

Q2 FY09 Results

October 20, 2008

Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT and engineering services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price contracts, client concentration, restrictions on immigration, our ability to manage our international marketing & sales operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, liability for damages on our service contracts & product warranty, the success of the companies in which the Company has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements and our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time forward to time by or on behalf of the company.

Summary of the Quarter

- 3.8% increase in sequential operating revenue in US Dollar terms and 8.7% in Rupee terms. Operating revenue increased by 13.5% in US Dollar terms and 24.6% in INR terms, as compared to Q2 FY08.
- Sequential OP increased from INR 70.77 in Q1 FY09 to INR 136.46MM.
- PAT before extraordinary item increased from INR 37.65 MM to INR 47.16 MM sequentially.
- Total order closure for Q2 was USD 6.7 MM as compared to USD 12.8 MM in Q1 FY09.

Business Environment

- Current problems afflicting the US and European financial institutions do not affect Geometric directly because we have zero exposure to the financial sector.
- Our sector of operation, which is primarily the manufacturing and allied industries, presents both opportunities and challenges in terms of impact due to current economic environment.
 - Our major customers in the US automotive sector have been impacted due to US slowdown and this is expected to dilute growth rates in this customer base.
 - In the current quarter, we had an unplanned impact of \$800K/quarter in the OPD business due to a customer losing contracts with a top 3 auto major in US, and ramp down in a large ODC because of reduced customer R&D budgets.
 - Uncertainty of economic environment has also led to a noticeable slow down in the speed of decision making by purchase departments, reflecting in our lower new deal closures in the current quarter.
 - On the positive side, there is a noticeably increased acceptance of our integrated Global Engineering proposition, and our pipeline reflects a larger number of multi-million USD ODC proposals.
 - We recently got a rate hike from one of our large US customers in the non-auto segment. This is significant from the perspective of our continued focus in diversifying from the automotive sector.
- We will continue to focus on strategies that will deliver profitable growth even in the current economic environment, and driving internal efficiencies through tight cost control and enhanced productivity measures.

INDIAN GAAP

FINANCIAL PERFORMANCE Q2 09

Consolidated P&L Statement

(figures in INR millions)

Income Statement	Q2 09	Q1 09	Q2 08*	Var (PQ)	Var (PY)
Operating Revenue (in USD millions)	34.65	33.38	30.54	3.8%	13.5%
Exchange Rate	44.04	42.07	40.12	4.7%	9.8%
Operating Revenue	1,525.95	1,404.41	1,225.02	8.7%	24.6%
Cost Of Revenue	972.94	912.68	778.62	6.6%	25.0%
Contribution	553.01	491.73	446.40	12.5%	23.9%
Contribution as % of Operating Revenue	36.2%	35.0%	36.4%		
SG&A Expense	345.20	347.03	302.47	-0.5%	14.1%
Interest	11.56	9.52	16.12	21.4%	-28.3%
Depreciation and Lease Rentals	59.80	64.41	65.22	-7.2%	-8.3%
Operating Profit	136.46	70.77	62.59	92.8%	118.0%
Operating Profit as % of Operating Revenue	8.9%	5.0%	5.1%		
Other Income	(27.66)	14.14	52.95	-295.6%	-152.2%
Profit Before Tax	108.80	84.90	115.53	28.1%	-5.8%
PBT as % of Total Revenue	7.3%	6.0%	9.0%		
EBITDA (PBT + Interest + Depreciation)	180.16	158.83	196.87	13.4%	-8.5%
EBITDA as % of Total Revenue	12.0%	11.2%	15.4%		
Tax & MI	61.64	47.26	24.85	30.4%	148.1%
Profit After Tax (for the period)	47.16	37.65	90.68	25.3%	-48.0%
PAT as % of Total Revenue	3.1%	2.7%	7.1%		
Extraordinary Item + Prior Period Adjustment	(14.14)	124.23	-	-111.4%	-
Adjusted Profit After Tax	33.02	161.88	90.68	-79.6%	-63.6%
PAT as % of Total Revenue	2.2%	11.4%	7.1%		

