

GEOMETRIC SOFTWARE SOLUTIONS CO. LTD.

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AUDITED FINANCIAL RESULTS

FOR THE QUARTER ENDED 31ST DECEMBER, 2004 (UNCONSOLIDATED)

(Rs. in Million)

Sr. No.	Particulars	Quarter ended 31-12-2004	Quarter ended 31-12-2003 (Unaudited)	Nine Months ended 31-12-2004	Nine Months ended 31-12-2003 (Unaudited)	Year ended 31-3-2004
1.	Net Sales - Software and Services	254.09	161.35	673.43	453.73	636.72
2.	Other Income :					
	(a) Gain/ (Loss) on Exchange Fluctations (Net)	(7.35)	10.29	1.29	17.43	16.16
	(b) Others	23.81	22.24	71.27	59.75	81.57
3.	Total Income	270.55	193.88	745.99	530.91	734.45
4.	Expenditure:					
	(a) Personnel Expenses	118.60	84.27	343.61	232.66	319.65
	(b) Travelling Expenses	14.24	6.63	42.48	27.64	42.77
	(c) Other Expenses	39.44	31.37	121.04	95.10	139.16
	(d) Total Expenditure	172.28	122.27	507.13	355.40	501.58
5.	Profit before Interest, Depreciation and Taxes	98.27	71.61	238.86	175.51	232.87
6.	Interest	-	-	0.03	0.03	0.03
7.	Depreciation	17.18	11.95	48.37	33.59	45.45
8.	Profit before Taxes	81.09	59.66	190.46	141.89	187.39
9.	Provision for Taxation:					
	(a) Current Taxes	11.41	5.36	34.54	11.99	16.05
	(b) Deferred Taxes	4.00	0.65	4.78	1.95	4.74
10.	Net Profit after Taxes	65.68	53.65	151.14	127.95	166.60
11.	Paid-up Equity Share Capital	111.01	53.93	111.01	53.93	54.49
12.	Reserves (Excluding Revaluation Reserves)	938.49	812.19	938.49	812.19	825.47
13.	Basic Earnings per Share (Rs.) *	5.96	5.04	13.71	12.02	15.58
14.	Diluted Earnings per Share (Rs.) *	5.90	4.95	13.57	11.79	15.41
15.	Aggregate of non-promoter shareholding					
	- Number of Shares	7,617,702	3,639,409	7,617,702	3,639,409	3,698,677
	- Percentage of Shareholding	68.62	67.48	68.62	67.48	67.87

* Basic/ Diluted Earnings Per Share for the previous year have been adjusted for the issue of Bonus Shares in the ratio of 1:1

**AUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31ST DECEMBER, 2004 (CONSOLIDATED)**

(Rs. in Million)

Sr. No.	Particulars	Quarter ended 31-12-2004	Quarter ended 31-12-2003 (Unaudited)	Nine Months ended 31-12-2004	Nine Months ended 31-12-2003 (Unaudited)	Year ended 31-3-2004
1.	Net Sales - Software and Services	434.92	272.94	1,182.87	751.11	1,060.27
2.	Other Income :					
	(a) Gain/ (Loss) on Exchange Fluctations (Net)	(14.24)	14.18	(3.81)	29.62	31.24
	(b) Others	8.84	8.71	28.77	22.73	32.33
3.	Total Income	429.52	295.83	1,207.83	803.46	1,123.84
4.	Expenditure:					
	(a) Personnel Expenses	227.51	149.64	654.14	409.75	569.17
	(b) Travelling Expenses	18.13	10.15	56.75	35.22	53.00
	(c) Other Expenses	45.83	36.43	136.38	101.69	148.82
	(d) Total Expenditure	291.47	196.22	847.27	546.66	770.99
5.	Profit before Interest, Depreciation and Taxes	138.05	99.61	360.56	256.80	352.85
6.	Interest	-	-	0.03	0.11	0.10
7.	Depreciation	31.83	21.83	91.05	57.96	82.11
8.	Profit before Taxes	106.22	77.78	269.48	198.73	270.64
9.	Provision for Taxation:					
	(a) Current Taxes	11.90	7.82	39.49	17.87	23.35
	(b) Deferred Taxes	4.75	0.65	6.23	1.95	5.18
10.	Net Profit after Taxes before Minority Interest	89.57	69.31	223.76	178.91	242.11
11.	Less: Minority Interest in Net Profit of the Subsidiary	10.02	8.40	29.94	23.82	33.62
12.	Net Profit	79.55	60.91	193.82	155.09	208.49
13.	Paid-up Equity Share Capital	111.01	53.93	111.01	53.93	54.49
14.	Reserves (Excluding Revaluation Reserves)	1,054.25	876.40	1,054.25	876.40	903.06
15.	Basic Earnings per Share (Rs.) *	7.22	5.72	17.58	14.56	19.50
16.	Diluted Earnings per Share (Rs.) *	7.14	5.61	17.40	14.29	19.29

