First Quarter 2015

Enghouse Systems

Software engineered for results

March 5, 2015

To our Shareholders,

First quarter revenue was $63.0 million, an increase of 33% over revenue of $47.5 million in the first quarter last year. The increase in revenue was primarily the result of incremental revenue contributions from acquisitions. Revenue reflects hosted and maintenance services contributions of $32.3 million in the quarter, an increase of 29% over last year. Adjusted EBITDA for the quarter was $16.2 million or $0.60 per diluted share compared to $12.2 million or $0.45 per diluted share in last year's first quarter. Results from operating activities for the quarter were $15.5 million compared to $11.5 million in the prior year's first quarter, an increase of 35% over the prior year. Net income for the quarter was $2.5 million or $0.09 per diluted share compared to the prior year's first quarter net income of $6.2 million or $0.23 per diluted share. The decrease in net income in the quarter reflects an adjustment of $8.8 million ($5.0 million net of tax) to the provision for contract litigation matters which were finalized after quarter end.

Operating expenses before special charges related to restructuring of acquired operations were $27.6 million compared to $21.9 million in the prior year's first quarter and reflect incremental costs of acquired operations. Of note, as a percentage of revenue, operating expenses before special charges decreased from 46.2% to 43.8% in the quarter largely as a result of foreign exchange gains booked to selling, general and administrative expenses. Non-cash amortization charges in the quarter were $5.4 million and include amortization charges for acquired software and customer relationships from acquired operations.

Enghouse generated cash flows from operations of $17.6 million and closed the quarter with $101.8 million in cash, cash equivalents and short-term investments, compared to $84.9 million at October 31, 2014. This is after cash paid of $0.4 million related to acquisition hold backs in the quarter and cash dividends of $2.6 million. The Company continues to have no debt.

Effective March 2, 2015 the Company acquired 100% of the issued and outstanding common shares of CDRator A/S of Denmark for a purchase price of approximately $23.0 million, net of cash acquired. CDRator had annual revenues of $20.0 million in fiscal 2014 and provides market leading solutions that automate billing and customer care functions for mobile networks operators and MVNO/E's (mobile virtual network operators and enablers). This acquisition will further balance the revenue split between our two business segments which as of the first quarter is approximately 70% and 30% respectively for the Interactive and Asset Management Groups.

The Board of Directors also approved a 20% increase in its eligible quarterly dividend to $0.12 per common share, payable on May 29, 2015 to shareholders of record at the close of business on May 15, 2015. Enghouse has increased its dividend in each of the past six years.

Building on Enghouse's presence in Germany established with the acquisitions of CosmoCom and Andtek, the Company added IT Sonix in March 2014 and Voxtron in October 2014 to expand its market reach within Germany and beyond to Italy and Belgium. Enghouse is now one of the more significant contact center solutions providers in the important German market. As the Company continues to grow outside of North America, the foreign exchange risk dependency on any one currency is lessened. Enghouse remains committed to diversifying its revenue stream and accelerating its expansion as it continues to seek accretive acquisitions to grow its market share.

Stephen J. Sadler
Chairman of the Board and Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") has been prepared as of March 5, 2015 and all information contained herein is current as of that date. For a complete understanding of our business environment, risks, trends and uncertainties and the effect of critical accounting policies and estimates on our results, this MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and the notes thereto for the periods ended January 31, 2015 and 2014, as well as the Company's audited Consolidated Financial Statements and Management's Discussion and Analysis for the fiscal year ended October 31, 2014, contained in the Company's 2014 Annual Report to Shareholders. This MD&A covers the consolidated results of operations, financial condition and cash flows of Enghouse Systems Limited (the "Company" or "Enghouse") and its subsidiaries, all wholly owned, for the first quarter ended January 31, 2015. Unless otherwise noted, the results reported herein have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian dollars, stated in thousands, except per share amounts.

This document is intended to assist the reader in better understanding operations and key financial results as of the date of this report. The unaudited condensed consolidated interim financial statements and the MD&A have been reviewed by the Company's Audit Committee and approved by its Board of Directors.

Non-GAAP Measures

The Company uses non-GAAP measures to assess its operating performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. The Company uses Adjusted EBITDA as a measure of operating performance. Therefore, Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Adjusted EBITDA is calculated as income before income taxes adjusted for depreciation of property, plant and equipment, amortization of acquired software and customer relationships, finance income, finance expenses, other income, litigation settlements and special charges for acquisition related restructuring costs. Management uses Adjusted EBITDA to evaluate operating performance as it excludes amortization of software and intangibles (which is an accounting allocation of the cost of software and intangible assets arising on acquisition), any impact of finance and tax related activities, asset depreciation, other income and restructuring costs primarily related to acquisitions.

Forward-looking Statements

Certain statements made or incorporated by reference in this MD&A are forward-looking and relate to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, new services, market forces, commitments and technological developments. By its nature, such forward-looking information is subject to various risks and uncertainties, including those discussed in this MD&A or in documents incorporated by reference in this MD&A, such as Enghouse's Annual Information Form, which could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed herein. Readers are cautioned not to place undue reliance on this forward-looking information, and the Company shall have no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

For additional information with respect to certain of these risks or factors, reference should be made to section "Risks and Uncertainties" of the MD&A and notes to the consolidated financial statements for the year ended October 31, 2014, as well as to the Company's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, copies of which are filed electronically on SEDAR at www.sedar.com.

