



**ENCORE SOFTWARE LIMITED**

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

<b>Audited Financial Results for the year ended March 31, 2006</b>				
(Rs. in Millions)				
	Quarter Ended 31.03.2006 1	Quarter Ended 31.03.2005 2	Year Ended 31.03.2006 3	Year Ended 31.03.2005 (Audited) 4
1. Income from Operations	30.57	18.05	62.34	33.59
2. Other Income	0.28	0.95	0.43	2.05
<b>Total Income</b>	<b>30.85</b>	<b>19.00</b>	<b>62.77</b>	<b>35.64</b>
3. Total Expenditure:				
a) Increase/decrease in stock in trade	-	1.01	-	1.01
b) Consumption of materials	23.70	15.29	40.18	23.53
b) Staff Cost	8.28	8.28	32.95	33.16
c) Other Expenditure	17.35	6.91	30.92	23.25
4. Interest	1.59	0.43	2.72	1.39
5. Depreciation	0.67	1.46	3.23	4.30
6. Profit/(Loss) before tax	(20.74)	(14.38)	(47.23)	(51.00)
7. Provision for FBT	0.11	-	0.23	-
8. Deferred Tax Assets withdrawn	-	2.90	-	2.90
9. Prior year expenses/(income)	-	-	-	-
10. Net Profit/(Loss)	(20.85)	(17.28)	(47.46)	(53.90)
11. Paid up Equity share capital (of Rs. 10/-		64.72	64.72	64.72
12. Reserves excluding revaluation reserves	-	-	(72.65)	(25.20)
13. EPS (Rs.)	(3.22)	(2.67)	(7.33)	(8.33)
14. Aggregate of Non-Promoter share holding				
- Number of shares	-	-	6,326,615	5,978,167
- % of share holding	-	-	97.76	92.38
<b>Primary Segment</b>				
<b>1. Segment Revenue</b>				
a. Technology Solutions	4.76	12.90	28.74	23.75
b. Mobile Computing Products	25.81	5.15	33.60	9.84
<b>Income from Operations</b>	<b>30.57</b>	<b>18.05</b>	<b>62.34</b>	<b>33.59</b>
<b>2. Segment Result</b>				
a. Technology Solutions	(12.43)	3.34	(9.32)	(3.44)
b. Mobile Computing Products	(8.31)	(15.16)	(37.91)	(39.68)
Less: i) Financial charges	-	1.39	0.00	1.39
ii) Other un-allocable expenditure, net of un-allocable income	-	1.17	-	6.49
iii) Provision for tax/Deferred tax	0.11	2.90	0.23	2.90
<b>Total Profit/(Loss)</b>	<b>(20.85)</b>	<b>(17.28)</b>	<b>(47.46)</b>	<b>(53.90)</b>
<b>3. Secondary Segment-wise Revenue (Location of Customer)</b>				
a. USA	3.36	3.62	20.96	11.77
b. Asia, Far East & Middle East	0.91	9.07	6.33	12.31
c. Europe	0.01	0.01	0.74	0.09
d. Domestic	26.29	5.35	34.31	9.42
<b>Total</b>	<b>30.57</b>	<b>18.05</b>	<b>62.34</b>	<b>33.59</b>

**NOTES:**

- The above audited results have been approved by the Board of Directors at their meeting held on June 22, 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.
- Regarding audit qualifications with respect to non provision for prior period remuneration, and diminution in investments, the Management:
  - proposes to make this good, commensurate with the performance in the future years
  - in the long term expects significant returns relating to the investments
- Investor complaints during the quarter: Pending - Nil; Received - Nil.

By Order of the Board

June 22, 2006  
Bangalore

Vinay L Deshpande  
Chairman & CEO