



21st April 2006

Results for the quarter ended 31st March 2006

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Certain statements in this report 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 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 & products 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 to time by or on behalf of the company.

From the MD's Desk

We continued to build on the momentum of the previous two quarters, which has enabled us to face the challenge of reaching our objective of being a \$100 million Company with renewed confidence.

Our consolidated revenues grew 9% in US Dollar terms Q on Q with an increase in Operating Profit of 7%. The PBT jumped 171% Q on Q, the large increase being due to a foreign exchange gain of over Rs. 24 million as compared to a loss of over Rs. 50 million in the previous quarter. The operating profit was impacted by a number of factors including a 17% increase in on site business some of which required travel and relocation costs, which were expensed in the quarter.

This quarter we took several actions that will help ensure our continued growth beyond 2007. We have identified a company to help us build our engineering services business. Today at the Board meeting I was authorized to sign the Term Sheet enabling us to proceed with the acquisition. The transaction is subject to due diligence and resolution of a number of issues prior to closure. Providing additional information at this stage could adversely impact that company's standing with its customer base and employee relations. Furthermore we are bound by confidentiality agreements. In order to finance the acquisition we will take on debt of between \$10-\$15 million while making a preferential issue at Rs. 117.66 /share to ICICI Ventures, one of our original investors! We hope to complete the transaction by end of June 2006 but certainly no later than mid July 2006. As a result of the preferential issue we will dilute our equity (post issue) by 6.38%. We plan to realize several million dollars from the sale of one of our properties, which will help to reduce the debt substantially prior to year-end.

We have created 5 business units each with bottom line responsibility. The Product Development Services unit (PDS) will serve customers who require an extension to their development team. The unit will have a dedicated sales team, which will also sell licenses to technologies to leading software firms in the PLM arena, thus ensuring we retain close relations with market leaders. We have also charged the business unit with helping us enter the SCM activity. The PLM Solutions unit will serve both Business Partners and direct customers by providing PLM solutions around leading edge PLM technologies. The unit has been charged with building a PLM consultancy business so as to add more value. The Engineering Services unit will be spun off into a subsidiary (subject to shareholders approval) and will act as the Indian arm of our Global Engineering Services enterprise.

In the product arena we had already taken steps to consolidate our Desktop Products and technologies activity around our US subsidiary TekSoft. This effort has borne fruit and we anticipate acceleration in revenue growth in the coming year. The Enterprise Products unit's offerings have begun to attract interest from customers but significant revenues are anticipated only beyond 2007. In the coming quarters we plan steps to spin off our Enterprise Products unit as a subsidiary so that it can better address the market needs.

The sales team has been re-organized and strengthened. We have increased our strength by 50% so as to ensure adequate coverage. While Engineering Services and PLM solutions group will share the sales force, PDS will be served by a dedicated team.

Thus during this year I envisage Geometric taking strides in becoming a global enterprise with a diverse energetic management team helping to lead the way.

In addition to acquisitions and organization changes, we have continued to work on processes and infrastructure. Our on going investment in the information backbone is an essential ingredient in scaling up the Company. We have identified the need to make changes in project management methods as a key to improving productivity. We are placing renewed emphasis on quality both in terms of process as well as the application of common sense.

While undertaking these major initiatives we have continued to make steady improvements to our sales process so as to improve predictability of our revenues. We added 5 direct customers who have the potential require the support of dedicated ODC's. At the same time a number of partners, particularly in Europe have acknowledged the value we can provide and have commenced offshore activities

We have had our challenges including above average attrition in some units or skill sets. I believe we have addressed these issues, albeit a little slower than I would have liked. All our actions have been taken with a holistic approach keeping in mind the longer term. Thus I believe this quarter has been an eventful one, wherein we have done a lot of groundwork to support the growth of the Company in the years to come. This is being done in the context of a business outlook that remains positive.

Finally I come to our guidance for the coming year. We believe revenues will grow organically, in US Dollar terms by at least 35% year on year, in FY 2007. Barring unforeseen developments in foreign exchange rates, 'organic' PAT should grow by at least the same figure viz. 35% year on year during FY 07. While it is not our usual practice to offer guidance for the current quarter we advise that revenue growth in US Dollars in the quarter ending June '06, will be in the high single digits or low double digits. Our Operating Profit will be impacted by salary increases, which come into effect April '06.

The Company has organized an **Analyst Meet on Monday, 24th April 2006 at 3:00pm at Hotel Marine Plaza**. Kindly contact **Ajit Nafde on 6705 6970 / 6500** to ensure that you are included in the arrangements.

Regards

A handwritten signature in blue ink, appearing to read 'Manu Parpia', with a long horizontal stroke extending to the right.

