

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

	For the three months ended September 30		For the nine months ended September 30	
	2006	2005	2006	2005
	in thousands	in thousands	in thousands	in thousands
GAAP net (loss) income	\$ (2,137)	\$ (942)	\$ (3,075)	\$ (4,385)
Restructuring charge	139	-	139	1,355
Intangible assets amortization	70	70	210	187
Purchased technology amortization	142	142	426	379
In-process research and development	-	-	-	421
Stock based compensation	524	48	1,423	187
Non GAAP Adjusted net income (loss)	<u>\$ (1,262)</u>	<u>\$ (682)</u>	<u>\$ (877)</u>	<u>\$ (1,856)</u>
Shares used in per share calculation - basic	8,831	8,725	8,783	8,212
Shares used in per share calculation - diluted	8,831	8,725	8,783	8,212
Net loss per share, basic (Non GAAP)	\$ (0.14)	\$ (0.08)	\$ (0.10)	\$ (0.23)
Net loss per share, diluted (Non GAAP)	\$ (0.14)	\$ (0.08)	\$ (0.10)	\$ (0.23)