Consolidated Cost Analysis

(figures in INR millions)

Cost of Revenue	Q2 09	% of OPR	Q1 09	% of OPR
Manpower	858.64	56%	810.79	58%
Travel	46.16	3%	36.92	3%
Software	48.51	3%	46.03	3%
Staff Welfare	15.11	1%	13.85	1%
Others	4.51	0%	5.08	0%
Total	972.94	64%	912.68	65%

(figures in INR millions)

Sales, General & Admin Expenses	Q2 09	% of OPR	Q1 09	% of OPR
Manpower	124.69	8%	144.01	10%
Travel	20.00	1%	21.65	2%
Facility	85.89	6%	79.06	6%
Recruitment & Training	12.58	1%	9.47	1%
Information Systems	14.16	1%	15.91	1%
Others	87.87	6%	76.93	5%
Total	345.20	23%	347.03	25%

Performance Analysis

3.8% increase in operating revenue in dollar terms sequentially

- Services revenue increased by 3.7%
 - Offshore revenue increased by 8.1%, offsite revenue increased by 5.6% and onsite revenue came down by 1%
 - Software services revenues increased only by 3.3% due to a drop in revenues from Software ISV segment
 - Overall engineering services revenue increased by 4.5% while US engineering revenue increased by 2.2%
- Products revenue increased 5.1%

Operating profit margin increased from 5.0% in the previous quarter to 8.9%

- Positive Impact
 - Increase in average exchange rate from 42.07 to 44.04
 - Increase in contribution of offshore and offsite to services revenue from 53.5% in Q1 09 to 55.7% in Q2 09
 - Increase in US engineering revenue by 2.2% sequentially, includes impact of increase in bill rates by a non-automotive customer
 - Savings in SG&A from tighter control on costs such as onsite G&A manpower, travel, ERP support and external consultants have been offset by higher exchange rate and higher provisions for doubtful debts
- Negative Impact
 - Impact of \$800K on the top-line due to ramp-down in two outsourced product development customers
 - Increase in interest costs due to rollover of export loans at higher cost and impact of Rupee depreciation on FCY interest payouts

Loss of INR 27.66 MM in Q2 09 vis-à-vis Other Income gain of INR 14.14 MM in Q1 09 due to FOREX loss of INR 45.66 MM

Loss from prior period adjustment of INR 14.14 MM.

Key Financial Data

Financial Parameter	Status as of 30 th September 2008
CAPEX	INR 64 MM of CAPEX in Q2 09
Cash & Bank Balance	INR 105 MM of cash and bank balance
Liquid Investments	INR 396 MM of liquid and short-term investments
Loans O/S	USD 18.9 MM of FCY loan o/s valued at INR 887 MM
Forward Contracts O/S	USD 79.5 MM of o/s forward contracts at an average rate of around 41.98
% Tax	Average tax rate is 20% including FBT
DSO	68

Business Highlights

- Signed a strategic partnership with a leading global supplier of industrial automation and manufacturing information software solutions.
- Granted a patent for a shape-based search technology that allows users to search 3D models based on shape.

15 new customers were added during Q2, taking the total number of active customers to 140. Total value of new business closed in Q2 is USD 6.7 million.

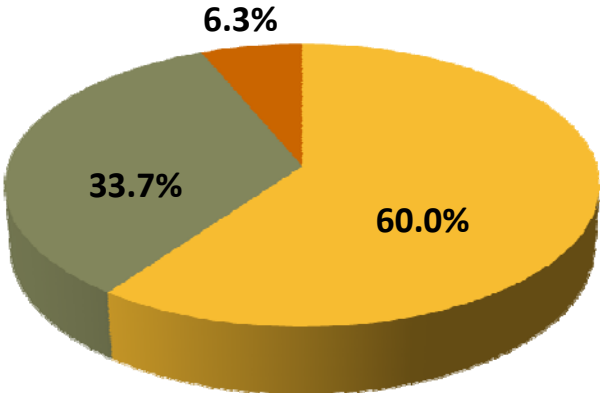
Some of the significant contracts are with:

