

## Enghouse Releases Third Quarter Results

FOR IMMEDIATE RELEASE

**Markham, Ontario – (September 3, 2009)** – Enghouse Systems Limited (TSX:ESL) today announced its unaudited third quarter financial results for the period ended July 31, 2009.

Third quarter revenue was \$23.4 million, compared to \$14.7 million reported in the same period last year, an increase of approximately 59%. Net income for the third quarter was \$2.4 million or \$0.10 per share on a diluted basis compared to the prior year's third quarter net income of \$1.6 million or \$0.06 per share. The increase in revenue was the result of increased license and services revenue in the Company's traditional Syntellect Division operations as well as incremental revenue from recent acquisitions, Trio Enterprise AB ("Trio"), acquired April 1, 2009 and Envox, acquired on October 20, 2008 and the favourable impact of foreign exchange on the conversion of U.S. dollar revenue into Canadian dollars.

Operating expenses increased to \$10.6 million from \$6.2 million in the prior year's third quarter and include incremental operating costs related to acquisitions and the impact of foreign exchange on U.S. dollar denominated operating expenses converted to Canadian dollars. Non-cash amortization charges were \$1.8 million compared to \$1.6 million in the prior year's third quarter and includes amortization charges for acquired software and other intangibles from acquired operations including Envox and Trio.

The Company generated cash flows from operations of \$7.2 million in the third quarter compared to \$2.3 million in the prior year's third quarter, closing the quarter with \$91.8 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. Since October 2008, the Company has spent \$7.4 million on acquisitions and \$2.0 million on dividend payments. In addition, the Company remains active in its normal course issuer buyback, re-purchasing 44,100 common shares in the quarter at an average cost of \$5.89 per share for a total cost of \$0.3 million. On a year to date basis the Company has repurchased 936,924 common shares for a total cost of \$4.5 million or \$4.78 per share. Total cash spent on acquisitions, share buybacks and dividends to shareholders since October 31, 2008 was \$13.9 million.

### 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 -

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)*

	July 31, 2009	October 31, 2008
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 32,235	\$ 12,331
Short-term investments	59,532	82,099
Accounts receivable, net	16,078	17,515
Future income taxes	779	1,895
Prepaid expenses and other assets	2,899	2,947
	<u>111,523</u>	<u>116,787</u>
Property and equipment, net	1,839	2,471
Acquired software and other intangibles, net	24,621	27,373
Goodwill	20,360	21,953
Future income taxes	3,705	3,228
	<u>\$ 162,048</u>	<u>\$ 171,812</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 17,157	\$ 16,490
Income taxes payable	1,394	4,958
Dividend payable	746	636
Deferred revenue	18,029	18,585
	<u>37,326</u>	<u>40,669</u>
Future income taxes	7,360	7,945
Long-term income taxes payable	1,043	1,321
Deferred revenue	218	686
	<u>45,947</u>	<u>50,621</u>
<b>Shareholders' Equity</b>		
Share capital	49,734	50,568
Contributed surplus	1,996	1,827
Retained earnings	71,375	72,015
Accumulated other comprehensive loss	(7,004)	(3,219)
	<u>116,101</u>	<u>121,191</u>
	<u>\$ 162,048</u>	<u>\$ 171,812</u>

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

	Three months ended July 31		Nine months ended July 31	
	2009	2008	2009	2008
<b>Revenue</b>				
Software licenses	\$ 7,889	\$ 3,517	\$ 17,450	\$ 7,819
Services	13,747	10,742	37,810	29,359
Hardware	1,717	434	3,155	1,183
	<b>23,353</b>	<b>14,693</b>	<b>58,415</b>	<b>38,361</b>
<b>Cost of sales</b>				
Software licenses	1,517	995	3,029	2,013
Services	4,883	4,370	14,751	11,643
Hardware	1,238	353	2,518	964
	7,638	5,718	20,298	14,620
<b>Gross margin</b>	<b>15,715</b>	<b>8,975</b>	<b>38,117</b>	<b>23,741</b>
<b>Operating expenses</b>				
Selling, general and administrative	7,118	3,767	17,649	10,728
Research and development	3,152	2,195	9,117	5,931
Amortization of property and equipment	320	263	979	691
	10,590	6,225	27,745	17,350
<b>Income before the undernoted</b>	<b>5,125</b>	<b>2,750</b>	<b>10,372</b>	<b>6,391</b>
Amortization of acquired software and other intangibles	(1,840)	(1,570)	(5,505)	(4,512)
Foreign exchange (loss) gain	107	104	182	405
Interest income, net	228	723	1,175	2,641
Other income	24	441	24	768
<b>Income before income taxes</b>	<b>3,644</b>	<b>2,448</b>	<b>6,248</b>	<b>5,693</b>
Provision for income taxes				
Current	373	937	1,419	2,408
Future	840	(73)	666	(384)
<b>Net income for the period</b>	<b>\$ 2,431</b>	<b>\$ 1,584</b>	<b>\$ 4,163</b>	<b>\$ 3,669</b>
<b>Retained earnings, beginning of period</b>	<b>\$ 69,865</b>	<b>\$ 69,548</b>	<b>\$ 72,015</b>	<b>\$ 69,931</b>
Dividends	(746)	(637)	(2,115)	(1,901)
Purchase and cancellation of common shares	(175)	(166)	(2,688)	(1,370)
<b>Retained earnings, end of period</b>	<b>\$ 71,375</b>	<b>\$ 70,329</b>	<b>\$ 71,375</b>	<b>\$ 70,329</b>
<b>Earnings per share</b>				
Basic	\$ 0.10	\$ 0.06	\$ 0.17	\$ 0.15
Diluted	\$ 0.10	\$ 0.06	\$ 0.17	\$ 0.14
Weighted average shares outstanding during period (millions)				
- basic	24.9	25.2	25.0	25.3
- diluted	25.2	25.8	25.1	25.9

