 2003, Sidwell was named a Foundation Partner by ESRI, in recognition of the company's hard work and dedication to client services and their advancements in GIS technology. In business since 1927, Sidwell is an employee-owned firm offering experienced staff, quality products and services, and the finest in ongoing client support.

Manatron On the Move:

Events & Conferences

2007 Users Conference Information

The 10th Annual International ProVal Users and 3rd Annual Tax Users Group of Manatron Conferences will be held at the beautiful Marriott Tucson University Park in Tucson, Arizona. The conference dates are October 21-26, 2007.

Conference brochures and registration materials can be found on the Manatron website at: www.manatron.com/07UsersConferenceInfo.aspx.

The Marriott room rate will be \$119/night and the hotel provides great meeting facilities and plenty of restaurants for lunch and dinner right out of the door - just a



short walk away. The pool is open year round and the scenery is spectacular. Check the hotel out at www.marriott.com/tusup.

Rooms and space are limited, so complete your conference registration and reserve your hotel room as soon as possible.

International ProVal Users Conference

Why You Should Attend

- Education and training for both beginning and experienced Manatron CAMA users
- Opportunity to discuss and suggest desired modifications and enhancements to the Manatron CAMA software which are used in developing future releases of the software
- The ProVal Users Conference will take place in conjunction with the Tax Users Group of Manatron Conference which

allows ProVal registrants to attend classes within the TUGOM Conference if desired

- Meet and socialize with other Manatron users from across the country

The schedule includes a welcome reception, three educational tracks with classes for every user and an awards banquet. In addition, Manatron will sponsor a social event on Monday evening for all user conference attendees.

Tax Users Group of Manatron Conference

Educational Sessions At-A-Glance

- Cashiering Systems and Equipment
- Using Database Views, Stored Procedures and SQL Queries to create Tax-related Reports
- Internet Fraud and Phishing

- Taxing Services and Mortgage Company Session
- Delinquent Processing Roundtable
- Upcoming GRM Upgrades/Manatron Review and MVP Tailored Session



Noteworthy

In early June, Manatron announced that it received a contract from Nassau County, Florida for its Property Tax solution, Manatron MVP Tax and CollectMax, Manatron's eGovernment solution which allows taxpayers to pay property and other taxes using the Internet. This marks the 27th client in Florida who will be using the Company's tax collection software.

In addition, Manatron received a contract from the City of Roanoke, Virginia for Manatron Tax. This project requires complete integration with the City Assessor's Office, a current Manatron CAMA client. This marks the 2nd GRM tax client in Virginia. The City of Virginia Beach was the first.

Recently, Manatron announced that over the last 18 months it has signed contracts with six new clients in the State of Georgia for its Property Tax solution, Manatron VCS Tax. Manatron now provides software and support for over 30 customers in the State of Georgia.



Manatron Updates:

The Latest In Product Solutions

Manatron Managed Offsite Backup Services (MOBs)

The objective of the Managed Offsite Backup service technology is to effectively and efficiently move a point-in-time image of a file system or database to a secure remote disk subsystem. Maintaining a remote image of the data facilitates complete protection of the primary data from viruses, disasters, hardware failures or human error. The remote image is available for ad-hoc, file and folder level restores, which also adds a significant level of convenience to this offsite data protection solution.

Data Maintained Onsite and Offsite

With Managed Offsite Backup Services, you can proceed with confidence knowing that your data is stored on your server in your environment as well as knowing that multiple complete copies of your data are stored securely offsite. Using MOBs technology, automatically maintaining data in two different locations hundreds or thousands of miles apart ensures that virtually no single catastrophe will destroy your jurisdictions official data records.

Automatic Offsite Backups

Application data is immediately transferred offsite to a secure data center via the Internet. Online backups are monitored by Manatron staff to ensure that your data is stored safe and secure.

No Capital Investment

No upfront costs are required to subscribe to Manatron's Managed Offsite Backup Services. The MOBs backup agent can be quickly and easily installed on your existing server. Backup data will be sent over the Internet using industry-standard encryption.