- A leading PLM software vendor for outsourced product development. This is a significant addition in the list of existing customers in PLM space
- A global leading provider of drilling and production systems to the Oil and Gas industry for PLM implementation
- A US Automotive major for product design of the Powertrain on a single source basis
- A leading European shipbuilding and marine engineering software company for their product development
- One of the world's leading Automotive Tier I players for PLM support in China

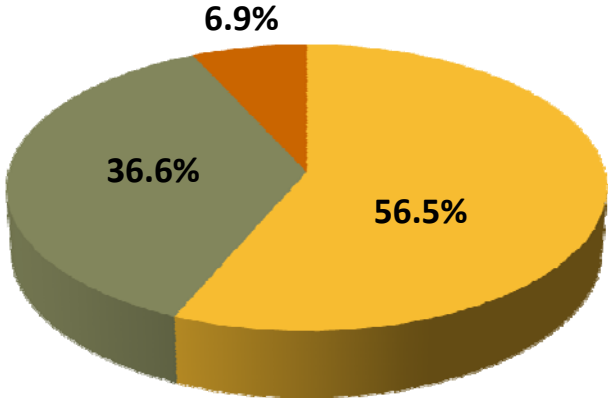
OPERATIONAL PERFORMANCE

Service Lines

Q2 09



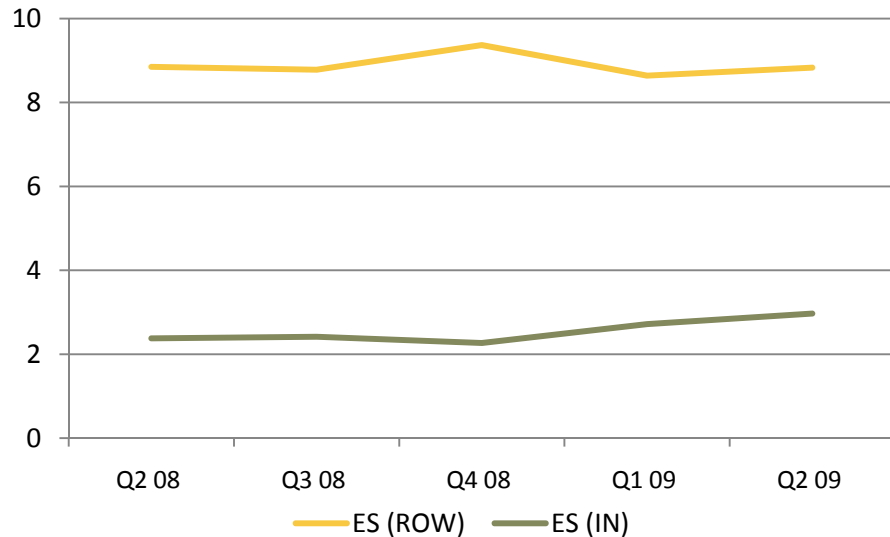
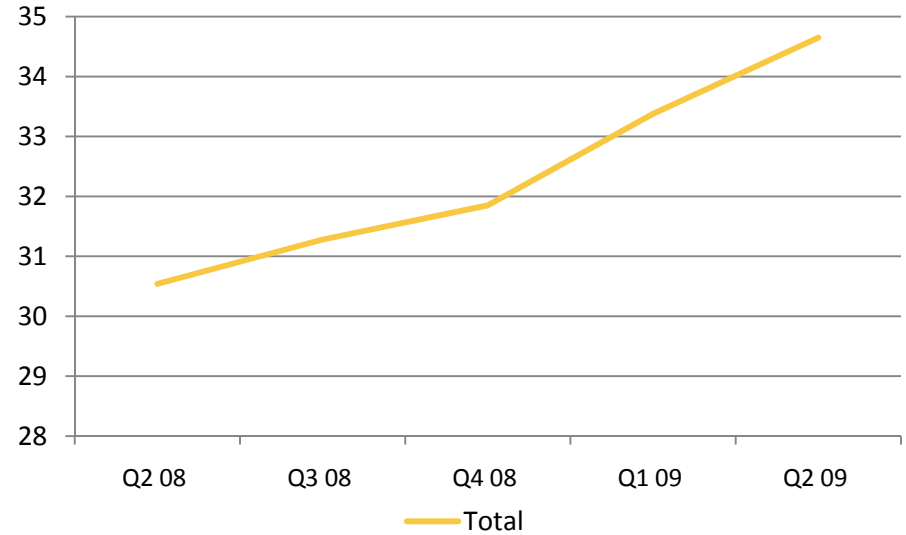
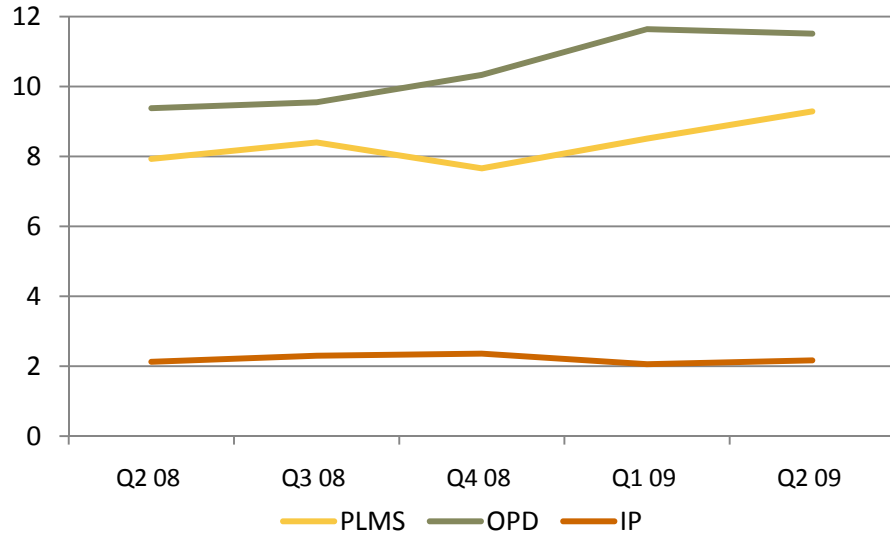
Q2 08



