



**ENCORE SOFTWARE LIMITED**

Regd. Office: VI Floor, Leo Complex, 44 & 45 Residency Cross Road, Bangalore 560 025

<b>Unaudited Financial Results for the Third Quarter ended December 31, 2003</b>					
(Rs. in Millions)					
	Quarter Ended 31.12.2003 <b>1</b>	Quarter Ended 31.12.2002 <b>2</b>	Period ended 31.12.2003 <b>3</b>	Period ended 31.12.2002 <b>4</b>	Year Ended 31.03.2003 (Audited) <b>5</b>
1. Income from Operations	16.97	16.79	46.24	51.05	70.85
2. Other Income	0.78	0.15	2.18	0.47	1.90
<b>Total Income</b>	<b>17.75</b>	<b>16.94</b>	<b>48.42</b>	<b>51.52</b>	<b>72.75</b>
3. Total Expenditure:					
a) Increase/decrease in stock in trade	0.00	0.00	0.00	0.00	0.00
b) Consumption of raw materials	5.72	3.43	12.92	6.45	8.26
c) Staff Cost	6.07	4.47	18.74	13.68	19.38
d) Other Expenditure	7.16	7.93	23.79	29.27	36.50
4. Interest	0.30	0.12	0.79	0.29	0.41
5. Depreciation	0.91	1.29	3.09	4.11	5.68
6. Profit/(Loss) before tax	(2.41)	(0.32)	(10.91)	(2.29)	2.53
7. Provision for taxation	0.00	0.00	0.00	0.00	0.57
8. Deferred Tax	0.00	0.00	0.00	(0.50)	(1.03)
9. Prior year expenses/(income)	0.00	0.00	0.00	0.00	(0.06)
10. Net Profit/(Loss)	(2.41)	(0.32)	(10.91)	(1.79)	3.05
11. Paid up Equity share capital (of Rs. 10/- each)	64.72	64.72	64.72	64.72	64.72
12. Reserves excluding revaluation reserves	-	-	-	-	45.10
13. EPS (Rs.)	(0.37)	(0.05)	(1.69)	(0.28)	0.47
14. Aggregate of Non-Promoter share holding					
- Number of shares	-	-	4,127,167	3,537,380	3,537,380
- % of share holding	-	-	63.77	54.66	54.66
<b>Primary Segment</b>					
1. Segment Revenue					
a. Software Sales (including IP rights & Royalty)	12.49	6.44	30.00	28.16	32.18
b. Products and Design charges	3.13	1.78	4.02	2.38	4.17
c. Development & Consultancy services	1.35	8.57	12.22	20.51	34.51
<b>Income from Operations</b>	<b>16.97</b>	<b>16.79</b>	<b>46.24</b>	<b>51.05</b>	<b>70.85</b>
2. Segment Result					
a. Software Sales (including IP rights & Royalty)	5.82	0.39	7.52	13.39	13.28
b. Products and Design charges	(2.05)	(3.62)	(8.82)	(8.39)	(10.88)
c. Development & Consultancy services	(5.04)	5.57	(0.41)	6.28	19.71
Less: i) Interest	0.29	0.12	0.78	0.29	0.41
ii) Other un-allocable expenditure, net of un-allocable income	0.85	2.54	8.42	13.28	19.17
<b>Total Profit/(Loss) Before Tax</b>	<b>(2.41)</b>	<b>(0.32)</b>	<b>(10.91)</b>	<b>(2.29)</b>	<b>2.53</b>
<b>3. Secondary Segment-wise Revenue (Location of Customer)</b>					
a. USA	9.43	2.55	20.19	6.13	9.81
b. Asia, Far East & Middle East	5.55	3.68	11.64	26.66	26.41
c. Europe	0.75	0.69	0.86	1.91	1.94
d. Others	1.24	9.87	13.55	16.35	32.69
<b>Total</b>	<b>16.97</b>	<b>16.79</b>	<b>46.24</b>	<b>51.05</b>	<b>70.85</b>

**NOTES:**

- The above unaudited results have been taken on record by the Board of Directors at their meeting held on January 17, 2004.
- Segmental capital employed: Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the Fixed assets and services are used interchangeably between segments. Segmental information for earlier period have been furnished.
- "Limited Review" of the above results has been carried out by the Auditors.
- There was no complaint pending in respect of any investor.
- The Company's shares have been delisted from Hyderabad and Chennai Stock Exchanges and awaiting confirmation for delisting from Bangalore Stock Exchange. The stocks will continue to be listed in the Mumbai Stock Exchange.

By Order of the Board

January 17, 2004  
Bangalore

Vinay L Deshpande  
Chairman & CEO