

## Enghouse Releases First Quarter Results and Announces 20% Increase in its Dividend

FOR IMMEDIATE RELEASE

**Markham, Ontario – (March 11, 2009)** – Enghouse Systems Limited (TSX:ESL) today announced its unaudited first quarter financial results for the period ended January 31, 2009.

First quarter revenue was \$18.2 million, compared to \$10.9 million reported in the same period last year, an increase of approximately 68%. Net income for the first quarter was \$0.8 million or \$0.03 per share on a diluted basis compared to the prior year's first quarter net income of \$0.8 million or \$0.03 per share. The increase in revenue was primarily a result of increased license and services revenue in the Company's Syntellect Division, including revenue from Envox, acquired on October 20, 2008.

Operating expenses increased to \$8.6 million from \$5.3 million in the prior year's first quarter and include incremental operating costs related to the Gamma, Fluency and Envox acquisitions. Non-cash amortization charges were \$2.0 million compared to \$1.5 million in the prior year's first quarter and include amortization charges for acquired software and other intangibles from the acquired operations including Envox.

The Company generated cash flows from operations of \$2.0 million in the first quarter compared to \$2.0 million in the prior year's first quarter, closing the quarter with \$93.0 million in cash and short-term investments compared to \$94.4 million at October 31, 2008. The Company continues to have no long-term debt. The Company remains active in its normal course issuer buyback, re-purchasing 590,224 shares in the quarter at an average cost of \$4.55 per share for a total cost of \$2.7 million.

The Board of Directors today authorized a 20% increase to the eligible quarterly dividend from \$0.025 per share to \$0.03 per share, payable on May 29, 2009 to shareholders of record at the close of business on May 15, 2009. The Company remains committed to its strategy of seeking further acquisitions to continue to diversify its revenue stream and expand its market presence.

### **About Enghouse**

Enghouse Systems Limited is a leading global provider of enterprise software solutions serving a variety of distinct vertical markets. Its strategy is to build a larger and more diverse software company through strategic acquisitions and managed growth. Enghouse shares are listed on the Toronto Stock Exchange under the symbol "ESL". Further information about Enghouse may be obtained from the Company's web site at [www.enghouse.com](http://www.enghouse.com).

- 30 -

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**Enghouse Systems Limited**  
**Consolidated Balance Sheets**

*(in thousands of Canadian dollars)*  
*(Unaudited)*

	January 31, 2009	October 31, 2008
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 18,127	\$ 12,331
Short-term investments	74,868	82,099
Accounts receivable, net	16,899	17,515
Future income taxes	1,771	1,895
Prepaid expenses and other assets	2,900	2,947
	<u>114,565</u>	<u>116,787</u>
Property and equipment, net	2,409	2,471
Acquired software and other intangibles, net	25,543	27,373
Goodwill	21,644	21,953
Future income taxes	4,079	3,228
	<u>\$ 168,240</u>	<u>\$ 171,812</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 13,243	\$ 16,490
Income taxes payable	4,647	4,958
Dividend payable	621	636
Deferred revenue	21,548	18,585
	<u>40,059</u>	<u>40,669</u>
Future income taxes	8,332	7,945
Long-term income taxes payable	1,057	1,321
Deferred revenue	466	686
	<u>49,914</u>	<u>50,621</u>
<b>Shareholders' Equity</b>		
Share capital	49,494	50,568
Contributed surplus	1,845	1,827
Retained earnings	70,628	72,015
Accumulated other comprehensive loss	(3,641)	(3,219)
	<u>118,326</u>	<u>121,191</u>
	<u>\$ 168,240</u>	<u>\$ 171,812</u>

**Enghouse Systems Limited**  
**Consolidated Statements of Operations and Retained Earnings**  
**For the three months ended January 31**

*(in thousands of Canadian dollars except per share amounts)*  
*(Unaudited)*

	2009	2008
<b>Revenue</b>		
Software licenses	\$ 5,106	\$ 1,810
Services	12,044	8,696
Hardware	1,078	358
	<b>18,228</b>	<b>10,864</b>
<b>Cost of sales</b>		
Software licenses	1,024	521
Services	5,059	3,536
Hardware	951	288
	7,034	4,345
<b>Gross margin</b>	<b>11,194</b>	<b>6,519</b>
<b>Operating expenses</b>		
Selling, general and administrative	5,314	3,293
Research and development	2,964	1,766
Amortization of property and equipment	338	211
	8,616	5,270
<b>Income before the undernoted</b>	<b>2,578</b>	<b>1,249</b>
Amortization of acquired software and other intangibles	(1,952)	(1,460)
Foreign exchange gain	130	354
Interest income, net	443	1,053
<b>Income before income taxes</b>	<b>\$ 1,199</b>	<b>\$ 1,196</b>
Provision for income taxes		
Current	513	622
Future	(108)	(197)
<b>Net income for the period</b>	<b>\$ 794</b>	<b>\$ 771</b>
<b>Retained earnings, beginning of period</b>	72,015	69,931
Dividends	(621)	(635)
Purchase and cancellation of common shares	(1,560)	(150)
<b>Retained earnings, end of period</b>	<b>\$ 70,628</b>	<b>\$ 69,917</b>
<b>Earnings per share</b>		
Basic	\$ 0.03	\$ 0.03
Diluted	\$ 0.03	\$ 0.03
Weighted average shares outstanding during period (millions)		
- basic	25.2	25.2
- diluted	25.4	26.0

