

## Enghouse Releases Second Quarter Results and Announces Dividend

FOR IMMEDIATE RELEASE

**Markham, Ontario – (June 3, 2008)** – Enghouse Systems Limited (TSX:ESL) today announced its unaudited second quarter results for the period ended April 30, 2008.

Second quarter revenue was \$12.8 million, compared to \$15.0 million reported in the same period last year. Net income for the second quarter was \$1.31 million or \$0.05 per diluted share compared to the prior year's second quarter net income of \$2.29 million or \$0.09 per diluted share. On a year to date basis, revenue was \$23.7 million compared to \$28.5 million in the prior fiscal year, while net income was \$2.09 million compared to \$4.13 million in the prior fiscal year.

Operating expenses decreased to \$7.4 million from \$8.4 million in the prior year's second quarter, which also included foreign exchange losses of \$0.6 million compared \$0.1 million in the current year's second quarter. Also included in the operating expenses are non-cash amortization charges of \$1.5 million compared to \$1.5 million in the prior year's second quarter related to the amortization of software and intangibles, including those recorded as part of the acquisition of Gamma Projects Limited, completed on March 31, 2008. The second quarter also includes \$0.1 million in non-cash compensation expense related to stock options.

The Company generated cash flows from operations of \$2.1 million in the second quarter compared to \$4.5 million in the prior year's second quarter. On a year to date basis, the Company generated cash flows of \$4.0 million, closing the quarter with \$102.4 million in cash and short-term investments. The Company continues to have no long-term debt.

Enghouse paid an eligible cash dividend of \$0.025 per share on May 30, 2008. At its meeting held today, the Board of Directors authorized the payment of an eligible quarterly dividend of \$0.025 per share payable on August 29, 2008 to shareholders of record at the close of business on August 14, 2008. During the quarter Enghouse paid \$1.5 million to repurchase 239,200 of its common shares at an average price of \$6.32 per share.

During the second quarter the Company completed the acquisition of Gamma Projects Limited to expand its presence in the wireless sector of the asset management market, the results of which have been included from the date of acquisition. The Company continues to focus on deploying its cash reserves on acquisitions that will further diversify its revenue stream and extend 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).

For further information please contact:

Stephen Sadler  
*Chief Executive Officer*  
Enghouse Systems Limited  
Tel: (905) 946-3200  
Email: [investor@enghouse.com](mailto:investor@enghouse.com)

**Enghouse Systems Limited**  
**Consolidated Balance Sheets**  
*(in thousands of Canadian dollars)*  
*(Unaudited)*

	April 30, 2008	October 31, 2007
<b>Assets</b>		
<b>Current Assets:</b>		
Cash	\$ 11,854	\$ 11,321
Short-term investments	90,515	89,184
Accounts receivable, net	10,767	10,376
Future income taxes	1,430	1,359
Prepaid expenses and other assets	2,015	1,488
	<u>116,581</u>	<u>113,728</u>
Property and equipment, net	1,974	1,930
Acquired software and other intangibles, net	14,253	15,819
Goodwill	12,352	10,652
Long-term future income taxes	7,161	4,128
	<u>\$ 152,321</u>	<u>\$ 146,257</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 8,915	\$ 9,258
Income taxes payable	5,903	7,342
Dividend payable	629	629
Deferred revenue	15,705	12,602
	<u>31,152</u>	<u>29,831</u>
Future income taxes	9,696	7,964
Deferred revenue	766	953
	<u>41,614</u>	<u>38,748</u>
<b>Shareholders' Equity</b>		
Share capital	49,366	48,670
Contributed surplus	1,911	1,771
Retained earnings	69,542	69,931
Accumulated other comprehensive loss	(10,112)	(12,863)
	<u>110,707</u>	<u>107,509</u>
	<u>\$ 152,321</u>	<u>\$ 146,257</u>

**Enghouse Systems Limited**  
**Consolidated Statements of Operations and Retained Earnings**  
*(in thousands of Canadian dollars except per share amounts)*  
*(Unaudited)*