Corporate Overview

Enghouse is a Canadian publicly traded company (TSX:ESL) that develops enterprise software solutions for a number of vertical markets. The Company is organized around two business segments: the Interactive Management Group and the Asset Management Group. The Interactive Management Group specializes in customer interaction software and services that are designed to enhance customer service, increase efficiency and manage customer communications across the enterprise. Core technologies include contact center, attendant console, interactive voice response, dialers, agent performance optimization and analytics that support any telephony environment, deployed on-premise or in the cloud. Its customers include insurance companies, banks and utilities as well as high technology, health care and hospitality companies. The Asset Management Group provides a portfolio of products to telecom service providers, utilities and the oil and gas industry such as telecom billing, intelligent routing, number portability, network asset management, GIS, wholesale revenue management solutions and data conversion services. The Group also provides fleet routing, dispatch, scheduling, communications and emergency control center solutions for the transportation, first responders, distribution and security sectors.

The Company's strategy remains focused on building a consistently profitable enterprise software company with a diversified product suite and global market presence. The Company emphasizes the importance of recurring revenue streams to increase shareholder value and the predictability of its operating results. This objective is achieved through a combination of organic growth and acquisitions. While the Company continues to develop and enhance its existing product portfolio, it is also important to augment and expedite this strategy with new and complementary technology, products and services obtained through acquisition. This dual-faceted approach will enable the Company to provide a broader spectrum of products and services to its customer base more quickly than through organic means alone.

Quarterly Results of Operations

The following table sets forth certain unaudited information for each of the eight most recent quarters (the last of which ended January 31, 2015). Historically, the Company's operating results have fluctuated on a quarterly basis, which the Company expects will continue in the future. Fluctuations in results continue to relate to the timing of software license and hardware sales, which may result in large sales orders in any one quarter, movements in foreign currency exchange rates and to the timing of acquisitions, staffing and infrastructure changes. See "Risks and Uncertainties" for more details.

For the three months ending	Total revenue $	Net income $	Earnings per share – basic $	Earnings per share – diluted $	Cash and short-term investments $	Total assets $
January 31, 2015	63,019	2,539*	0.10*	0.09*	101,847	354,628
October 31, 2014	62,056	9,739^	0.37	0.36	84,864	327,771
July 31, 2014	55,488	7,215	0.28	0.27	104,958	313,069
April 30, 2014	54,951	6,558	0.25	0.24	101,014	312,124
January 31, 2014	47,492	6,172	0.24	0.23	100,081	303,677
October 31, 2013	47,171	9,712^	0.37	0.36	90,297	277,956
July 31, 2013	46,247	6,297	0.24	0.24	92,037	261,585
April 30, 2013	44,511	4,903	0.19	0.19	80,940	261,590

*Net of adjustment to the provision related to the finalization of contract litigation matters in the amount of $5.0 million after tax.
^Includes credit adjustment to tax provision of $3.3 million in fiscal 2014 and $3.1 million in fiscal 2013 on the recognition of deferred tax assets related to non-capital losses

Results of Operations:
(in thousands of Canadian dollars except per share amounts)

	Q1/2015	Q1/2014	Year over year change $	%
Interactive Management Group	$ 43,752	$ 37,800	5,952	15.7
Asset Management Group	19,267	9,692	9,575	98.8
Total revenue	**63,019**	**47,492**	**15,527**	**32.7**
Direct costs	19,794	13,935	5,859	42.0
Revenue, net of direct costs	**43,225**	**33,557**	**9,668**	**28.8**
Operating expenses	27,626	21,925	5,701	26.0
Special charges	24	112	(88)	(78.6)
Results from operating activities	**15,575**	**11,520**	**4,055**	**35.2**
Litigation settlements	(8,774)	-	(8,774)	(100.0)
Amortization of acquired software and customer relationships	(5,354)	(3,910)	(1,444)	(36.9)
Finance income	113	143	(30)	(21.0)
Finance expense	(117)	(58)	(59)	(101.7)
Other income	17	7	10	142.9
Income before income taxes	1,460	7,702	(6,242)	(81.0)
(Recovery of) provision for income taxes	(1,079)	1,530	(2,609)	(170.5)
Net Income	**$ 2,539**	**$ 6,172**	**(3,633)**	**(58.9)**
Earnings per share – basic	$ 0.10	$ 0.24	(0.14)	(58.3)
Earnings per share – diluted	$ 0.09	$ 0.23	(0.14)	(60.9)
Cash flow from operating activities	**$ 17,642**	**$ 9,904**	**7,738**	**78.1**
Cash flow from operating activities excluding changes in working capital	**$ 7,811**	**$12,351**	**(4,540)**	**(36.8)**

Adjusted EBITDA:

The table below reconciles Adjusted EBITDA to income before income taxes:

	Three Months ended	
	January 31, 2015	January 31, 2014
Total Revenue	$ 63,019	$ 47,492
Income before income taxes	1,460	7,702
Depreciation of property, plant and equipment	592	529
Amortization of acquired software and customer relationships	5,354	3,910
Finance income	(113)	(143)
Finance expenses	117	58
Other income	(17)	(7)
Litigation settlements	8,774	-
Special charges	24	112
Adjusted EBITDA	**$ 16,191**	**$ 12,161**
Adjusted EBITDA margin	**26%**	**26%**

Adjusted EBITDA per diluted share	**$0.60**	**$0.45**

Revenue
Total revenue for the quarter was $63.0 million compared to $47.5 million in the prior year's first quarter, a 33% increase over the prior year. Hosted services and maintenance revenue was $32.3 million compared to $25.0 million in the prior year's first quarter, an increase of 29%. This includes maintenance revenue of $27.4 million compared to $21.0 million in the prior year's first quarter and reflects incremental maintenance revenue from license sales in the past fiscal year as well as contributions from acquired operations. Hosted services revenue continues to grow and now represents $4.9 million in revenue, a 21% increase over Q1/14 as a result of increased hosted activity in the Company's traditional operations as well as incremental contributions from IT Sonix. License revenue was $19.6 million compared to $15.8 million in the prior year's first quarter as a result of incremental subscription revenue booked as well as contributions from acquisitions.

