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### Enghouse Releases Third Quarter Results

FOR IMMEDIATE RELEASE

**Markham, Ontario – September 10, 2015 – Enghouse Systems Limited (TSX:ESL)** today announced its unaudited third quarter financial results for the period ended July 31, 2015.

Third quarter revenue was \$71.3 million, an increase of 28.4% over revenue of \$55.5 million in the third quarter last year. On a year to date basis, revenue was \$203.0 million compared to \$157.9 million last year, an increase of 28.5%. Hosted and maintenance services revenue was \$33.8 million in the quarter, an increase of 14.7% over the same period last year.

Adjusted EBITDA for the quarter was \$18.5 million (\$0.68 per diluted share) compared to \$14.4 million (\$0.53 per diluted share) in last year's third quarter. Adjusted EBITDA for the year to date was \$50.9 million (\$1.88 per diluted share) compared to \$40.4 million (\$1.50 per diluted share) last year, an increase of 25.9%.

Net income for the quarter was \$8.1 million (\$0.30 per diluted share) compared to the prior year's third quarter net income of \$7.2 million (\$0.27 per diluted share). Results from operating activities for the quarter were \$16.2 million compared to \$13.5 million in the prior year's third quarter, an increase of 20.4% over the prior year and include special charges related to acquisitions of \$1.6 million.

Operating expenses before special charges related to restructuring of acquired operations were \$29.8 million compared to \$25.6 million in the prior year's third quarter and primarily includes incremental operating costs related to acquisitions. Non-cash amortization charges in the quarter were \$5.7 million compared to \$4.3 million in the prior year's third quarter and include amortization charges for acquired software and customer relationships from acquired operations.

Enghouse generated cash flows from operations of \$9.3 million in the quarter after payment of \$11.8 million to settle litigation matters during the quarter. Excluding litigation payments, cash flow from operations would have been \$21.1 million and \$50.4 million in the quarter and year to date respectively. Enghouse closed the quarter with \$91.3 million in cash, cash equivalents and short-term investments, compared to \$84.9 million at October 31, 2014. The cash balance was achieved after payments of \$27.3 million for acquisitions (net of cash acquired) and dividends of \$8.4 million year to date. The Company continues to have no long-term debt.

The Board of Directors has approved an eligible quarterly dividend of \$0.12 per common share, payable on November 30, 2015 to shareholders of record at the close of business on November 16, 2015.

On June 19, 2015 Enghouse was added to the S&P/TSX Composite Index and Composite Dividend Index which should increase the Company's profile on the TSX and generate awareness of Enghouse to a broader range of investors.

Subsequent to quarter end, Enghouse completed the acquisition of Aktavara AB ("Aktavara") on September 9, 2015. Headquartered in Stockholm, Sweden, Aktavara provides innovative software solutions for telecommunications service providers. Enghouse remains committed to diversifying its revenue stream and continues to seek accretive acquisitions to grow its market share.

A conference call to discuss the results will be held on Friday September 11, 2015 at 8:45 a.m. EST. To participate, please call 416-640-5946 or North American Toll-Free 1-866-233-4585. No PIN required.

## 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, profitable and more diverse software company through strategic acquisitions targeting the Contact Center, Networks (OSS/BSS) and Transportation/Public Safety sectors. Enghouse shares are listed on the Toronto Stock Exchange under the symbol "ESL". Further information about Enghouse may be obtained from the Company's website at [www.enghouse.com](http://www.enghouse.com).

## 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 results from operating activities adjusted for depreciation of property, plant and equipment, 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.

