

4S FOUR SOFT LIMITED

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CONSOLIDATED UN-AUDITED (PROVISIONAL) FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2006

Rs. In Lacs, except per share.

Sr. No.	Particulars	Three Months Ended		Six Months Ended		Year ended 31.03.2006 (Audited)
		30.09.2006 (Unaudited)	30.09.2005 (Unaudited)	30.09.2006 (Unaudited)	30.09.2005 (Unaudited)	
1.	Net Sales/Services	3,931.78	1,691.17	7,801.67	2,346.34	9,005.59
2.	Other Income	86.41	54.22	200.46	87.98	416.17
3.	TOTALS (1+2)	4,018.19	1,745.39	8,002.13	2,434.32	9,421.76
4.	Total expenditure:					
	a) Increase/decrease in stock in Trade	-	-	-	-	-
	b) Consumption of raw materials	-	-	-	-	-
	c) Staff Cost	2,624.90	1,039.66	4,956.55	1,394.37	5,939.43
	d) Travelling Expenditure	-	108.93	-	164.10	570.49
	e) Implementation expenses	-	-	-	-	-
	f) Other expenditure	656.38	310.81	1,524.56	441.20	1,638.21
5.	Interest	88.92	22.40	175.55	22.40	275.45
6.	Depreciation	78.95	44.00	158.74	71.72	220.86
7.	TOTALS (4+5+6)	3,449.15	1,525.80	6,815.40	2,093.79	8,644.44
8.	Profit (+) / Loss (-) before tax (3-7)	569.04	219.59	1,186.73	340.53	777.32
9.	Provision for Taxation	72.53	50.66	184.70	71.22	183.23
10.	Net Profit (+) / Loss(-) (8-9)	496.51	168.93	1,002.03	269.31	594.09
11.	Paid-up equity share capital (Face value of Rs. 5 each)	1,764.89	1,808.74	1,764.89	1,808.74	1,764.88
12.	Reserves excluding revaluation reserves	-	-	-	-	-
13.	Basic earnings per share (not annualised)	1.41	0.51	2.85	0.82	1.90
14.	Diluted earnings per share (not annualised)	1.40	0.51	2.82	0.81	1.87
15.	Aggregate of non-promoter shareholding**					
	- Number of shares	23,426,834	22,790,585	23,426,834	22,790,585	23,365,614
	Percentage of shareholding	64.75	63.00	64.75	63.00	64.59

Notes:

- The above Consolidated financial results have been reviewed by the Audit Committee, considered and approved by the Board of Directors at its meeting held on October 20, 2006.
- The Consolidated Financial Statements of Four Soft Limited (Four Soft) and its wholly owned foreign subsidiaries are prepared in accordance with Accounting Standard 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. All significant intra group balances and intra group transactions have been eliminated.
- The consolidated results for the quarter ended September 30, 2006 have been prepared based on the unaudited financial results of the following subsidiaries: (a) Four Soft LLC, USA, (b) Four Soft BV, The Netherlands and its subsidiaries (Four Soft NL BV, Four Soft UK Ltd, Four Soft USA Inc. and Four Soft Germany GMBH), (c) Four Soft Singapore Pte Ltd and (d) Four Soft Malaysia Sdn Bhd. The consolidated results for the quarter ended September 30, 2006 are not comparable with those of the corresponding previous quarter due to acquisition of the following step down subsidiaries in September 2005: (a) Four Soft NL BV, (b) Four Soft UK Ltd, (c) Four Soft USA Inc. and (d) Four Soft Germany GMBH.
- The Segment reporting under Clause 41 and AS -17 is not applicable, as the company has only one segment.
- Figures for the corresponding previous periods, have been regrouped / rearranged wherever necessary.

UN-AUDITED (PROVISIONAL) FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2006

Rs. In Lacs, except per share.

Sr. No.	Particulars	Three Months Ended		Six Months Ended		Year ended 31.03.2006 (Audited)
		30.09.2006 (Unaudited)	30.09.2005 (Unaudited)	30.09.2006 (Unaudited)	30.09.2005 (Unaudited)	
1.	Net Sales/Services	1,354.13	330.41	2,300.98	697.29	2,186.85
2.	Other Income	30.48	29.97	68.42	55.17	253.52
3.	TOTALS (1+2)	1,384.61	360.38	2,369.40	752.46	2,440.37
	Total Expenditure:					
	a) Increase/Decrease in stock in trade	-	-	-	-	-
	b) Consumption of raw materials	-	-	-	-	-
	c) Staff Cost	541.29	220.15	933.98	405.81	1,059.23
	d) Travelling Expenditure	92.34	46.28	141.05	87.63	226.36
	e) Implementation expenses	227.97	43.98	271.83	114.75	141.97
	f) Other expenditure	104.42	65.72	234.49	123.79	407.82
	g) Exchange rate (Gain)/Loss	15.25	(0.16)	(32.44)	(17.46)	-
4.	Interest	-	-	-	-	1.13
5.	Depreciation	37.00	22.96	74.69	45.04	115.08
6.	Profit (+) / Loss (-) before tax (1+2-3-4-5)	366.35	(38.55)	745.80	(7.10)	488.78
7.	Provision for Taxation	15.63	8.23	38.32	14.33	69.80
8.	Net Profit (+) / Loss(-) (6-7)	350.71	(46.78)	707.48	(21.43)	418.97
9.	Paid-up equity share capital (Face value of Rs. 5 each)	1,764.89	1,808.74	1,764.89	1,808.74	1,764.88
10.	Reserves excluding revaluation reserves	6,054.93	5,099.38	6,054.93	5,099.38	5,326.89
11.	Basic earnings per share (not annualised)	1.00	(0.14)	1.00	(0.07)	1.26
12.	Diluted earnings per share (not annualised)	0.99	(0.14)	0.99	(0.06)	1.24

Notes:

- The above financial results have been reviewed by the Audit Committee, considered and approved by the Board of Directors at its meeting held on October 20, 2006.
- There were 4 complaints received from investors during the quarter and have been resolved. There were no complaints outstanding at the beginning or end of the quarter.
- Figures for the corresponding previous periods, have been regrouped / rearranged wherever necessary.

Place: Hyderabad
Date: October 20, 2006

By Order of the Board
Sd/-
Palem Srikanth
Managing Director