


ENCORE SOFTWARE LIMITED

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

Unaudited Financial Results for the Third quarter ended December 31, 2005					
(Rs. in Millions)					
	Quarter Ended 31.12.2005	Quarter Ended 31.12.2004	Period ended 31.12.2005	Period ended 31.12.2004	Year Ended 31.03.2005 (Audited)
	1	2	3	4	5
1. Income from Operations	10.80	7.14	31.77	15.54	33.59
2. Other Income	0.16	0.00	0.16	1.10	2.05
Total Income	10.96	7.14	31.93	16.64	35.64
3. Total Expenditure:					
a) Increase/decrease in stock in trade	0.00	0.00	0.00	0.00	1.01
b) Consumption of raw materials	5.98	3.73	16.48	8.24	23.53
c) Staff Cost	8.91	7.99	24.67	24.88	33.16
d) Other Expenditure	4.60	4.01	13.57	16.34	23.25
4. Interest	0.50	0.31	1.13	0.96	1.39
5. Depreciation	0.47	0.95	2.57	2.84	4.30
6. Profit/(Loss) before tax	(9.50)	(9.85)	(26.49)	(36.62)	(51.00)
7. Provision for FBT	0.06	-	0.12	-	-
8. Deferred tax assets withdrawn	-	-	-	-	2.90
9. Net Profit/(Loss)	(9.56)	(9.85)	(26.61)	(36.62)	(53.90)
10. Paid up Equity share capital (of Rs 10/- each)	64.72	64.72	64.72	64.72	64.72
11. Reserves excluding revaluation reserves	-	-	-	-	(25.20)
12. EPS (Rs.)	(1.48)	(1.52)	(4.11)	(5.66)	(8.33)
13. Aggregate of Non-Promoter share holding					
- Number of shares	-	-	6,261,549	5,492,167	5,978,167
- % of share holding	-	-	96.76	84.87	92.38
Primary Segment					
1. Segment Revenue					
a. Technology Solutions	7.68	3.81	23.98	10.25	23.75
b. Mobile Computing Products	3.12	3.33	7.79	5.29	9.84
Income from Operations	10.80	7.14	31.77	15.54	33.59
2. Segment Result					
a. Technology Solutions	1.55	(2.19)	3.11	(6.78)	(3.44)
b. Mobile Computing Products	(11.05)	(6.24)	(29.60)	(24.52)	(39.68)
Less: i) Interest	-	-	-	-	1.39
ii) Other un-allocable expenditure, net of un-allocable income	0.00	1.42	0.00	5.32	6.49
iii) Provision for tax/Deferred tax	0.00	0.00	0.00	0.00	2.90
Total Profit/(Loss) Before Tax	(9.50)	(9.85)	(26.49)	(36.62)	(53.90)
3. Secondary Segment-wise Revenue (Location of Customer)					
a. USA	6.87	2.25	17.60	8.15	11.77
b. Asia, Far East & Middle East	0.60	1.57	5.42	3.24	12.31
c. Europe	0.01	0.04	0.73	0.08	0.09
d. Domestic	3.32	3.28	8.02	4.07	9.42
Total	10.80	7.14	31.77	15.54	33.59

NOTES:

- The above unaudited results have been taken on record by the Board of Directors at their meeting held on January 31, 2006.
- 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 periods have been furnished.
- No provision has been made in respect of impairment of assets as required under Accounting Standard No. 29 prescribed by the Institute of Chartered Accountants of India, as the Management is of the opinion that no provision is required to be made for impairment.
- Regarding audit qualifications with respect to non provision of prior period remuneration, receivables, diminution in investments, the Management:
 - proposes to make this good, commensurate with the performance in the future years
 - is hopeful of realization of the receivables and
 - in the long term expects significant returns relating to the investments
- "Limited Review" of the above results has been carried out by the Auditors.
- There was no complaint pending in respect of any investor in this quarter.

By Order of the Board

 January 31, 2006
 Bangalore

 Vinay L Deshpande
 Chairman & CEO