	Three months ended April 30		Six months ended April 30	
	2008	2007	2008	2007
<b>Revenue</b>				
Software licenses	\$ 2,492	\$ 3,087	\$ 4,302	\$ 5,840
Services	9,921	11,347	18,617	21,633
Hardware	391	602	749	991
	<b>12,804</b>	<b>15,036</b>	<b>23,668</b>	<b>28,464</b>
<b>Cost of Sales</b>				
Software licenses	497	698	1,018	1,167
Services	3,737	3,542	7,273	7,305
Hardware	323	516	611	789
	4,557	4,756	8,902	9,261
<b>Gross Margin</b>	<b>8,247</b>	<b>10,280</b>	<b>14,766</b>	<b>19,203</b>
<b>Operating expenses</b>				
Selling, general and administrative	3,655	4,491	6,520	7,836
Research and development	1,970	2,144	3,734	4,115
Stock-based compensation	66	103	142	220
Amortization of property and equipment	217	200	428	432
Amortization of acquired software and other intangibles	1,482	1,470	2,942	2,947
	7,390	8,408	13,766	15,550
<b>Income before the undernoted</b>	<b>857</b>	<b>1,872</b>	<b>1,000</b>	<b>3,653</b>
Interest income, net	865	1,007	1,918	1,978
Other income	327	678	327	810
<b>Income before income taxes</b>	<b>2,049</b>	<b>3,557</b>	<b>3,245</b>	<b>6,441</b>
Provision for income taxes	735	1,272	1,160	2,311
<b>Net income for the period</b>	<b>\$ 1,314</b>	<b>\$ 2,285</b>	<b>\$ 2,085</b>	<b>\$ 4,130</b>
<b>Retained Earnings, beginning of period</b>	<b>\$ 69,917</b>	<b>\$ 71,394</b>	<b>\$ 69,931</b>	<b>\$ 69,549</b>
Dividends	(635)	-	(1,270)	-
Purchase and cancellation of common shares	(1,054)	(637)	(1,204)	(637)
<b>Retained Earnings, end of period</b>	<b>\$ 69,542</b>	<b>\$ 73,042</b>	<b>\$ 69,542</b>	<b>\$ 73,042</b>
<b>Earnings per share</b>				
Basic	\$ 0.05	\$ 0.09	\$ 0.08	\$ 0.16
Diluted	\$ 0.05	\$ 0.09	\$ 0.08	\$ 0.16
Weighted average shares outstanding during period (millions)				
- basic	25.3	25.5	25.3	25.5
- diluted	25.9	26.4	25.9	26.4

**Enghouse Systems Limited**  
**Consolidated Statements of Comprehensive Income**  
*(in thousands of Canadian dollars)*  
*(Unaudited)*

	Three months ended April 30		Six months ended April 30	
	2008	2007	2008	2007
Net income for the period	\$ 1,314	\$ 2,285	\$ 2,085	\$ 4,130
<b>Other comprehensive income (loss):</b>				
Unrealized gain (loss) on translating financial statements of self-sustaining foreign operations	142	(1,258)	2,624	(811)
Transfer to net income of realized gains on available for sale investments, net of tax of \$118 (six months - \$118)	(209)	(434)	(209)	(518)
Unrealized gain on available for sale investments, net of tax of \$42 (six months - \$206)	75	196	366	930
Unrealized foreign currency translation gain (loss) on available for sale investments, net of tax of \$18 (six months - (\$17))	32	(29)	(30)	10
<b>Other comprehensive income (loss)</b>	<b>\$ 40</b>	<b>\$ (1,525)</b>	<b>\$ 2,751</b>	<b>\$ (389)</b>
<b>Comprehensive income</b>	<b>\$ 1,354</b>	<b>\$ 760</b>	<b>\$ 4,836</b>	<b>\$ 3,741</b>
<b>Accumulated other comprehensive loss, beginning of period</b>	<b>\$(10,152)</b>	<b>\$ (4,716)</b>	<b>\$(12,863)</b>	<b>\$ (5,852)</b>
Other comprehensive income (loss)	40	(1,525)	2,751	(389)
<b>Accumulated other comprehensive loss, end of period</b>	<b>\$(10,112)</b>	<b>\$ (6,241)</b>	<b>\$(10,112)</b>	<b>\$ (6,241)</b>

