



Encore Software

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, 2006			
(Rs. in Millions)			
	Quarter Ended 30.06.2006 1	Quarter Ended 30.06.2005 2	Year Ended 31.03.2006 (Audited) 3
1. Income from Operations	5.64	11.35	62.34
2. Other Income	0.07	0.00	0.43
Total Income	5.71	11.35	62.77
3. Total Expenditure:			
a) Increase/decrease in stock in trade	0.00	0.00	-
b) Consumption of raw materials	4.37	3.91	40.18
b) Staff Cost	11.92	8.17	32.95
c) Other Expenditure	5.15	5.52	30.92
4. Interest	0.73	0.32	2.72
5. Depreciation	0.68	1.05	3.23
6. Profit/(Loss) before tax	(17.14)	(7.62)	(47.23)
7. Provision for FBT	0.06	0.04	0.23
8. Deferred Tax Assets withdrawn	-	-	-
9. Prior year expenses/(income)	-	-	-
10. Net Profit/(Loss)	(17.20)	(7.66)	(47.46)
11. Paid up Equity share capital (of Rs. 10/- each)		64.72	64.72
12. Reserves excluding revaluation reserves		-	(72.65)
13. EPS (Rs.)	(2.66)	(1.18)	(7.33)
14. Aggregate of Non-Promoter share holding			
- Number of shares	-	-	6,326,615
- % of share holding	-	-	97.76
Primary Segment			
1. Segment Revenue			
a. Technology Solutions	5.61	9.34	28.74
b. Mobile Computing Products	0.03	2.01	33.60
Income from Operations	5.64	11.35	62.34
2. Segment Result			
a. Technology Solutions	(3.49)	1.37	(9.32)
b. Mobile Computing Products	(13.65)	(8.99)	(37.91)
Less: Provision for tax/Deferred tax	0.06	0.04	0.23
Total Profit/(Loss)	(17.20)	(7.66)	(47.46)
3. Secondary Segment-wise Revenue			
a. USA	5.27	4.80	20.96
b. Asia, Far East & Middle East	0.01	3.69	6.33
c. Europe	0.02	0.00	0.74
d. Domestic	0.34	2.86	34.31
Total	5.64	11.35	62.34

NOTES:

1. The above results as reviewed by the Audit Committee have been taken on record by the Board of Directors at their Meeting held on July 24, 2006.
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 has been carried out by the Auditors.
4. Regarding audit qualification with respect to diminution in investments, the Management, in the long term expects significant returns relating to the investments
5. Investor complaints during the quarter: Pending - Nil; Received - Nil

By Order of the Board

July 24, 2006
Bangalore

Vinay L Deshpande
Chairman & CEO