- Software Services
- Engineering Services
- Products

Service Line	Q2 09	Q1 09	Q2 08	FY08
Software Services	60.0%	60.3%	56.5%	55.9%
Engineering Services	33.7%	33.5%	36.6%	36.9%
Products	6.3%	6.2%	6.9%	7.2%

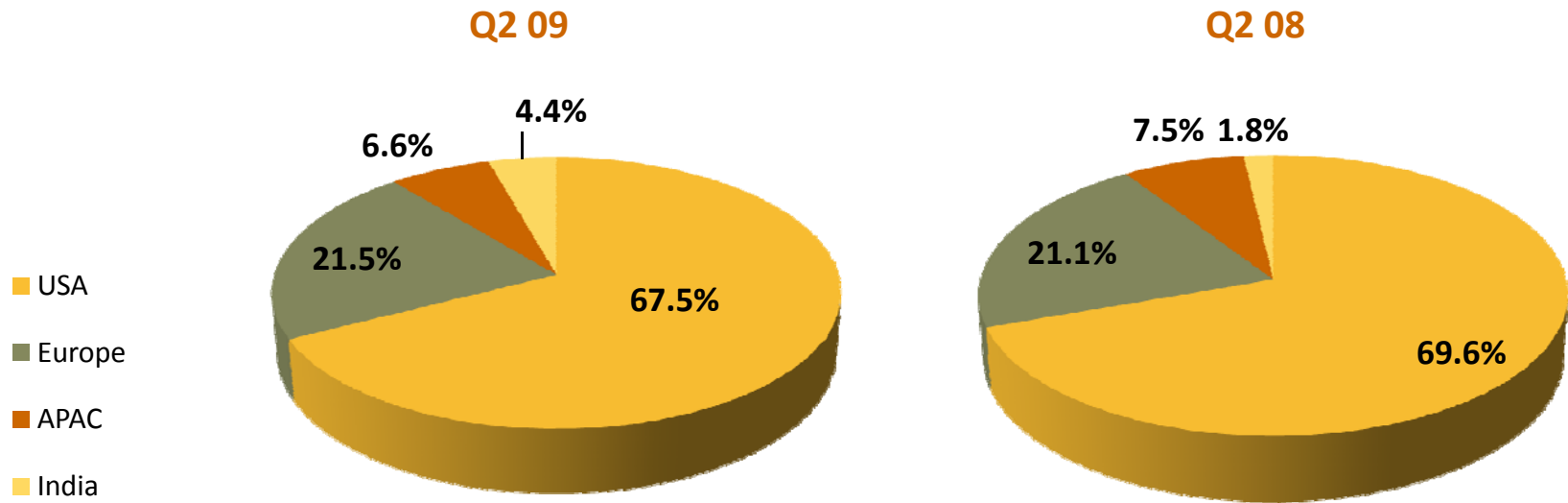
BU-wise Revenue Trend



Business Unit*	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09
PLM Solutions	7.93	8.40	7.66	8.51	9.29
Outsourced Product Development	9.38	9.55	10.33	11.64	11.51
Products (IP)	2.13	2.30	2.36	2.06	2.17
Engineering Services (ROW)	8.85	8.78	9.37	8.64	8.83
Engineering Services (India)	2.38	2.42	2.27	2.72	2.97
Total	30.54	31.28	31.85	33.38	34.65

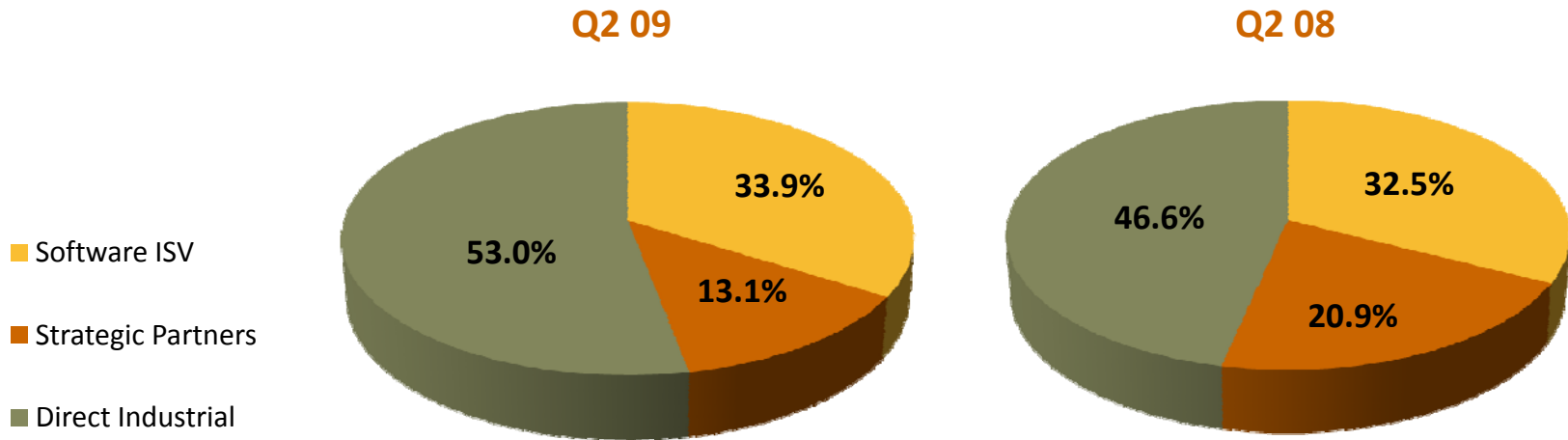
All numbers in USD MM
* BU revenues are prior to consolidation