The Interactive Management Group contributed $43.8 million in revenue in the quarter, compared to $37.8 million reported in the first quarter of fiscal 2014. The increase is primarily attributable to incremental contributions from acquisitions completed in fiscal 2014. The Asset Management Group contributed revenue of $19.3 million in the quarter, compared to $9.7 million reported in the first quarter of fiscal 2014, and reflects incremental revenue contributions from acquisitions completed in the prior fiscal year as well as incremental services revenue from the Group's telecom billing and workflow operations.

Both revenue and costs were impacted by the stronger U.S. dollar which compared to its Canadian counterpart averaged $1.14 in the current year versus $1.06 in the prior year's first quarter. The Pound Sterling also positively impacted revenue, averaging $1.80 in the current year compared to $1.72 in the prior year's first quarter. The positive impact on revenue was mitigated by the stronger Canadian dollar against both the Euro, which averaged $1.41 in the quarter versus $1.44 in Q1/14, and the Swedish Kronor which averaged $0.15 in the current year vs. $0.16 in the prior year's first quarter.

Direct costs
Direct costs for the quarter were $19.8 million or 31.4% of revenue compared to $13.9 million or 29.3% of revenue in the prior year's first quarter. The increase in costs and decrease in margins is attributable to additional costs associated with incremental hardware revenue as well as increased hosted and third party services costs which increased from 38.9% to 40.8% of hosted, maintenance and professional services revenue.

Operating Expenses
Operating expenses for the quarter were $27.6 million, compared to $22.0 million reported in the first quarter of last year, a 26% increase. The increase in costs reflects incremental operating costs related to newly acquired operations and the impact of the stronger U.S. dollar which increased operating costs in Canadian dollars. Selling, general and administrative costs include foreign exchange gains of $1.9 million recorded in the quarter compared to $0.6 million last year which mitigated the increase. Last year's operating expenses also included $0.1 million in special charges related to acquisitions compared to nominal charges in the first quarter of this year. Operating costs, excluding special charges, as a percentage of total revenue decreased from 46.2% to 43.8% in the quarter as a result of the foreign exchange gain booked.

The Company continues to invest in R&D for future growth. R&D expenses were $9.9 million or 15.7% as a percentage of revenue in the quarter compared to $8.7 million or 18.4% in the prior year and includes R&D tax credits of $0.1 million recorded in the each of the current and prior year's first quarters.

Non-cash charges for amortization of acquired software and customer relationships related to acquisitions were $5.4 million, up from the prior year's first quarter expense of $3.9 million as a result of incremental charges related to the IT Sonix, Basset, Jinny and Voxtron acquisitions, which were partially offset by expiring amortization charges from previous acquisitions.

Foreign Exchange
The Company earns a significant portion of revenue from sales denominated in currencies other than the Canadian dollar. As a result of recent acquisitions in the Scandinavian region and Europe, a larger proportion of revenue is derived from operations outside of the U.S. and is denominated in currencies other

than the U.S. dollar. As a result, the Company transacts a significant proportion of its business in pounds sterling, Swedish, Norwegian and Danish kronor and euros, as well as currencies in the Asia Pacific region.

During the past quarter, the Canadian dollar weakened against the U.S. dollar and the pound sterling in particular but strengthened against the Company's other main currencies including the kronor and euro. As a result, this mitigated the impact of foreign exchange translation on Enghouse's operating results. As the Company's reporting currency is the Canadian dollar, overall this has positively impacted revenue reported in Canadian dollars while negatively impacting operating costs, and partially acts as a natural hedge. Revenue was positively impacted by an estimated $1.1 million, while costs increased by an estimated $0.7 million, as calculated by applying the change in the average exchange rates from Q1/14 to Q1/15 to the Company's foreign currency denominated revenue and operating expenses in the first quarter of fiscal 2015. Relative to the fourth quarter, exchange had a nominal impact on both revenue and costs as the increase in the U.S. dollar was offset by the weakening of other currencies against the Canadian dollar.

The Company does not hedge foreign currency exposure but funds its U.S. dollar operating expenses with U.S. dollar revenue in order to mitigate exposure. A similar natural hedge exists for the Company's U.K. and Scandinavian operations. Going forward, fluctuations in exchange rates among the Canadian dollar, the U.S. dollar, the pound sterling, the Swedish krona, the euro and other currencies may have a material but mitigating effect on the Company's foreign currency denominated revenue and expenses stated in Canadian dollars. This will also impact the relative cost of foreign currency denominated acquisitions stated in Canadian dollars.

The Company recorded foreign exchange gains of $1.9 million related to foreign currency denominated monetary assets and liabilities in the current year's first quarter compared to gains of $0.6 million in the prior year's first quarter. The gain was recorded primarily as a result of the impact of the late quarter surge in the U.S. dollar against the Canadian dollar on the Company's U.S. dollar denominated monetary assets held primarily in Canada and the U.K. The Company records these foreign exchange gains and losses in selling, general and administrative expenses in the condensed consolidated interim statements of operations. Translation gains or losses incurred upon consolidation of the Company's foreign operation's balance sheets into Canadian dollars are included in the Company's accumulated other comprehensive income (loss) account on the condensed consolidated interim statements of financial position.

Finance and Other Income

During the quarter, the Company recognized finance and other income of $0.1 million compared to $0.2 million in the first quarter of fiscal 2014 as a result of declining yields and a nominal gain on the sale of equities booked in the first quarter of last year. No such gains were recorded in the first quarter of fiscal 2015.

Litigation Settlements

Subsequent to the end of the quarter the Company finalized litigation matters before the courts for which the Company increased its litigation settlement provision by $8.8 million in the quarter ($5.0 million net of tax- see Note 12).

Income Tax Expense

During the quarter, the Company recorded a tax recovery of $1.1 million as compared to a provision of $1.5 million in the prior year's first quarter. The recovery booked during the quarter relates to the tax effect of legal provision adjustments of $8.8 million noted above which are tax effected at higher U.S. tax rates than the average tax rate on other income. The Company paid $2.0 million in tax installments in the quarter, compared to $0.8 million in the first quarter of fiscal 2014.

