

4S FOUR SOFT LIMITED

Registered office: 5Q1 A3, Cyber Towers, Hitec City, Madhapur, Hyderabad-500 003
Tel: +91 40 2310 0600/601, Fax: + 91 40 2310 0602, e-mail:info@four-soft.com, website:http://www.four-soft.com

UN-AUDITED (PROVISIONAL) FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED JUNE 30, 2006

Rs. In Lacs, except per share.

| Sr. No. | Particulars | Three Months Ended | | Consolidated results for Three Months Ended | | Year Ended 31.03.2006 (Audited) | Consolidated results for the year ended 31.03.2006 (Unaudited) |
|---------|---|------------------------|------------------------|---|------------------------|---------------------------------|--|
| | | 30.06.2006 (Unaudited) | 30.06.2005 (Unaudited) | 30.06.2006 (Unaudited) | 30.06.2005 (Unaudited) | | |
| 1 | Net Sales/Services | 946.85 | 366.88 | 3,869.89 | 655.17 | 2,186.85 | 9,209.02 |
| 2 | Other Income | 85.62 | 43.03 | 114.05 | 51.38 | 253.52 | 280.59 |
| 3 | Total revenues | 1,032.47 | 409.91 | 3,983.94 | 706.55 | 2,440.37 | 9,489.61 |
| 4 | Total expenditure: | | | | | | |
| | a) Staff Cost | 416.66 | 185.67 | 2,331.65 | 354.71 | 1,059.23 | 5,816.02 |
| | b) Travelling Expenditure | 48.72 | 41.34 | 199.59 | 55.17 | 226.36 | 741.44 |
| | c) Implementation expenses | 43.85 | 70.76 | - | - | 141.97 | - |
| | d) Other expenditure | 127.14 | 56.39 | 668.58 | 148.01 | 407.82 | 1,638.21 |
| 5 | Interest | 2.93 | 2.21 | 86.63 | - | 1.13 | 256.13 |
| 6 | Depreciation | 37.69 | 22.08 | 79.80 | 28.72 | 115.08 | 224.91 |
| 7 | Total expenditure | 676.99 | 378.45 | 3,366.25 | 586.61 | 1,951.59 | 8,676.71 |
| 8 | Profit (+)/Loss (-) before tax (3-7) | 355.48 | 31.46 | 617.69 | 119.94 | 488.78 | 812.90 |
| 9 | Provision for Taxation | 18.18 | 5.30 | 112.17 | 20.56 | 69.80 | 184.79 |
| 10 | Net Profit (+)/ Loss(-) (8-9) | 337.30 | 26.16 | 505.52 | 99.38 | 418.98 | 628.11 |
| 11 | Paid-up equity share capital (Face value of Rs. 5 each) | 1,764.89 | 1,593.09 | 1,764.89 | 1,593.09 | 1,764.88 | 1,764.88 |
| 12 | Reserves excluding revaluation reserves | - | - | - | - | 5,326.89 | 5,750.00 |
| 13 | Earnings per share | | | | | | |
| | Basic | 0.96 | 0.09 | 1.44 | 0.32 | 1.26 | 1.90 |
| | Diluted | 0.95 | 0.08 | 1.42 | 0.32 | 1.24 | 1.87 |

Notes: 1. The above financial results have been reviewed by the Audit Committee, considered and approved by the Board of Directors at its meeting held on July 27, 2006. 2. There were 5 complaints received from investors during the quarter and have been resolved. There were no complaints outstanding at the beginning or end of the quarter. 3. The results for the quarter ended June 30, 2006 are not comparable with those of the corresponding previous quarters due to acquisition completed in September 2005, resulting in increased offshore activity. 4. The Consolidated Financial Statements of Four Soft Limited (Four Soft) and its wholly owned foreign subsidiaries are prepared in accordance with Accounting Standard 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. All significant intra group balances and intra group transactions have been eliminated. 5. The consolidated results for the quarter ended June 30, 2006 have been prepared based on the unaudited financial results of the following subsidiaries: (a) Four Soft LLC, USA, (b) Four Soft BV, The Netherlands and its subsidiaries (Four Soft NL BV, Four Soft UK Ltd, Four Soft USA Inc. and Four Soft Germany GMBH), (c) Four Soft Singapore Pte Ltd and (d) Four Soft Malaysia Sdn Bhd. 6. The consolidated results for the quarter ended June 30, 2006 are not comparable with those of the corresponding previous quarter due to acquisition of the following step down subsidiaries in September 2005: (a) Four Soft NL BV, (b) Four Soft UK Ltd, (c) Four Soft USA Inc. and (d) Four Soft Germany GMBH. 7. Implementation expenses paid to a subsidiary company are eliminated on consolidation. 8. Figures for the corresponding previous periods, have been regrouped / rearranged wherever necessary.

For and on behalf of the Board

Sd/-

K.V.Ramakrishna

Director

Place: Hyderabad

Date: July 27, 2006