Regions



Region	Q2 09	Q1 09	Q2 08	FY08
USA	67.5%	68.9%	69.6%	70.8%
Europe	21.5%	21.6%	21.1%	19.8%
APAC	6.6%	6.0%	7.5%	7.1%
India	4.4%	3.5%	1.8%	2.3%

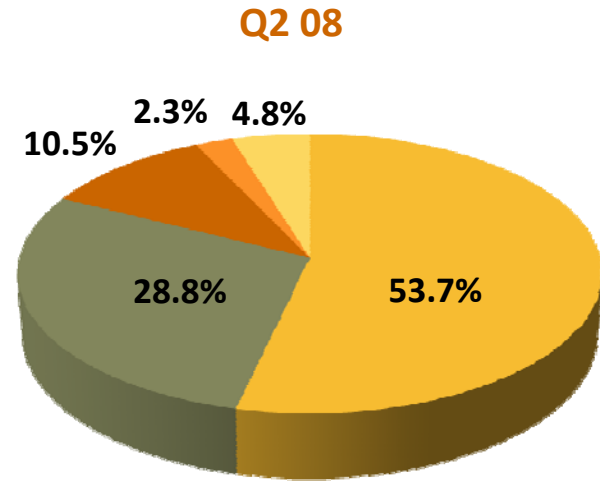
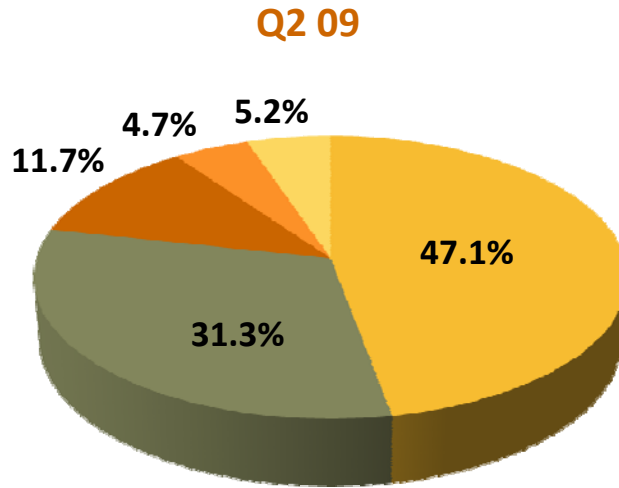
Customer Segments



Customer Profile	Q2 09	Q1 09	Q2 08	FY08
Software ISV	33.9%	36.6%	32.5%	34.4%
Strategic Partners	13.1%	12.8%	20.9%	17.9%
Direct Industrial	53.0%	50.6%	46.6%	47.7%

Industry Verticals

- Software ISV and Partners
- Automotive
- Agri and Construction Equip
- Industrial and Marine Eng
- Others



Vertical	Q2 09	Q1 09	Q2 08	FY08
Software ISV and Partners	47.1%	49.5%	53.7%	51.1%
Automotive	31.3%	30.5%	28.8%	30.3%
Agricultural and Construction Equipment	11.7%	10.2%	10.5%	10.2%
Industrial and Marine Engineering	4.7%	5.5%	2.3%	4.2%
Others	5.2%	4.3%	4.8%	4.2%

Operational Parameters

Delivery Location Distribution

Service Revenue (%)	Q2 09	Q1 09	Q2 08	FY08
Offshore	48.0%	46.0%	45.1%	44.7%
Onsite	44.4%	46.5%	49.1%	49.1%
Offsite	7.7%	7.5%	5.8%	6.2%

Project Type Distribution

Revenue* (%)	Q2 09	Q1 09	Q2 08	FY08
Time & Material	80.6%	83.7%	81.1%	82.0%
Fixed Price	19.4%	16.3%	18.9%	18.0%