Net Income

Net income was $2.3 million or $0.09 per share on a diluted basis in the quarter compared to $6.2 million or $0.23 per share respectively in the first quarter of fiscal 2014, primarily as a result of the litigation provision adjustments, net of tax, booked in the quarter.

Liquidity and Capital Resources:

The Company closed the quarter with cash reserves of $101.8 million, compared to the October 31, 2014 balance of $84.9 million. The Company continues to have no long-term debt and has sufficient cash resources to fund both its current and future financial operating commitments as well as its dividend strategy. During the quarter the Company generated cash flow from operating activities of $17.6 million compared to $9.9 million in the first quarter of 2014.

The Company had 26,202,462 Common Shares issued and outstanding as at March 5, 2015. During the first quarter, 38,500 stock options were exercised contributing $0.3 million in cash to the Company. In comparison, 44,000 options were exercised in the prior year's first quarter adding $0.4 million. The Company did not grant any options in either of the current or prior year's first quarters. Enghouse did not repurchase any shares of its common stock in either first quarter under its Normal Course Issuer Bid.

Off-Balance Sheet Arrangements

The Company has not entered into off-balance sheet financing arrangements. Except for operating leases and other low probability and/or immeasurable contingent liabilities (not accrued in accordance with IFRS), all material commitments are reflected on the Company's balance sheet.

Transactions with Related Parties

The Company has not entered into any transactions with related parties during the year, other than transactions between wholly owned subsidiaries and the Company in the normal course of business, which are eliminated on consolidation.

Risks and Uncertainties

The primary risks and uncertainties that affect or may affect the Company and its business, financial condition, and results of operations remain substantially unchanged from those discussed in the Company's latest Annual Information Form and its Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended October 31, 2014, contained in the Company's 2014 Annual Report to Shareholders and all such risks and uncertainties are incorporated herein by reference.

Controls and Procedures

In compliance with the Canadian Securities Administrators' National Instrument 52-109 ("NI 52-109"), the Company has filed with applicable Canadian securities regulatory authorities, certificates signed by its Chief Executive Officer ("CEO") and Vice President Finance that, among other things, report on the design and effectiveness of disclosure controls and procedures and the design of internal controls over financial reporting.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed under the supervision of the CEO and Vice President Finance, with the participation of other management, to provide reasonable assurance that all relevant information required to be disclosed by the Company is recorded, processed, summarized and reported on a timely basis to senior management, as appropriate, to allow timely decisions regarding required public disclosure. Pursuant to NI 52-109, as of October 31, 2014, an evaluation of the effectiveness of the Company's disclosure controls and procedures was carried out under the supervision of the CEO and Vice President Finance. Based on this evaluation, the CEO and the Vice President Finance concluded that the design and operation of these disclosure controls and procedures were effective. This evaluation considered the Company's disclosure policy, a sub-certification process and the functioning of the Company's Disclosure Committee.

Internal Controls over Financial Reporting

The Company's CEO and Vice President Finance are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in accordance with IFRS.

At October 31, 2014, an evaluation was carried out of the effectiveness of the design and operation of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting. Based on that evaluation, the Company's CEO and Vice President Finance have concluded that, as at October 31, 2014, the design and operation of controls over financial reporting was effective. These evaluations were conducted in accordance with the standards established in "Internal

Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission", and the requirements of NI 52-109.

There were no changes to the Company's internal control over financial reporting during the quarter ended January 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Additional Information

Additional information relating to the Company including our most recently completed Annual Information Form ("AIF") is available on SEDAR at ***www.sedar.com*** and on the Company's website at ***www.enghouse.com***.

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of the Company for the three months ended January 31, 2015 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

Condensed Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars)
(Unaudited)

	January 31, 2015	October 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 86,891	$ 72,780
Short-term investments	14,956	12,084
Accounts receivable, net	56,994	54,341
Prepaid expenses and other assets	8,123	7,571
	166,964	**146,776**
Non-current assets:		
Property, plant and equipment	4,799	4,020
Intangible assets (Note 4)	169,590	166,548
Deferred income tax assets	13,275	10,427
Total assets	**$ 354,628**	**$ 327,771**
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 38,289	$ 41,297
Income taxes payable	1,803	2,644
Dividends payable	2,620	2,616
Provisions (Note 5)	13,619	3,407
Deferred revenue	58,006	47,745
	114,337	**97,709**
Non-current liabilities:		
Deferred income tax liabilities	19,988	19,930
Deferred revenue	1,990	1,877
Total liabilities	**136,315**	**119,516**
Shareholders' Equity		
Share capital (Note 6)	60,081	59,746
Contributed surplus	4,017	3,782
Retained earnings	135,473	135,554
Accumulated other comprehensive income	18,742	9,173
Total shareholders' equity	**218,313**	**208,255**
Total liabilities and shareholders' equity	**$ 354,628**	**$ 327,771**

Commitments and contingencies (Note 12)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Operations and Comprehensive Income

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

	Three months ended January 31, 2015	2014
Revenue		
Software licenses	$ 19,612	$ 15,763
Hosted and maintenance services	32,259	25,014
Professional services	8,921	5,132
Hardware	2,227	1,583
	63,019	**47,492**
Direct costs		
Software licenses	1,677	1,200
Services	16,784	11,716
Hardware	1,333	1,019
	19,794	**13,935**
Revenue, net of direct costs	**43,225**	**33,557**
Operating expenses		
Selling, general and administrative	17,144	12,676
Research and development	9,890	8,720
Depreciation of property, plant and equipment	592	529
Special charges (Note 5)	24	112
	27,650	**22,037**
Results from operating activities	**15,575**	**11,520**
Litigation settlements (Note 12)	(8,774)	-
Amortization of acquired software and customer relationships	(5,354)	(3,910)
Finance income	113	143
Finance expenses	(117)	(58)
Other income	17	7
Income before income taxes	**1,460**	**7,702**
(Recovery of) provision for income taxes (Note 8)	(1,079)	1,530
Net income for the period	**$ 2,539**	**$ 6,172**
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation gain from foreign operations	9,406	9,770
Transfer to net income of realized gains on available for sale investments	-	(20)
Unrealized gain (loss) on available for sale investments	188	(17)
Deferred income tax (expense) recovery	(25)	5
Other comprehensive income	**9,569**	**9,738**
Comprehensive income	**$ 12,108**	**$ 15,910**
Earnings per share		
Basic	$ 0.10	$ 0.24
Diluted	$ 0.09	$ 0.23