**Enghouse Systems Limited**  
**Consolidated Statements of Comprehensive Income and Accumulated Other**  
**Comprehensive Loss**  
**For the three months ended January 31**  
*(in thousands of Canadian dollars)*  
*(Unaudited)*

	2009	2008
Net income for the period	\$ 794	\$ 771
<b>Other comprehensive income:</b>		
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	(307)	2,482
Unrealized (loss) gain on available for sale investments, net of tax of (\$241) (Q1/08 - \$164)	(487)	291
Unrealized foreign currency translation gain (loss) on available for sale investments, net of tax of \$184 (Q1/08 - \$35)	372	(62)
<b>Other comprehensive (loss) income</b>	<b>\$ (422)</b>	<b>\$ 2,711</b>
<b>Comprehensive income</b>	<b>\$ 372</b>	<b>\$ 3,482</b>
<b>Accumulated other comprehensive loss, beginning of period</b>	<b>\$ (3,219)</b>	<b>\$ (12,863)</b>
Other comprehensive (loss) income	(422)	2,711
<b>Accumulated other comprehensive loss, end of period</b>	<b>\$ (3,641)</b>	<b>\$ (10,152)</b>

**Enhouse Systems Limited**  
**Consolidated Statements of Cash Flows**  
**For the three months ended January 31**  
*(in thousands of Canadian dollars)*  
*(Unaudited)*

	2009	2008
<b>Cash flows from operating activities</b>		
Net income for the period	\$ 794	\$ 771
<b>Add (deduct) items not involving cash</b>		
Amortization of property and equipment	338	211
Amortization of acquired software and other intangibles	1,952	1,460
Stock-based compensation expense	18	76
Future income taxes	(108)	(197)
<b>Cash flows before changes in operating assets and liabilities</b>	<b>2,994</b>	<b>2,321</b>
<b>Changes in operating assets and liabilities</b>		
Decrease in accounts receivable, net	825	1,739
Decrease (increase) in prepaid expenses and other assets	84	(284)
Decrease in accounts payable and accrued liabilities	(2,884)	(1,907)
Decrease in current income taxes payable	(605)	(2,091)
Increase in deferred revenue	2,479	1,744
Unrealized foreign exchange (loss) gain	(911)	434
<b>Cash flows from operating activities</b>	<b>1,982</b>	<b>1,956</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment, net	(126)	(141)
Acquisitions, net of cash acquired	(358)	-
Proceeds (purchase) of short-term investments	7,455	(1,265)
	<b>6,971</b>	<b>(1,406)</b>
<b>Cash flows from financing activities</b>		
Issuance of share capital	53	1,175
Payment of cash dividend	(636)	(629)
Purchase and cancellation of common shares	(2,687)	(207)
	<b>(3,270)</b>	<b>339</b>
Effect of foreign exchange rate changes on cash	113	621
<b>Net increase in cash during the period</b>	<b>5,796</b>	<b>1,510</b>
Cash – beginning of period	12,331	11,321
<b>Cash – end of period</b>	<b>\$ 18,127</b>	<b>\$ 12,831</b>
<b>Supplementary cash flow information:</b>		
Cash paid during the period for income taxes	\$ 514	\$ 2,607

**Note: Cash excludes short-term investments**

**Enghouse Systems Limited**  
**Selected Segment Reporting Information**

(in thousands of Canadian dollars)  
(Unaudited)

**For the three months ended  
January 31**

	<b>2009</b>	<b>2008</b>
<b>Revenue:</b>		
Asset Management Division	\$ 2,477	\$ 1,963
Syntellect Division	15,751	8,901
<b>Total</b>	<b>\$ 18,228</b>	<b>\$ 10,864</b>
<b>Segment Profit (EBIT):</b>		
Asset Management Division	\$ (168)	\$ (347)
Syntellect Division	1,343	624
Corporate expenses	(549)	(488)
Foreign exchange	130	354
Interest and other income	443	1,053
<b>Total</b>	<b>\$ 1,199</b>	<b>\$ 1,196</b>