

KNOVA Software, Inc.  
(in thousands except per share data)  
(Unaudited)

	For the three months ended June 30		For the six months ended June 30	
	2006	2005	2006	2005
	in thousands	in thousands	in thousands	in thousands
GAAP net (loss) income	\$ (476)	\$ 64	\$ (937)	\$ (3,444)
Restructuring charge	-	-	-	1,355
Intangible assets amortization	70	70	140	117
Purchased technology amortization	142	142	284	237
In-process research and development	-	-	-	421
Stock based compensation	488	102	894	139
Adjusted net income (loss)	<u>\$ 224</u>	<u>\$ 378</u>	<u>\$ 381</u>	<u>\$ (1,175)</u>
Shares used in per share calculation - basic	8,745	8,723	8,740	7,953
Shares used in per share calculation - diluted	8,745	8,776	8,740	7,953
Net income (loss) per share, basic	\$ 0.03	\$ 0.04	\$ 0.04	\$ (0.15)
Net income (loss) per share, diluted	\$ 0.03	\$ 0.04	\$ 0.04	\$ (0.15)