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

(in thousands of Canadian dollars)
(Unaudited)

	Share Capital -number	Share capital $	Contributed surplus $	Accumulated other comprehensive income (loss) $	Retained earnings $	Total $
Balance – November 1, 2014	**26,163,962**	**59,746**	**3,782**	**9,173**	**135,554**	**208,255**
Net income	-	-	-	-	2,539	2,539
Other Comprehensive Income (net of tax):						
Cumulative Translation Adjustment	-	-	-	9,406	-	9,406
Unrealized gain on available-for-sale investments	-	-	-	188	-	188
Deferred income tax expense	-	-	-	(25)	-	(25)
Comprehensive income for the period	**-**	**-**	**-**	**9,569**	**2,539**	**12,108**
Employee share options:						
Value of services recognized	-	-	305	-	-	305
Proceeds on issuing shares	38,500	335	(70)	-	-	265
Dividends	-	-	-	-	(2,620)	(2,620)
Balance – January 31, 2015	**26,202,462**	**60,081**	**4,017**	**18,742**	**135,473**	**218,313**
Balance – November 1, 2013	**26,042,962**	**58,514**	**3,175**	**5,139**	**115,800**	**182,628**
Net income	-	-	-	-	6,172	6,172
Other Comprehensive Income (net of tax):						
Cumulative Translation Adjustment	-	-	-	9,770	-	9,770
Transfer to net income of realized gains on available-for-sale investments	-	-	-	(20)	-	(20)
Unrealized loss on available-for-sale investments	-	-	-	(17)	-	(17)
Deferred income tax recovery	-	-	-	5	-	5
Comprehensive income for the period	**-**	**-**	**-**	**9,738**	**6,172**	**15,910**
Employee share options:						
Value of services recognized			159	-	-	159
Proceeds on issuing shares	44,000	480	(119)	-	-	361
Dividends	-	-	-	-	(2,087)	(2,087)
Balance – January 31, 2014	**26,086,962**	**58,994**	**3,215**	**14,877**	**119,885**	**196,971**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

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

	Three months ended January 31, 2015	2014
Cash flows from operating activities		
Net income for the period	$ 2,539	$ 6,172
Adjustments for:		
Depreciation of property, plant and equipment	592	529
Amortization of acquired software and customer relationships	5,354	3,910
Stock-based compensation expense	305	159
(Recovery of) provision for income tax	(1,079)	1,530
Finance expenses and other income	100	51
	7,811	**12,351**
Changes in non-cash operating working capital (Note 13)	11,806	(1,660)
Income tax paid	(1,975)	(787)
Net cash flows from operating activities	**17,642**	**9,904**
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(1,062)	(657)
Acquisitions, net of cash acquired (2014 - $334) (Note10)	-	(1,778)
Purchase consideration for prior period acquisitions	(412)	(382)
Net purchase of short-term investments	(2,075)	(1,615)
Net cash flows used in investing activities	**(3,549)**	**(4,432)**
Cash flows from financing activities		
Issuance of share capital	265	361
Payment of cash dividend	(2,616)	(2,083)
Net cash flows used in financing activities	**(2,351)**	**(1,722)**
Effect of currency translation adjustments on cash and cash equivalents	2,369	3,138
Net increase in cash and cash equivalents during the period	**14,111**	**6,888**
Cash and cash equivalents- beginning of period	72,780	70,109
Cash and cash equivalents - end of period	**$ 86,891**	**$ 76,997**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended January 31, 2015 and 2014

(Unaudited, in thousands of Canadian dollars, except as indicated)

1. Description of the business and reporting entity

Enghouse Systems Limited and its wholly owned subsidiaries (together the "Company" or "Enghouse") develop enterprise software solutions for a number of vertical markets. The Company is organized around two business segments: the Interactive Management Group and the Asset Management Group. The Interactive Management Group specializes in customer interaction software and services that are designed to enhance customer service, increase efficiency and manage customer communications across the enterprise. The Asset Management Group provides products and services to telecom service providers as well as fleet management and public safety software solutions, first responders, distribution, security, utilities and oil and gas industries. Enghouse is incorporated and domiciled in Canada. The address of its registered office is 80 Tiverton Court, Suite 800, Markham, Ontario, L3R 0G4. The Company has offices around the world including the United States, the United Kingdom, Sweden, Norway, Denmark, Belgium, Germany, Ireland, Australia, New Zealand, Israel, Lebanon, Romania and Croatia.

2. Basis of preparation

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34, 'Interim financial reporting'. The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended October 31, 2014, which have been prepared in accordance with IFRS. These unaudited condensed consolidated interim financial statements were approved for issue on March 5, 2015.

(b) Basis of preparation and measurement

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies disclosed in Note 3 of the Company's 2014 annual consolidated financial statements. They have been prepared on the historical cost basis except for available-for-sale financial assets, certain assets and liabilities initially recognized in connection with business combinations, and derivative financial instruments, which are measured at fair value.

The policies applied in these unaudited condensed consolidated interim financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of March 5, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending October 31, 2015 could result in a restatement of these unaudited condensed consolidated interim financial statements.

