



SEDONA ANNOUNCES 2009 ANNUAL RESULTS AND CONFERENCE CALL

KING OF PRUSSIA, PA – April 20, 2010 - SEDONA® Corporation (OTCBB: SDNA)(www.sedonacorp.com), who partners with banks and credit unions to deliver CRM/MRM solutions and services, announced its operating results for the fiscal year ended December 31, 2009.

Notable business developments in 2009 include:

- Liberty Bank of Middleton, CT, selected SEDONA's solutions to serve as the cornerstone of their marketing and customer management functions;
- Minnesota Building Trades Federal Credit Union selected SEDONA's MRM and technology services to fuel growth and maximize efficiency;
- Both EPL Inc., of Birmingham, AL, and Share One Inc., of Memphis, TN, selected SEDONA Corporation as their partner to offer the next generation of integrated member relationship management to their credit union clients.

The Company also announced that in March 2010, the Company and its current debt holders had reached an agreement in principal with respect to the total outstanding debt obligations and accrued interest due, which approximates \$9,600,000 as of December 31, 2009. The Company has presented the debt holders with terms to convert the total outstanding debt obligations and accrued interest due, from debt to equity through the issuance of Company Preferred Stock. The Company anticipates executing documentation related to this transaction on or before June 30, 2010, however, there can be no assurances that the transaction will be completed until documents are executed.

Financial Results:

For 2009, total revenues decreased 10% to \$1,250,000 compared to \$1,395,000 reported in the prior 2008 fiscal year. Revenue from product license sales decreased 25% or \$137,000 to \$401,000 compared to \$538,000 reported in 2008. One reason for the decline in product license revenue is that in 2009, the Company changed its pricing to focus solely on a software-as-a-service licensing model (SaaS). Under the SaaS model, licensing costs are calculated as monthly subscription fees which are amortized over the license term, rather than traditional licensing models which typically involve large upfront investments. The Company believed the SaaS model represented the best opportunity for success for both SEDONA and its clients.

As sales from SaaS licenses increase, so does the Company's accounts receivable and associated deferred revenues. As of December 31, 2009, the Company had recorded approximately \$918,000 in

accounts receivable and deferred revenues from SaaS based subscriptions fees which will be recognized as revenue ratably over the contract terms, generally three to five years. This represents a 22% increase in SaaS based receivables and deferred revenue over the approximately \$751,000 reported as of December 31, 2008.

In addition, for fiscal year December 31, 2009, service fee revenue remained relatively constant at \$849,000 compared to \$857,000 reported in the fiscal year ended December 31, 2008.

The Company reported a gross profit of \$876,000 or 70% of revenue for fiscal year 2009 compared to \$1,154,000 or 83% of revenue in fiscal year 2008. The shift in gross profit is primarily related to an increase in service and support costs attributable to the release of new software in early 2009.

Total operating expenses decreased 27% or \$914,000 to \$2,416,000 for the fiscal year ended December 31, 2009, compared to \$3,330,000 reported in the fiscal year ended December 31, 2008. In 2009, operating expenses decreased in each of the Company's functional areas, except sales and marketing. Sales and marketing expenses increased \$322,000 or 63% due to the expansion of the department to support direct sales initiatives. These expenses were offset primarily by \$879,000 in lower litigation expenses. In addition, for the year ended December 31, 2009, the Company's research and development expenses decreased by \$188,000 or 36% as more time was spent in service and support costs attributable to the release of new software and general and administrative expenses decreased by \$169,000 or 13% due to savings in outside services costs.

For the fiscal year ended December 31, 2009, total other expenses increased to \$4,100,000 compared to \$3,137,000 reported in the fiscal year ended December 31, 2008. In 2009, interest expense increased to \$4,100,000 compared to \$682,000 reported in the same period one year ago. The increase in interest expense represents non-cash interest charges related to the accretion of debt discount for convertible notes issued in December 2008. In addition, in fiscal year 2008, the Company recorded a non-cash charge of \$1,156,000 for loss on extinguishment of debt and a non-cash charge of \$1,299,999 for an inducement loss on debt conversion related to convertible debt issued in December 2008.

For the year ended December 31, 2009, SEDONA reported a net loss of \$5,640,000, including \$4,100,000 of non-cash interest charges, or (\$0.05) per share compared to a loss of \$5,313,000, or (\$0.05) per share including non-cash charges of \$2,455,000 for the year ended December 31, 2008.

For additional information please consult the Company's Form 10-K filed with the Securities and Exchange Commission on April 15, 2010.

Conference Call: The Company will hold a conference call on Thursday, April 22, 2010 at 11:00 AM EDT for interested shareholders to discuss the Company's fiscal 2009 operating results. To participate in the conference call, dial **(877) 432-4708** (US and Canada) a few minutes prior to the call, and ask for Conference ID #70481733 or the "SEDONA Quarterly Call." Callers will be required to give their complete name, affiliation and phone number to the operator to participate in the call.

Participants are asked to submit questions prior to the meeting to be addressed on the call. All **questions must be submitted** via email to mcnaul@sedonacorp.com, **by 7:00AM EDT on Thursday, April 22, 2010**. The email must contain "Quarterly Review Question" in the subject line and will only be considered if it includes the person's complete contact information, including name, affiliation, and phone number.

About SEDONA Corporation

SEDONA® Corporation (OTCBB: SDNA) partners with banks and credit unions to deliver solutions that help foster and retain loyal, profitable customers and members. SEDONA solutions improve customer and member acquisition and retention, increase profit, and lower risk through targeted initiatives focusing on customer loyalty, referrals and cross-selling, salesforce automation, performance management, knowledge management and marketing ROI. For additional information, visit the SEDONA website at www.sedonacorp.com or call 1-800-815-3307.

Forward-Looking Statements

Statements made in this news release that relate to future plans, events or performances are forward-looking statements. Any statement containing words such as "believes," "anticipates," "plans," or "expects," and other statements which are not historical facts contained in this release are forward-looking, and these statements involve risks and uncertainties and are based on current expectations. Consequently, actual results could differ materially from the expectations expressed in these forward-looking statements.

SEDONA® is a registered trademark, SEDONAⁿCompass™ is a trademark, and SEDONA CMOSM is a servicemark of SEDONA Corporation. Intarsia® is a registered trademark, and SEDONA CRM™ and SEDONA MRM™ are trademarks of SEDONA Corporation. All other trade names are the property of their respective owners.

This press release and prior releases are available on the SEDONA Corporation web site at www.sedonacorp.com.

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