



geometric
Software Solutions
People Building Partnerships

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October 4, 2005

The National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra-Kurla Complex,
Mumbai 400 051

Kind Attn.: Mr. Hari K. Listing Dept.

Dear Sir,

Re: Update on Performance to date

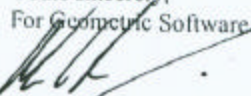
I believe it important to inform shareholders, while we see Q on Q growth in the mid single digits this quarter, the ramp up has been below our expectations. As we had planned for a double digit increase in revenues we had added to our manpower and facilities on that basis. Consequently utilization levels are affected which in turn has adversely impacted the bottom line.

The reasons for the slower growth are similar to the previous quarter viz. delay in ramp up of projects. Many projects were expected to start at the beginning or middle of the current quarter, unfortunately they have commenced only in the beginning or middle of September which means that the impact on the current quarter is limited. For example a project for a US automotive was supposed to start in May, it actually started in September. Similarly, one of our partners had planned to commence large engineering services projects early in the quarter, they actually commenced in the last week of September. Furthermore the launch of our CAD-PDM product has experienced delays as we try and get alignment between partners. This is an exercise which has taken considerably longer than planned. While we anticipate an increase in the rate of revenue growth, Q on Q in the next quarter we know it will not be adequate to cover the shortfall in terms of our guidance as the cumulative effect of two slow quarters cannot be overcome in the balance of the financial year. We believe, under the circumstances, providing a new guidance would not be productive.

We re-iterate our belief in our strategy as being sound and appropriate. I am confident we are on the right track and the growing pipeline and accelerated demand for our services spread over the next quarters support this belief. Building on the momentum we see in September is the priority of the entire management team.

Thanking you

Yours sincerely,
For Geometric Software Solutions Co. Ltd.


Manu Parpia
Managing Director