Rapid Recovery 24x7

A complete restore of your entire jurisdictions data set can be achieved quickly and reliably with unparalleled accuracy. No need to worry about bad tapes or a bad tape drive, data is always available and online for

It is critical to protect your data from any type of downtime, resulting from a man-made occurrence or natural disaster. Whether you are looking for immediate backup or long-term archive, MOBs has a data protection and recovery solution for today's governmental data needs.

immediate restores. Data backups are always checked for accuracy when received at the data center and are stored on redundant physical media to ensure safe storage after the backups have been validated.

MOBs Technology Defined

Recognizing the flaws in tape backup and the anticipated fall of hard disk prices, MOBs technology was designed from the

ground up to take advantage of the random-access capability of disk drives and to leverage existing public networks such as the Internet to automatically move critical backup data off-site.

In accomplishing this goal, the MOBs technology eliminates the need for manual intervention inherent in traditional tape systems, including physically labeling, boxing, shipping (and/or rotating) and tracking tape media.

MOBs Provides Unmatched Data Protection

- Disk-based offsite backup and recovery service for local government jurisdictions.
- Fast, easy file and folder restores
- Centralized and automated backup – to reduce human error
- Securely and reliably move data off-site with advanced encryption
- No additional upfront hardware required
- Eliminate redundant backup procedures
- Store more data with less disk space
- Complete control of your backup and recovery process
- Ensure your data is protected and securely backed up and off-site
- Prevent data loss due to natural disasters

MOBs Provides Total Jurisdiction Protection

- Provide offsite backup for all of your critical data.
- Tax, Appraisal, Records and GIS applications and database information
- Financial and Human Resource data
- Exchange Server information – provides immediate retrieval of email
- Personal correspondence and Office forms

All the BUZZ:

Keeping You Informed

Quotable Quotes

"They know that we have a job to do and we need to do it in the most efficient manner that we can...they're more than willing to take the time to make sure that it works for what we need it to do."

Donna Peterson, Treasurer, Payette County, Idaho

Calendar of Events/News

August

July 31- Aug 3:

IN County Treasurers
Indianapolis

5-8:

PA County
Commissioners
York

5-9:

ID Treasurers
Twin Falls

7-9:

WA Assessors
Walla Walla

7-10:

IN County Assessors
Indianapolis

13-16:

CO Assessors
Steamboat Springs

13-16:

OR
Assessors/Treasurers
Bend

19-21:

VA Commissioners of
Revenue
Lynchburg

20-23:

CA Assessors
Squaw Valley

August

21-23:

ID Assessors

September

5-7:

MN eCounties
Alexandria

9-12:

IAAO
Atlanta, GA

16-21:

ID Association of
Counties
Moscow

17-19:

MT Treasurers

23-27:

MT Association of
Counties
Great Falls

October

1-4:

IN Association of
Counties
Indianapolis

October

1-5:

WA Association of
Counties
Stevenson

2-4:

NV Association of
Counties
Elko

7-11:

FL Tax Collectors Fall
Destin

14-17:

CCISDA
Monterey

15-18:

CA Assessors
Shell Beach

21-25:

Manatron User Group
Tucson, AZ

28-31:

Pictometry FutureView
Orlando, FL

Any questions or feedback regarding the Newsletter please contact us at manatron.standard@manatron.com

For all the latest Manatron news and information please visit www.manatron.com. Or call 1.866.471.2900

Manatron Standard

In the Works

October Issue

In the Spotlight

Clay County, FL

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Overview of NACo and IAAO

Partner Profile:

Pictometry

Product Info:

Manatron Appraisal Services

For more information, please visit www.manatron.com.

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MANATRON

Manatron Standard

MANATRON
The power to manage well.

COMPANY SOLUTIONS AND SERVICES

→ Industry Knowledge (IK)

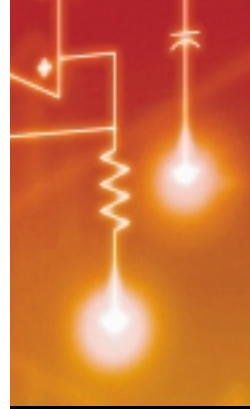
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