* Revenue is operating revenue less product revenues and hardware reimbursements

Utilization

%	Q2 09	Q1 09	Q2 08	FY08
Including Trainees	84.3%	84.2%	83.9%	82.1%
Excluding Trainees	84.5%	86.8%	90.1%	84.2%

Customer Analysis

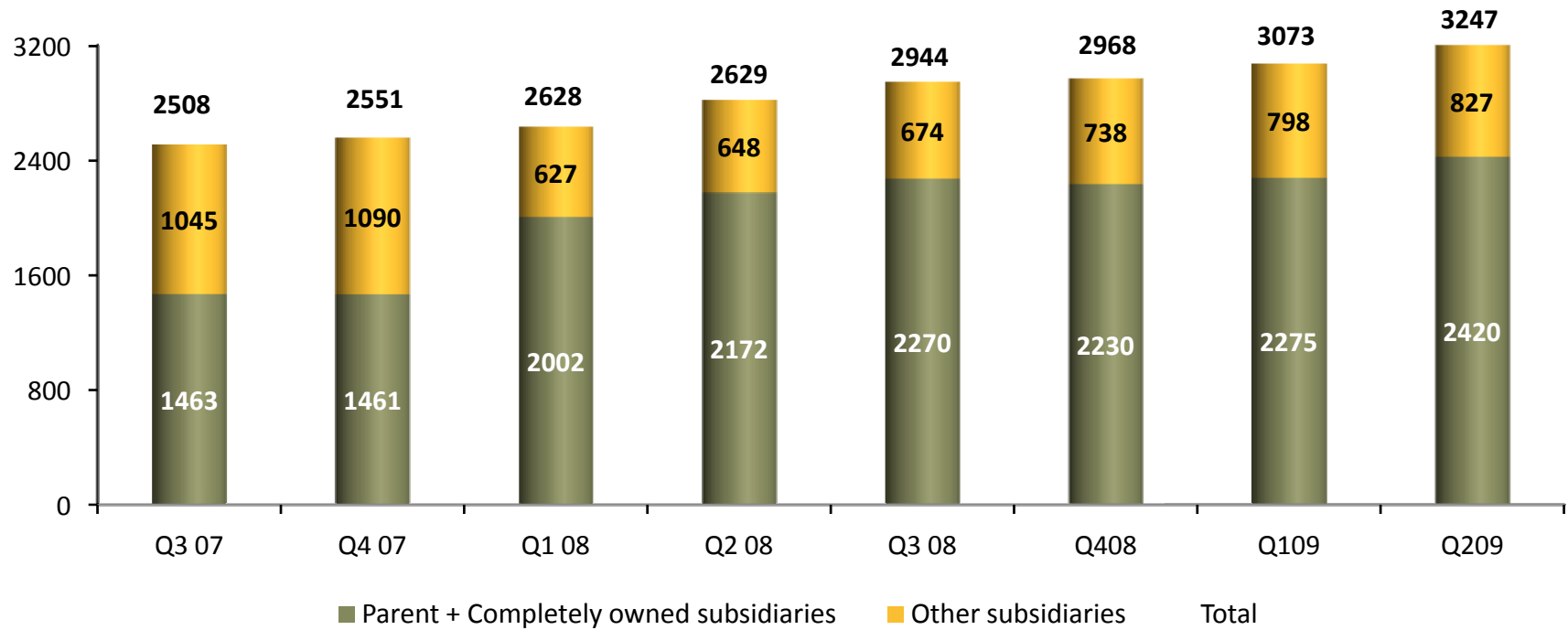
Revenue (%)	Q2 09	Q1 09	Q2 08	FY08
Top 1	26%	25%	27%	26%
Top 5	51%	52%	60%	59%
Top 10	66%	69%	71%	72%