## Adjusted EBITDA:

The table below reconciles Adjusted EBITDA to the most directly comparable IFRS measure, Results from operating activities:

	Three Months ended		Nine Months ended	
	July 31, 2015	July 31, 2014	July 31, 2015	July 31, 2014
<b>Total Revenue</b>	<b>\$ 71,264</b>	<b>\$ 55,488</b>	<b>\$ 202,984</b>	<b>\$ 157,931</b>
Results from operating activities	16,221	13,468	47,296	37,470
Depreciation of property, plant and equipment	647	577	1,921	1,672
Special charges	1,582	334	1,661	1,256
<b>Adjusted EBITDA</b>	<b>\$ 18,450</b>	<b>\$ 14,379</b>	<b>\$ 50,878</b>	<b>\$ 40,398</b>
<b>Adjusted EBITDA margin</b>	<b>25.9%</b>	<b>25.9%</b>	<b>25.1%</b>	<b>25.6%</b>
<b>Adjusted EBITDA per diluted share</b>	<b>\$ 0.68</b>	<b>\$ 0.53</b>	<b>\$ 1.88</b>	<b>\$ 1.50</b>

# Enghouse Systems Limited

## Condensed Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars)

(Unaudited)

	July 31, 2015	October 31, 2014
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 81,464	\$ 72,780
Short-term investments	9,824	12,084
Accounts receivable, net	60,915	54,341
Income tax receivable	1,243	-
Prepaid expenses and other assets	9,385	7,571
	<b>162,831</b>	<b>146,776</b>
<b>Non-current assets</b>		
Property, plant and equipment	5,155	4,020
Intangible assets	73,181	68,014
Goodwill	122,151	98,534
Deferred income tax assets	6,599	10,427
	<b>\$ 369,917</b>	<b>\$ 327,771</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 51,420	\$ 41,297
Income taxes payable	-	2,644
Dividends payable	3,154	2,616
Provisions	3,317	3,407
Deferred revenue	56,705	47,745
	<b>\$ 114,596</b>	<b>97,709</b>
<b>Non-current liabilities</b>		
Deferred income tax liabilities	21,440	19,930
Deferred revenue	2,604	1,877
	<b>138,640</b>	<b>119,516</b>
<b>Shareholders' Equity</b>		
Share capital	60,924	59,746
Contributed surplus	4,479	3,782
Retained earnings	144,827	135,554
Accumulated other comprehensive income	21,047	9,173
<b>Total shareholders' equity</b>	<b>231,277</b>	<b>208,255</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 369,917</b>	<b>\$ 327,771</b>

# Enghouse Systems Limited

## Condensed Consolidated Interim Statements of Operations and Comprehensive Income

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

(Unaudited)

	Three months ended July 31		Nine months ended July 31	
	2015	2014	2015	2014
<b>Revenue</b>				
Software licenses	\$ 21,844	\$ 18,172	\$ 62,540	\$ 52,807
Hosted and maintenance services	33,751	29,424	99,697	82,783
Professional services	13,493	6,617	34,826	17,849
Hardware	2,176	1,275	5,921	4,492
	<b>71,264</b>	<b>55,488</b>	<b>202,984</b>	<b>157,931</b>
<b>Direct costs</b>				
Software licenses	1,958	1,142	5,601	4,026
Services	20,080	14,071	55,995	39,164
Hardware	1,591	838	4,006	2,935
	<b>23,629</b>	<b>16,051</b>	<b>65,602</b>	<b>46,125</b>
<b>Revenue, net of direct costs</b>	<b>47,635</b>	<b>39,437</b>	<b>137,382</b>	<b>111,806</b>
<b>Operating expenses</b>				
Selling, general and administrative	19,482	16,202	56,119	44,392
Research and development	9,703	8,856	30,385	27,016
Depreciation of property, plant and equipment	647	577	1,921	1,672
Special charges	1,582	334	1,661	1,256
	<b>31,414</b>	<b>25,969</b>	<b>90,086</b>	<b>74,336</b>
<b>Results from operating activities</b>	<b>16,221</b>	<b>13,468</b>	<b>47,296</b>	<b>37,470</b>
Litigation settlements	-	-	(8,774)	-
Amortization of acquired software and customer relationships	(5,695)	(4,273)	(16,783)	(12,414)
Finance income	47	119	211	386
Finance expenses	(206)	(99)	(493)	(232)
Other income	11	35	86	43
<b>Income before income taxes</b>	<b>10,378</b>	<b>9,250</b>	<b>21,543</b>	<b>25,253</b>
<b>Provision for income taxes</b>	<b>2,284</b>	<b>2,035</b>	<b>3,342</b>	<b>5,308</b>
<b>Net income for the period</b>	<b>\$ 8,094</b>	<b>\$ 7,215</b>	<b>\$ 18,201</b>	<b>\$ 19,945</b>
<b>Items that are or may be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences from foreign operations	11,737	(4,376)	11,642	6,145
Transfer to net income of realized gains on available for sale investments	-	(19)	(74)	(56)
Unrealized gain (loss) on available for sale investments	159	(6)	342	(64)
Deferred income tax (expense) recovery	(21)	3	(36)	16
<b>Other comprehensive income (loss)</b>	<b>11,875</b>	<b>(4,398)</b>	<b>11,874</b>	<b>6,041</b>
<b>Comprehensive income</b>	<b>\$ 19,969</b>	<b>\$ 2,817</b>	<b>\$ 30,075</b>	<b>\$ 25,986</b>
<b>Earnings per share</b>				
Basic	\$ 0.31	\$ 0.28	\$ 0.69	\$ 0.76
Diluted	\$ 0.30	\$ 0.27	\$ 0.67	\$ 0.74