* Basic/ Diluted Earnings Per Share for the previous year have been adjusted for the issue of Bonus Shares in the ratio of 1:1

The above consolidated results include the results of the following subsidiary companies:

Sr.No.	Company	% Holding
1	Geometric Software Solutions, Inc., USA	100%
2	Geometric Software Solutions Pte. Ltd., Singapore	100%
3	3D PLM Software Solutions Ltd., India	70%

Audited Segment Financial Results (Consolidated)

(Rs.in Million)

	Particulars	Quarter ended 31-12-2004	Quarter ended 31-12-2003 (Unaudited)	Nine Months ended 31-12-2004	Nine Months ended 31-12-2003 (Unaudited)	Year ended 31-3-2004
A.	Segment Revenue					
	Products	38.85	31.33	99.79	80.95	111.56
	Projects	396.07	241.61	1,083.08	670.17	948.71
	Total	434.92	272.94	1,182.87	751.12	1,060.27
	Less : Inter Segment Revenue	-	-	-	-	-
	Net Sale/Income from Operations	434.92	272.94	1,182.87	751.12	1,060.27
B.	Segment Results					
	Profit before Tax and Interest					
	Products	19.10	15.22	45.96	33.69	48.26
	Projects	183.09	123.84	484.33	336.36	462.69
	Total	202.19	139.06	530.29	370.05	510.95
	Less : (a) Interest	-	-	0.03	0.11	0.11
	(b) Other Unallocable expenditure net of unallocable income	95.97	61.28	260.78	171.20	240.19
	Total Profit before Tax	106.22	77.78	269.48	198.74	270.65
C.	Capital Employed					
	(Segment Assets - Segment Liabilities)					
	(See Note 2)					

Notes:

1. The above results have been approved and taken on record by the Board of Directors at its meeting held on 18th January, 2005.
2. Fixed assets and other assets used in the Company's operations or liabilities contracted have not been identified to any of the reportable segments, as the assets are used interchangeably between segments; hence, it is not practicable to provide segment disclosures relating to total assets and liabilities.
3. (a) Pursuant to approval of issue of Bonus Equity Shares in the ratio of 1:1 (1 share for every 1 share held) at the 10th Annual General Meeting of the Company held on 29th June, 2004, the Company has allotted 5,516,494 Equity Shares of Rs. 10 each as Bonus Shares on 6th August, 2004 and consequently, the paid up capital of the Company has increased by Rs. 55,164,940.

(b) Pursuant to the exercise of vested stock options by employees and directors of the Company under various Stock Options Schemes, the Company allotted 46,916 Equity Shares of Rs 10 each during the quarter ended 31st December, 2004, and 135,231 Equity Shares of Rs 10 each during the nine months ended on that date.

4. Information on investor complaints for the quarter ended 31st December, 2004:

	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	Nil	18	18	Nil

5. Software Expense Policy:
With effect from 1st April, 2004, the Company has adopted the following accounting policy for Software Expenses: Small-value software purchases (where cost per copy is less than Rs.50,000), software purchased for product development (R&D), and the cost of software developed internally are written off as incurred.
The cost of software purchased for specific software development contracts is charged over the period of such contracts or three years, whichever is less.
All other software purchased is capitalized and written off over its useful life, which is normally three years, provided the software is regularly updated through a maintenance contract, failing which the unamortised balance is charged to revenue. If the usage of software is discontinued, its unamortised cost is also charged to revenue.

Till last year, the cost of software purchased for use in software development was charged to revenue, whereas the cost of software purchased for specific software development contracts was charged over the period of such contracts.
As a result of this change, the Profit before Taxes for the current quarter is lower by Rs. 0.57 million, and for the nine months ended 31st December, 2004 is higher by Rs. 14.53 million.
6. The Company has entered into an agreement with OnCourse Technologies, Inc. for acquisition of 100% of the outstanding shares of the common stock held by them in the US-based companies TekSoft, Inc. and Cimtronics, Inc. for cash consideration of US\$ 1.75 million.

For Geometric Software Solutions Co. Ltd.

Mumbai
18th January, 2005

Manu Parpia
Managing Director