New Clients	Q2 09	Q1 09	Q2 08	FY08
Number of new clients added	15	20	8	47

Order Book	Q2 09	Q1 09	Q2 08	FY08
New deals won (USD million)	6.7	12.8	8.8	37.1

Order Book Analysis – Q2 09	US	Europe	APAC	India	Total
Engineering	1.4	0.3	0.0	0.2	1.8
PLMS	1.8	1.3	0.7	0.0	3.5
SPLS	0.8	0.1	0.1	0.0	1.1
Products (through Geometric sales force)	0.0	0.0	0.0	0.0	0.0
Total	4.0	1.7	0.8	0.2	6.7

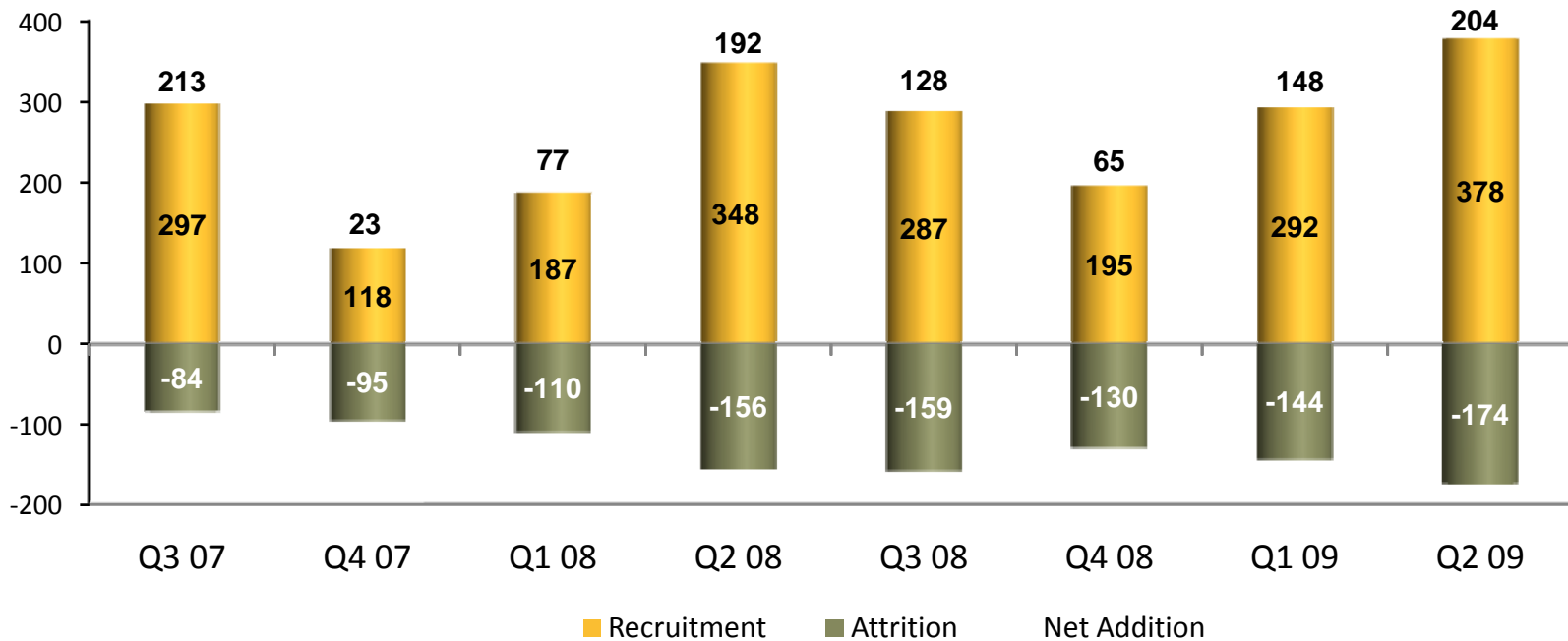
Employee Base



All numbers as of end of period

Recruitment and Attrition Analysis

- Total recruitment for the quarter was 378
- Annualized attrition for the quarter was 18.7% as compared to 16.3% in Q1 09



All numbers as of end of period

END OF PRESENTATION