# Enghouse Systems Limited

## 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 \$
<b>Balance – November 1, 2014</b>	<b>26,163,962</b>	<b>59,746</b>	<b>3,782</b>	<b>9,173</b>	<b>135,554</b>	<b>208,255</b>
Net income	-	-	-	-	18,201	18,201
Other Comprehensive Income:						
Cumulative Translation Adjustment	-	-	-	11,642	-	11,642
Transfer to net income of realized gains on available-for-sale investments	-	-	-	(74)	-	(74)
Unrealized gain on available-for-sale investments	-	-	-	342	-	342
Deferred income tax expense	-	-	-	(36)	-	(36)
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,874</b>	<b>18,201</b>	<b>30,075</b>
Employee share options:						
Value of services recognized	-	-	937	-	-	937
Proceeds on issuing shares	121,500	1,178	(240)	-	-	938
Dividends	-	-	-	-	(8,928)	(8,928)
<b>Balance – July 31, 2015</b>	<b>26,285,462</b>	<b>60,924</b>	<b>4,479</b>	<b>21,047</b>	<b>144,827</b>	<b>231,277</b>
<b>Balance – November 1, 2013</b>	<b>26,042,962</b>	<b>58,514</b>	<b>3,175</b>	<b>5,139</b>	<b>115,800</b>	<b>182,628</b>
Net income	-	-	-	-	19,945	19,945
Other Comprehensive Income:						
Cumulative Translation Adjustment	-	-	-	6,145	-	6,145
Transfer to net income of realized gains on available-for-sale investments	-	-	-	(56)	-	(56)
Unrealized loss on available-for-sale investments	-	-	-	(64)	-	(64)
Deferred income tax recovery	-	-	-	16	-	16
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,041</b>	<b>19,945</b>	<b>25,986</b>
Employee share options:						
Value of services recognized	-	-	676	-	-	676
Proceeds on issuing shares	98,500	1,053	(235)	-	-	818
Dividends	-	-	-	-	(7,314)	(7,314)
<b>Balance – July 31, 2014</b>	<b>26,141,462</b>	<b>59,567</b>	<b>3,616</b>	<b>11,180</b>	<b>128,431</b>	<b>202,794</b>

# Enghouse Systems Limited

## Condensed Consolidated Interim Statements of Cash Flows

(in thousands of Canadian dollars)

(Unaudited)