**Enghouse Systems Limited**  
**Consolidated Statements of Cash Flows**  
*(in thousands of Canadian dollars)*  
*(Unaudited)*

	For the three months ended April 30		For the six months ended April 30	
	2008	2007	2008	2007
<b>Cash flows from operating activities:</b>				
Net income for the period	\$ 1,314	\$ 2,285	\$ 2,085	\$ 4,130
<b>Add (deduct) items not involving cash:</b>				
Amortization of property and equipment	217	200	428	432
Amortization of acquired software and other intangibles	1,482	1,470	2,942	2,947
Stock-based compensation expense	66	103	142	220
Gain on sale of short-term investments	(327)	(678)	(327)	(810)
Future income taxes	(981)	25	(1,362)	4
<b>Cash flows before changes in operating assets and liabilities</b>	<b>1,771</b>	<b>3,405</b>	<b>3,908</b>	<b>6,923</b>
<b>Changes in operating assets and liabilities</b>				
(Increase) decrease in accounts receivable, net	(428)	2,855	1,311	4,370
Increase in prepaid expenses and other assets	(118)	(43)	(402)	(58)
Increase (decrease) in accounts payable and accrued liabilities	1,306	224	(601)	(1,805)
Increase (decrease) in current income taxes payable	505	298	(1,586)	(1,254)
(Decrease) increase in deferred revenue	(655)	(2,174)	1,089	1,583
Unrealized foreign exchange (loss) gain	(329)	(35)	289	(99)
<b>Cash flows from operating activities</b>	<b>2,052</b>	<b>4,530</b>	<b>4,008</b>	<b>9,660</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment, net	(299)	(143)	(440)	(273)
Acquisitions, net of cash acquired	(2,275)	(2,210)	(2,275)	(2,210)
Sale of short-term investments, net	1,575	2,420	310	1,508
	<b>(999)</b>	<b>67</b>	<b>(2,405)</b>	<b>(975)</b>
<b>Cash flows from financing activities</b>				
Issuance of share capital	34	-	1,209	41
Payment of cash dividend	(635)	-	(1,264)	-
Purchase and cancellation of common shares	(1,510)	-	(1,717)	(301)
	<b>(2,111)</b>	<b>-</b>	<b>(1,772)</b>	<b>(260)</b>
Effect of foreign exchange rate changes on cash	81	(612)	702	(312)
<b>Net (decrease) increase in cash during the period</b>	<b>(977)</b>	<b>3,985</b>	<b>533</b>	<b>8,113</b>
Cash – Beginning of period	12,831	9,730	11,321	5,602
<b>Cash – End of period</b>	<b>\$ 11,854</b>	<b>\$ 13,715</b>	<b>\$11,854</b>	<b>\$13,715</b>
<b>Supplementary Cash Flow Information:</b>				
Cash paid during the period for income taxes	683	1,164	3,290	3,886

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

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

(in thousands of Canadian dollars)

(Unaudited)

	<b>Three Months ended</b>		<b>Six Months ended</b>	
	<b>April 30, 2008</b>	<b>April 30, 2007</b>	<b>April 30, 2008</b>	<b>April 30, 2007</b>
<b>Revenue:</b>				
Asset Management Division	\$ 2,248	\$ 2,192	\$ 4,211	\$ 4,637
Syntellect Division	10,556	12,844	19,457	23,827
<b>Total</b>	<b>\$ 12,804</b>	<b>\$ 15,036</b>	<b>\$ 23,668</b>	<b>\$ 28,464</b>
<b>Segment Profit (EBIT):</b>				
Asset Management Division	\$ (202)	\$ 98	\$ (549)	\$ 521
Syntellect Division	1,719	2,945	2,343	4,364
Corporate	(607)	(575)	(1,095)	(1,135)
Foreign Exchange	(53)	(596)	301	(97)
<b>Total</b>	<b>\$ 857</b>	<b>\$ 1,872</b>	<b>\$ 1,000</b>	<b>\$ 3,653</b>