



ENCORE SOFTWARE LIMITED

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

Unaudited Financial Results for the First quarter ended June 30, 2004			
(Rs. in Millions)			
	Quarter Ended 30.06.2004 1	Quarter Ended 30.06.2003 2	Year Ended 31.03.2004 (Audited) 3
1. Income from Operations	6.23	7.95	67.23
2. Other Income	0.78	0.74	5.82
Total Income	7.01	8.69	73.05
3. Total Expenditure:			
a) Increase/decrease in stock in trade	0.00	0.00	(3.03)
b) Consumption of raw materials	2.39	2.61	22.50
b) Staff Cost	7.42	6.27	24.95
c) Other Expenditure	5.77	5.63	39.40
4. Interest	0.31	0.17	1.16
5. Depreciation	0.94	1.27	4.08
6. Profit/(Loss) before tax	(9.82)	(7.26)	(16.01)
7. Provision for taxation	0.00	0.00	(0.33)
8. Deferred Tax	-	-	-
9. Prior year expenses/(income)	-	-	-
10. Net Profit/(Loss)	(9.82)	(7.26)	(15.68)
11. Paid up Equity share capital (of Rs. 10/- each)	64.72	64.72	64.72
12. Reserves excluding revaluation reserves	-	-	45.10
13. EPS (Rs.)	(1.52)	(1.12)	(2.42)
14. Aggregate of Non-Promoter share holding			
- Number of shares	5,104,217	3,537,380	4,724,217
- % of share holding	78.87	54.66	73.00
Primary Segment			
1. Segment Revenue			
a. Software Sales (including IP rights & Royalty)	5.27	5.92	35.23
b. Products and Design charges	0.00	0.66	11.53
c. Development & Consultancy services	0.96	1.37	20.47
Income from Operations	6.23	7.95	67.23
2. Segment Result			
a. Software Sales (including IP rights & Royalty)	0.30	(1.44)	8.17
b. Products and Design charges	(4.24)	(1.75)	(5.60)
c. Development & Consultancy services	(3.63)	0.14	(8.71)
Less: i) Interest	0.00	0.17	1.16
ii) Other un-allocable expenditure, net of un-allocable income	2.25	4.04	8.71
Total Profit/(Loss) Before Tax	(9.82)	(7.26)	(16.01)
3. Secondary Segment-wise Revenue (Location of Customer)			
a. USA	4.61	3.82	23.60
b. Asia, Far East & Middle East	1.42	3.47	12.78
c. Europe	0.04	0.11	0.89
d. Domestic	0.16	0.55	29.96
Total	6.23	7.95	67.23

NOTES:

1. The above results have been taken on record by the Board of Directors at their Meeting held on July 7, 2004.
2. 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.
3. "Limited Review" of the above results have been carried out by the Auditors.
4. Regarding audit qualifications with respect to non provision of prior period remuneration, receivables, diminution in investments, the Management:
 - a. proposes to make this good, commensurate with the performance in the future years
 - b. is hopeful of realization of the receivables and
 - c. in the long term expects significant returns relating to the investments
5. No investor complaint is pending against the Company.

By Order of the Board

July 7, 2004
Bangalore

Vinay L Deshpande
Chairman & CEO