(c) Functional and presentation of currency

The unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgments made by management and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended October 31, 2014, with the exception of changes in estimates that are required in determining the provision for income taxes.

3. Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended January 31, 2015 and 2014

(Unaudited, in thousands of Canadian dollars, except as indicated)

4. Intangible assets

	Acquired Software $	Customer Relationships $	Goodwill $	Total $
At November 1, 2014				
Cost	107,677	57,158	98,534	263,369
Accumulated amortization	(68,883)	(27,938)	-	(96,821)
Net book value	**38,794**	**29,220**	**98,534**	**166,548**
Period ended January 31, 2015				
Opening net book value	38,794	29,220	98,534	166,548
Amortization	(3,452)	(1,902)	-	(5,354)
Purchase Price Adjustments	-	-	(91)	(91)
Exchange difference	1,101	1,218	6,168	8,487
Closing net book value	**36,443**	**28,536**	**104,611**	**169,590**
At January 31, 2015				
Cost	107,677	57,158	104,611	269,446
Accumulated amortization	(71,234)	(28,622)	-	(99,856)
Net book value	**36,443**	**28,536**	**104,611**	**169,590**

5. Provisions

Provisions include provisions for onerous contracts, legal claims, restructuring and special charges, and are measured based on management's best estimate of the expenditure required to settle the obligation at the end of the reporting period.

	Total
At November 1, 2014	**$ 3,407**
Additional provisions (Note 12)	9,285
Unused amounts reversed	(39)
Utilized during the period	(279)
Effect of movements in foreign exchange	1,245
At January 31, 2015	**$ 13,619**

6. Share capital and other components of shareholder's equity

Capital Stock

The authorized share capital of the Company consists of an unlimited number of common shares, an unlimited amount of Class A, redeemable, retractable, non-voting, non-cumulative, preference shares and an unlimited number of Class B, redeemable, retractable, non-voting, preference shares. There were 26,202,462 common shares outstanding as at January 31, 2015. There were no Class A and no Class B preference shares issued and outstanding as at either October 31, 2014 or January 31, 2015.

Common share repurchase plan

On April 16, 2014, the Company renewed its common share repurchase plan, whereby it may repurchase up to a maximum of 1,802,756 common shares of the Company, expiring on April 15, 2015. The Company did not repurchase any common shares in either the first quarter of fiscal 2015 or in fiscal 2014.

Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (loss) is comprised of the following separate components of equity:

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended January 31, 2015 and 2014

(Unaudited, in thousands of Canadian dollars, except as indicated)

Cumulative translation account

The cumulative translation account comprises all foreign currency differences arising from the translation of the financial statements of foreign operations net of income tax recovery of $341 (Q1/2014- $153).

Unrealized gains/losses on available-for-sale financial assets

Available-for-sale differences comprise the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognized or impaired net of income tax expense of $25 (Q1/2014- recovery of $5).

Dividends

During the three months ended January 31, 2015, the Company declared and paid dividends of $0.10 per common share (three months ended January 31, 2014 - $0.08 per common share).

7. Stock-based Compensation

The Company has granted options to purchase common shares to certain directors, officers and employees of the Company, pursuant to the terms of the Company's stock option plan (the "Plan"). The Plan provides that a total of 2,179,200 (January 31, 2014 – 2,294,700) common shares are reserved for options and that the shares reserved for options, which could become exercisable in any one year, will not exceed more than 10% of the issued and outstanding common shares of the Company at the time such options may be exercisable. These options vest at various times over four years and expire seven years after the grant date. The exercise price of each option equals the market price of the Company's stock on the date the options are granted.

A summary of the status of the Company's Plan as at January 31, 2015 and January 31, 2014, and changes during the three months ended respectively on those dates is presented as follows:

	January 31, 2015		January 31, 2014	
	Number of Options	**Weighted Average Exercise Price in $**	**Number of Options**	**Weighted Average Exercise Price in $**
Outstanding at beginning of period	1,288,500	14.56	1,419,000	12.42
Exercised	(38,500)	6.90	(44,000)	8.22
Forfeited	-	-	(81,000)	12.81
Outstanding at end of period	**1,250,000**	**14.80**	**1,294,000**	**12.54**
Options exercisable at end of period	**714,500**	**$10.52**	**590,500**	**8.47**

The Company uses the fair value method for recording compensation expense related to equity instruments awarded to employees, officers and directors in accordance with IFRS 2. For the purposes of expensing stock options, each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. During the first quarter of 2015, the Company recorded a non-cash charge of $305 (Q1/2014 - $159).

For options granted in the period, the fair value of each stock option on the date of the grant was estimated using the Black-Scholes option pricing model as set out below. Estimated volatility is calculated on a daily basis using historical closing prices, as adjusted for certain events that management deemed to be non-recurring and non-indicative of future events over a five year period, which reflects the expected life of the options.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended January 31, 2015 and 2014

(Unaudited, in thousands of Canadian dollars, except as indicated)

	Options Granted FY 2015	Options Granted FY 2014
Risk-free interest rate (%)	-	1.34% - 1.93%
Estimated volatility (%)	-	20%-28%
Dividend yield	-	$ 0.40
Expected life (in years)	-	3.5-6.3
Weighted average fair value (in dollars)	-	$5.01 - $9.34

There were no options granted in either the first quarter of fiscal 2015 or fiscal 2014.

8. Income tax

Income tax expense is recognized based on management's best estimate of the estimated annual income tax rate expected for the full financial year applied to the pre-tax income for the interim period for each entity in the consolidated group. As a result of foreign exchange fluctuations, acquisitions and the relative mix of income earned in differing jurisdictions, the Company has determined that a reasonable estimate of a weighted average annual tax rate cannot be determined for the consolidated group. The Company's effective tax rate for the three month period ended January 31, 2015 was a recovery of 74% which relates to the tax effect of legal provision adjustments booked in the quarter of $8.8 million. The tax expense for the three month period ended January 31, 2014 was 20%.