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

	Three months ended July 31		Nine months ended July 31	
	2009	2008	2009	2008
Net income for the period	\$ 2,431	\$ 1,584	\$ 4,163	\$ 3,669
<b>Other comprehensive (loss) income:</b>				
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	(2,891)	955	(3,839)	3,579
Transfer to net income of realized gains on available for sale investments, net of tax of \$8 (nine months - \$88)	(16)	-	(172)	(209)
Unrealized gain (loss) on available for sale investments, net of tax of (\$220) (nine months - (\$259))	429	(122)	(505)	244
Unrealized foreign currency translation gain on available for sale investments, net of tax of \$36 (nine months - \$376)	71	55	731	25
<b>Other comprehensive (loss) income</b>	<b>\$ (2,407)</b>	<b>\$ 888</b>	<b>\$ (3,785)</b>	<b>\$ 3,639</b>
<b>Comprehensive income</b>	<b>\$ 24</b>	<b>\$ 2,472</b>	<b>\$ 378</b>	<b>\$ 7,308</b>
<b>Accumulated other comprehensive loss, beginning of period</b>	<b>\$ (4,597)</b>	<b>\$ (10,112)</b>	<b>\$ (3,219)</b>	<b>\$ (12,863)</b>
Other comprehensive (loss) income	(2,407)	888	(3,785)	3,639
<b>Accumulated other comprehensive loss, end of period</b>	<b>\$ (7,004)</b>	<b>\$ (9,224)</b>	<b>\$ (7,004)</b>	<b>\$ (9,224)</b>

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

	For the three months ended July 31		For the nine months ended July 31	
	2009	2008	2009	2008
<b>Cash flows from operating activities</b>				
Net income for the period	\$ 2,431	\$ 1,584	\$ 4,163	\$ 3,669
<b>Add (deduct) items not involving cash</b>				
Amortization of property and equipment	320	263	979	691
Amortization of acquired software and other intangibles	1,840	1,570	5,505	4,512
Stock-based compensation expense	88	75	169	217
Gain on sale of short-term investments	(24)	-	(24)	(327)
Gain on sale of patents	-	(441)	-	(441)
Future income taxes	840	(73)	666	(384)
<b>Cash flows before changes in operating assets and liabilities</b>	<b>5,495</b>	<b>2,978</b>	<b>11,458</b>	<b>7,937</b>
<b>Changes in operating assets and liabilities</b>				
(Increase) decrease in accounts receivable, net	(1,144)	(171)	3,126	1,140
Decrease (increase) in prepaid expenses and other assets	353	(36)	269	(438)
Increase (decrease) in accounts payable and accrued liabilities	4,103	355	1,622	(246)
Increase (decrease) in current income taxes payable	133	657	(2,377)	(1,980)
(Decrease) increase in deferred revenue	(1,932)	(818)	(60)	271
Unrealized foreign exchange loss (gain)	164	(654)	(144)	(365)
<b>Cash flows from operating activities</b>	<b>7,172</b>	<b>2,311</b>	<b>13,894</b>	<b>6,319</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment, net	(98)	(356)	(354)	(796)
Acquisitions, net of cash acquired	(75)	(2,467)	(6,935)	(4,742)
Proceeds from sale of patents	-	441	-	441
Proceeds (purchase) of short-term investments	888	(4,229)	21,168	(3,919)
	<b>715</b>	<b>(6,611)</b>	<b>13,879</b>	<b>(9,016)</b>
<b>Cash flows from financing activities</b>				
Issuance of share capital	5	1,076	955	2,285
Payment of cash dividend	(748)	(629)	(2,005)	(1,893)
Purchase and cancellation of common shares	(259)	(242)	(4,477)	(1,959)
	<b>(1,002)</b>	<b>205</b>	<b>(5,527)</b>	<b>(1,567)</b>
Effect of foreign exchange rate changes on cash	(1,952)	141	(2,342)	843
<b>Net increase (decrease) in cash during the period</b>	<b>4,933</b>	<b>(3,954)</b>	<b>19,904</b>	<b>(3,421)</b>
Cash – beginning of period	27,302	11,854	12,331	11,321
<b>Cash – end of period</b>	<b>\$ 32,235</b>	<b>\$ 7,900</b>	<b>\$ 32,235</b>	<b>\$ 7,900</b>
<b>Supplementary cash flow information:</b>				
Cash paid during the period for income taxes	\$ 289	\$ 195	\$ 1,665	\$ 3,485

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

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

(in thousands of Canadian dollars)  
(Unaudited)

	Three Months ended		Nine Months ended	
	July 31, 2009	July 31, 2008	July 31, 2009	July 31, 2008
<b>Revenue:</b>				
Asset Management Division	\$ 2,481	\$ 2,836	\$ 7,221	\$ 7,047
Syntellect Division	20,872	11,857	51,194	31,314
<b>Total</b>	<b>\$ 23,353</b>	<b>\$ 14,693</b>	<b>\$ 58,415</b>	<b>\$ 38,361</b>
<b>Segment Profit (EBIT):</b>				
Asset Management Division	\$ (89)	\$ 136	\$ (440)	\$ (413)
Syntellect Division	4,070	1,561	7,131	3,904
Corporate	(696)	(517)	(1,824)	(1,612)
Foreign Exchange	107	104	182	405
Interest and other income	252	1,164	1,199	3,409
<b>Total</b>	<b>\$ 3,644</b>	<b>\$ 2,448</b>	<b>\$ 6,248</b>	<b>\$ 5,693</b>