



**ENCORE SOFTWARE LIMITED**

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

<b>Unaudited Financial Results for the half year ended September 30, 2006</b>					
(Rs. in Millions)					
	Quarter ended 30.09.2006 <b>1</b>	Quarter ended 30.09.2005 <b>2</b>	Period ended 30.09.2006 <b>3</b>	Period ended 30.09.2005 <b>4</b>	Year ended 31.03.2006 (Audited) <b>5</b>
1. Income from Operations	8.27	9.62	13.91	20.97	62.34
2. Other Income	0.00	0.00	0.07	0.00	0.43
<b>Total Income</b>	<b>8.27</b>	<b>9.62</b>	<b>13.98</b>	<b>20.97</b>	<b>62.77</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	4.05	6.59	8.43	10.50	40.18
c) Staff Cost	8.70	7.59	20.62	15.76	32.95
d) Other Expenditure	4.53	3.45	9.68	8.97	30.92
4. Interest	0.70	0.31	1.42	0.63	2.72
5. Depreciation	0.31	1.05	1.00	2.10	3.23
6. Profit/(Loss) before tax	(10.03)	(9.37)	(27.17)	(16.99)	(47.23)
7. Provision for FBT	0.06	0.02	0.12	0.06	0.23
8. Deferred Tax Assets withdrawn	-	-	-	-	-
9. Prior year expenses/(income)	-	-	-	-	-
10. Net Profit/(Loss)	(10.09)	(9.39)	(27.29)	(17.05)	(47.46)
11. Paid up Equity share capital (of Rs. 10/- each)		64.72	64.72	64.72	64.72
12. Reserves excluding revaluation reserves		-	-	-	(72.65)
13. EPS (Rs.)	(1.56)	(1.45)	(4.22)	(2.63)	(7.33)
14. Aggregate of Non-Promoter share holding					
- Number of shares			6,315,954	6,289,639	6,326,615
- % of share holding			97.60	97.19	97.76
<b>Primary Segment</b>					
1. Segment Revenue					
a. Technology Solutions	8.18	6.96	13.79	16.30	28.74
b. Mobile Computing Products	0.09	2.66	0.12	4.67	33.60
<b>Income from Operations</b>	<b>8.27</b>	<b>9.62</b>	<b>13.91</b>	<b>20.97</b>	<b>62.34</b>
2. Segment Result					
a. Technology Solutions	0.30	0.19	(3.19)	1.56	(9.32)
b. Mobile Computing Products	(10.33)	(9.56)	(23.98)	(18.54)	(37.91)
Less: i) Interest	-	-	-	-	-
ii) Other un-allocable expenditure,	-	-	-	-	-
iii) Provision for tax/Deferred tax	0.06	0.02	0.12	0.06	0.23
<b>Total Profit/(Loss) Before Tax</b>	<b>(10.09)</b>	<b>(9.39)</b>	<b>(27.29)</b>	<b>(17.05)</b>	<b>(47.46)</b>
<b>3. Secondary Segment-wise Revenue</b>					
<b>(Location of Customer)</b>					
a. USA	3.90	5.93	9.18	10.73	20.96
b. Asia, Far East & Middle East	1.90	1.15	1.91	4.84	6.33
c. Europe	1.42	0.71	1.44	0.71	0.74
d. Domestic	1.04	1.83	1.38	4.69	34.31
<b>Total</b>	<b>8.27</b>	<b>9.62</b>	<b>13.91</b>	<b>20.97</b>	<b>62.34</b>

**NOTES:**

- The above results as reviewed by the Audit Committee, have been taken on record by the Board of Directors at their meeting held on October 30, 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 period 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 diminution in investments, the Management, in the long term expects significant returns relating to the investments.
- "Limited Review" of the above results has been carried out by the Auditors.
- Investor complaints during the quarter: Pending - Nil; Received - Nil.

By Order of the Board

October 30, 2006  
Bangalore

Vinay L Deshpande  
Chairman & CEO