9. Earnings per share:

Basic: Basic earnings per share are calculated by dividing the net income attributable to owners of the parent by the weighted average number of common shares issued and outstanding during the period.

	For the period ended January 2015	2014
Net income attributable to owners of the parent	$ 2,539	$ 6,172
Weighted average number of common shares in issue	26,186	26,054
Basic earnings per share	**$ 0.10**	**$ 0.24**

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding assuming conversions of all dilutive potential common shares. The Company has only stock options as potential dilutive common shares. For stock options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined using the average market share price of the Company's outstanding shares for the period) based on the monetary value of the subscription rights attached to the stock options. The number of shares calculated above is compared to the number of shares that would have been issued assuming the exercise of the stock options.

	For the period ended January 2015	2014
Net income attributable to owners of the parent	$ 2,539	$ 6,172
Weighted average number of common shares issued	26,186	26,054
Adjustments for:		
Stock options	788	765
Weighted average number of common shares for diluted earnings per share	26,974	26,819
Diluted earnings per share	**$ 0.09**	**$ 0.23**

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended January 31, 2015 and 2014

(Unaudited, in thousands of Canadian dollars, except as indicated)

10. Acquisitions

Acquisitions have been recorded under the purchase method of accounting and results have been included in the condensed consolidated interim statements of operations from their respective acquisition dates. Accordingly, the allocation of the purchase price to assets and liabilities is based on the fair value, with the excess of the purchase price over the fair value of the assets acquired being allocated to goodwill.

2014 Acquisitions:

Interactive Management

The Company acquired 100% of the issued and outstanding common shares of Information Access Technology, Inc. ("IAT"), IT Sonix AG ("IT Sonix") and Voxtron NV ("Voxtron") on November 4, 2013, March 4, 2014 and October 3, 2014 respectively for an aggregate cash purchase price of approximately $23.2 million. Of this amount, approximately $2.5 million is subject to hold back and adjustment. Results are included in the Interactive Management Group from their respective dates of acquisition.

Headquartered in West Jordan (Salt Lake City), Utah, IAT specializes in innovative communication technology which enables companies to design, execute and measure customer communication campaigns. IAT solutions include premise and hosted products and services for both outbound dialing and broadcast messaging. Based in Leipzig, Germany, IT Sonix is a software provider specializing in outbound contact center solutions with a particular focus on tele-marketing. ELSBETH, IT Sonix's flagship solution, is a fully featured, general purpose, outbound suite combining a powerful predictive dialer, campaign management, call scripting, real-time speech analytics and agent coaching capabilities. Headquartered in Temse (Brussels), Belgium, Voxtron is a provider of multi-channel contact center and dispatch solutions for small, medium and large enterprises as well as the railroad and utilities sectors.

Asset Management Group

The Company acquired 100% of the issued and outstanding common shares of Basset AB ("Basset") and Jinny Software Limited ("Jinny") on July 4, 2014 and August 5, 2014, respectively for an aggregate cash purchase price of approximately $20.6 million. Of this amount, approximately $3.4 million remains subject to hold back and adjustment. Results are included in the Asset Management Group from their respective dates of acquisition.

Headquartered in Stockholm, Sweden, Basset provides revenue management solutions to telecommunications operators and next generation electric utilities in Europe, Africa and the Middle East. Headquartered in Dublin, Ireland, Jinny is an end-to-end provider of mobile value added services, rich communications, and diameter signaling management solutions for wireless carriers globally. Jinny's solutions enable customers to run different cellular network technologies simultaneously, and are integrated with leading network equipment providers.

Management has established the preliminary purchase price allocations taking into account all relevant information at the time of preparing these notes to the condensed consolidated interim financial statements. The purchase price allocations below have not been finalized, other than IAT (Interactive Management 2014), subject to receipt of additional information related to the settlement of the hold back obligations.

Notes to Condensed Consolidated Interim Financial Statements
For the three months ended January 31, 2015 and 2014
(Unaudited, in thousands of Canadian dollars, except as indicated)

The Company's purchase price allocations are as follows:

	Interactive Management Group Preliminary 2014	Asset Management Group Preliminary 2014
Cash and cash equivalents	$ 2,825	$ 1,536
Short-term investments	-	-
Accounts receivable, net	8,555	13,187
Income tax receivable	-	-
Prepaid expenses and other assets	805	2,196
Property, plant and equipment	901	355
Deferred income tax assets	-	1,123
Acquired software	9,126	13,450
Customer relationships	5,600	6,271
Goodwill	7,472	7,661
Total assets acquired	**$ 35,284**	**$ 45,779**
Less: Current liabilities assumed	$ 8,064	$ 21,977
Less: Deferred income tax liabilities	4,030	3,204
Total liabilities assumed	**$ 12,094**	**$ 25,181**
Net assets acquired for cash consideration	**$ 23,190**	**$ 20,598**

11. Segmented information

The Company has two operating segments, the Interactive Management Group and the Asset Management Group, based on the nature of the operations and markets that each of these segments serves. The accounting policies followed by these segments are the same as those described in the summary of significant accounting policies.

The Company's operating segments each develop and market software products and provide services for their respective markets and are inclusive of the current year acquisitions. The Interactive Management Group specializes in customer interaction software and services that are designed to enhance customer service, increase efficiency and manage customer communications across the enterprise. Core technologies include contact center, attendant console, interactive voice response, call recording and workforce optimization solutions that support any telephony environment, on-premise or in the cloud. Its customers include insurance companies, banks and utilities as well as high technology, health care and hospitality companies. The Asset Management Group provides a portfolio of products to telecom service providers as well as fleet management and public safety software solutions for the transportation industry, first responders, distribution, security, utilities and oil and gas industries. These include telecom billing, data conversion, and geo-spatial software solutions for complex network infrastructures and fleet/logistics management solutions for the public and private sectors.