	Three months ended July 31		Nine months ended July 31	
	2015	2014	2015	2014
<b>Cash flows from operating activities</b>				
Net income	\$ 8,094	\$ 7,215	\$ 18,201	\$ 19,945
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment	647	577	1,921	1,672
Amortization of acquired software and customer relationships	5,695	4,273	16,783	12,414
Stock-based compensation expense	315	312	937	676
Provision for income taxes	2,284	2,035	3,342	5,308
Finance expenses and other income	195	64	407	189
	<b>17,230</b>	<b>14,476</b>	<b>41,591</b>	<b>40,204</b>
Changes in non-cash operating working capital	4,230	3,646	13,163	4,860
Cash paid on settlement of litigation	(11,785)	-	(11,162)	-
Income tax paid	(336)	(1,145)	(4,404)	(4,317)
<b>Net cash flows from operating activities</b>	<b>9,339</b>	<b>16,977</b>	<b>39,188</b>	<b>40,747</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment, net	(640)	(525)	(2,097)	(1,313)
Purchase of other software	(251)	-	(251)	-
Acquisitions, net of cash acquired of \$4,864 (\$4,361 - 2014)	(5,342)	(7,469)	(25,160)	(17,529)
Purchase consideration for prior period acquisitions	(1,456)	(579)	(2,139)	(4,001)
Net sale (purchase) of short-term investments	1,039	(1,955)	3,386	1,291
<b>Net cash flows used in investing activities</b>	<b>(6,650)</b>	<b>(10,528)</b>	<b>(26,261)</b>	<b>(21,552)</b>
<b>Cash flows from financing activities</b>				
Issuance of share capital	-	103	938	818
Payment of cash dividend	(3,154)	(2,613)	(8,391)	(6,783)
<b>Net cash flows used in financing activities</b>	<b>(3,154)</b>	<b>(2,510)</b>	<b>(7,453)</b>	<b>(5,965)</b>
Effect of currency translation adjustments on cash and cash equivalents	3,466	(1,410)	3,210	1,992
<b>Net increase in cash and cash equivalents during the period</b>	<b>3,001</b>	<b>2,529</b>	<b>8,684</b>	<b>15,222</b>
Cash and cash equivalents- beginning of period	78,463	82,802	72,780	70,109
<b>Cash and cash equivalents - end of period</b>	<b>\$ 81,464</b>	<b>\$ 85,331</b>	<b>\$ 81,464</b>	<b>\$ 85,331</b>

# Enghouse Systems Limited

## Selected Segment Reporting Information

(In thousands of Canadian dollars)

(Unaudited)

	For the three months ended July 31		For the nine months ended July 31	
	2015	2014	2015	2014
<b>Revenue:</b>				
Asset Management Group	\$ 23,195	\$ 10,891	\$ 66,282	\$ 31,637
Interactive Management Group	48,069	44,597	136,702	126,294
<b>Total</b>	<b>\$ 71,264</b>	<b>\$ 55,488</b>	<b>\$ 202,984</b>	<b>\$ 157,931</b>
Asset Management Group:				
- Segment profit before special charges	\$ 5,653	\$ 2,835	\$ 16,180	\$ 7,789
- Special charges	(264)	(334)	(246)	(334)
Asset Management Segment profit	<b>5,389</b>	<b>2,501</b>	<b>15,934</b>	<b>7,455</b>
Interactive Management Group:				
- Segment profit before special charges	13,740	12,475	37,597	35,103
- Special charges	(1,318)	-	(1,415)	(922)
Interactive Management Group Segment profit	<b>12,422</b>	<b>12,475</b>	<b>36,182</b>	<b>34,181</b>
Corporate expenses	(1,590)	(1,508)	(4,820)	(4,166)
<b>Results from operating activities</b>	<b>\$ 16,221</b>	<b>\$ 13,468</b>	<b>\$ 47,296</b>	<b>\$ 37,470</b>
Amortization of acquired software and customer relationships	(5,695)	(4,273)	(16,783)	(12,414)
Finance income	47	119	211	386
Finance expenses	(206)	(99)	(493)	(232)
Other income	11	35	86	43
Litigation settlements	-	-	(8,774)	-
<b>Income before income taxes</b>	<b>\$ 10,378</b>	<b>\$ 9,250</b>	<b>\$ 21,543</b>	<b>\$ 25,253</b>

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