The Company evaluates segment performance based on revenue and profit or loss before income taxes.

Notes to Condensed Consolidated Interim Financial Statements
For the three months ended January 31, 2015 and 2014
(Unaudited, in thousands of Canadian dollars, except as indicated)

Quarter ended January 31, 2015	**Interactive Management Group**	**Asset Management Group**	**Total**
Revenue	$ 43,752	$ 19,267	$ 63,019
Operating expenses excluding non-cash charges	(30,969)	(14,100)	(45,069)
Depreciation of property, plant and equipment	(485)	(107)	(592)
Segmented profit	**$ 12,298**	**$ 5,060**	**$ 17,358**
Corporate expenses			(1,783)
Amortization of acquired software and customer relationships			(5,354)
Finance income			113
Finance expenses			(117)
Other income			17
Litigation settlements			(8,774)
Income before income taxes			**$ 1,460**
Goodwill	$ 79,665	$ 24,946	$ 104,611
Other assets	132,715	102,346	235,061
Short-term investments			14,956
Total assets	**$ 212,380**	**$ 127,292**	**$ 354,628**
Capital Expenditures	$ 889	$ 173	$ 1,062

Quarter ended January 31, 2014	**Interactive Management Group**	**Asset Management Group**	**Total**
Revenue	$ 37,800	$ 9,692	$ 47,492
Operating expenses excluding non-cash charges	(26,776)	(7,375)	(34,151)
Depreciation of property, plant and equipment	(418)	(111)	(529)
Segmented profit	**$ 10,606**	**$ 2,206**	**$ 12,812**
Corporate expenses			(1,292)
Amortization of acquired software and customer relationships			(3,910)
Finance income			143
Finance expenses			(58)
Other income			7
Income before income taxes			**$ 7,702**
Goodwill	$ 70,516	$ 17,047	$ 87,563
Other assets	140,741	52,289	193,030
Short-term investments			23,084
Total assets	**$ 211,257**	**$ 69,336**	**$ 303,677**
Capital Expenditures	$ 508	$ 149	$ 657

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended January 31, 2015 and 2014

(Unaudited, in thousands of Canadian dollars, except as indicated)

12. Litigation and contingencies

Southern California Gas Company v. Syntellect, Inc.: Southern California Gas Company ("SoCal") filed a lawsuit against a wholly owned subsidiary of the Company relating to the indemnification provisions in a contract between the parties. The United States District Court, Southern District of California, issued a judgment in favor of SoCal. However, the judgment was appealed to the United States Ninth Circuit Court of Appeals. That court affirmed aspects of the judgment, but reversed the finding that evidence of apportionment of damages should be excluded and directed the district court to consider the issue. Subsequently, the district court issued an order granting a motion brought by SoCal that apportionment was not appropriate and that the Company is responsible for 100% of SoCal's damages and a judgment (together with the order, the "Judgment") in favour of SoCal which, together with certain additional SoCal costs and interest, amounts to U.S. $9.45 million (the "Award"). The Company appealed the Judgment to the United States Ninth Circuit Court of Appeals, and a standby letter of credit in the full amount of the Award was posted, pending the outcome of the appeal. The appeal was denied on February 23, 2015 so U.S. $9.55 million, representing the Award plus estimated additional SoCal costs and interest, will be paid to SoCal to finalize this matter. The Company booked a litigation settlement provision of $9.4 million in the first quarter to cover its obligations. A cash deposit of $11.4 million underlying the standby letter of credit to offset potential foreign exchange risk is restricted as to use and has been reflected on the consolidated statements of financial position in cash and cash equivalents. The Company also settled an unrelated matter in its favour, booking a recovery of $0.6 million in the quarter, which is reflected in litigation settlements.

General

The Company provides its customers with a qualified indemnity against the infringement of third party intellectual property rights. From time to time, various owners of patents and copyrighted works send the Company or its customer's letters alleging that the Company's products do or might infringe upon the owner's intellectual property rights, and/or suggesting that the Company or its customers should negotiate a license agreement with the owner. The Company's policy is to never knowingly infringe upon any third party's intellectual property rights. Accordingly, where appropriate, the Company forwards any such allegation or licensing request to its outside legal counsel for review. The Company generally attempts to resolve any such matter by informing the owner of the Company's position concerning non-infringement or invalidity. Even though the Company attempts to resolve these matters without litigation, it is always possible that the owner of a patent or copyrighted work will sue the Company.

In response to correspondence from and, in a few instances, litigation instigated by, third party patent holders, a few of the Company's customers have attempted to tender to the Company the defense of its products under contractual indemnity provisions. The Company does not believe that it currently has any obligation to provide such a defense or that the Company's products infringe any third party patent. With respect to any litigation the Company becomes involved with, under a contractual indemnity or any other legal theory, the Company has and will continue to consider all its options for resolution and vigorously assert all appropriate defenses.

13. Changes in non-cash operating working capital

	Three months ended January 31,	
	2015	**2014**
Decrease (increase) in accounts receivable, net	$ 2,464	$ (2,496)
Decrease (increase) in prepaid expenses and other assets	123	(780)
Increase (decrease) in accounts payable & accrued liabilities	2,562	(5,644)
Decrease in income taxes payable	(563)	(161)
Increase in deferred revenue	7,220	7,421
	$ 11,806	**$ (1,660)**

14. Subsequent events

Effective March 2, 2015 the Company acquired 100% of the issued and outstanding common shares of CDRator A/S (“CDRator”) for an aggregate cash purchase price of approximately $23.0 million (net of acquired cash). Of this amount, approximately $3.8 million is subject to hold back and adjustment. The purchase price allocations have not been established subject to receipt of additional information. The results will be included in the Asset Management Group subsequent to acquisition.