Manu Parpia
Managing Director

Business Analysis for the Quarter ended 31st March 2006

Sales & Marketing

Significant Achievements

The momentum regained during the previous quarter continued this quarter, which resulted in a significant increase in closed business deals. We attracted 5 new direct customers (4 for engineering services) while continuing to increase business with our existing customers. While some of the initial engagements are for engineering services, we see the potential of expanding these relationships to cover PLM activities. We expanded the relationship with one of our major partners, which opens up significant opportunities in the future. We implemented a special incentive campaign for the sales force to close new business, which showed good results. In overall terms our revenues from Industrial Customers and Business Partners continued to show a healthy growth.

We have strengthened our marketing and lead generation activities that have seen success over the last few months and feel confident of converting leads to new sales in the next quarters

Challenges/Setbacks in the past quarter

We were jointly pursuing along with our partner, a large contract with an automotive OEM. Our partner did not win this contract, however this will not have an adverse impact as we had factored this in our sales forecast. As we continue to close business aggressively, resource fulfillment is becoming the major challenge, which has resulted in loss of potential revenue.

Future Plan of Action

We have realized the need for focused attention towards product development companies (OEMs), as these companies provide sustained business. We have taken a decision to dedicate sales force for product development companies.

To support our objective of addressing the needs of mid-sized industrial customers, we will be increasing our sales force and have already taken steps so that we start the New Financial Year with the requisite sales team in place.

Engineering Services Division

Significant Achievements

Our Engineering Services business showed major growth last quarter. We added 4 new customers. One of these customers signed a multi-million dollar contract. Each of these customers has potential for growth and we are in discussions with them for increased business. Business with our European partner has shown steady increase and is seen to be developing into an anchor account.

Our head count has increased to 145 and during the second half of the quarter we were able to maintain steady utilization.

Challenges / Setbacks in the past quarter

We have been able to change the mix of our business and are now much more broad based. Nevertheless a significant portion of our business is onsite, and we hope to convert some of the business into sustained offshore activity. We have already started discussions with our customers regarding the same.

Future plan of action

We have realized that we need to broad base our offerings to include CAE services, which is normally done offshore. We have identified CAE as a key initiative and have begun the process of

acquisition of skills and technologies to execute these projects. We are in the process of defining our go-to-market strategy for this offering and plan to launch it for selected customers in the next quarter.

-Rajiv Salkar

Delivery

Significant Achievements

In the past quarter, we started several new Industrial offshore projects, including 3 involving Teamcenter Engineering, 1 Matrix, 1 Windchill, 1 CAA and 1 QA. We also started a new Windchill onsite engagement in Europe. One of our existing Industrial customers and a existing Matrix business partner increased the offshore team in last quarter. We also successfully delivered 2 CAA projects for Industrial customers. One of our large OEM accounts saw a continued ramp-up through last quarter. We had initiated a pilot for implementing the Critical Chain Project Management (CCPM) in Q3. This has yielded good results with productivity improvement over 25%. Overall attrition has been less than 12% giving us the confidence that several proactive measures undertaken on this front are paying off.

Challenges/Setbacks in the past quarter

Some of the challenges we faced last quarter were in the areas of resource fulfillment, visa-readiness and project management. Planned recruitment, focused training programs, job rotation, proactive visa applications and wider adoption of CCPM are some of the initiatives, which will help us overcome these challenges in future

Future plan of action

Going forward we have started several initiatives with an objective to move up the value chain. For one of our growing industrial customers we have assigned a dedicated Account Manager, which will help deepen the relationship and further penetrate the account. For two of our OEM customers we now have onsite coordinators, which will help us in better customer support and coordination. We are embarking on development of new product lines for our OEM customers, which in turn will also boost our services. We will be focusing on jointly bidding with our business partners to ensure an early entry into the account. We are also targeting to increase our coverage of fixed price projects, especially for the Industrial customers.

-Ajit Joshi

Enterprise Products

We continue to work steadily with our launch customers with a view to making the product available in its first version in the forthcoming quarter. Our technology partners and distributors are actively involved in supporting the product and seeking new markets. We have also seen interest in the concept from other end users and have made proposals to some of them so as to build variations to meet their needs.

Thus far progress has been satisfactory and in line with our expectations.

- Manu Parpia

Desktop Products

Significant Achievements

In a significant new initiative, TekSoft has licensed CamWorks to another CAM software OEM. Work has started on creating an OEM version of CamWorks. This initiative opens up new revenue opportunities for CamWorks and its further adoption by the CAM community. TekSoft continued to aggressively focus on improving its sales network by adding resellers in Canada, India, Mid Atlantic, Norway, and Sweden,

The eDrawings family of products performed well in Q4, with sales improving 25% over Q3. This can be attributed to a new pricing and licensing strategy implemented since early Q4. Three new volume resellers have been added to the eDrawings family of resellers.

Geometric's Nestlib technology continues to perform well. In Q4 two new customers licensed Nestlib, and two existing customers signed up for major upgrades covering additional modules. Nestlib's annual support renewals continue to be strong.

Geometric's Feature Recognition (FR) library acquired a new customer in the last quarter. FR and Nestlib based industrial solution projects continue to run due to additional enhancements and support requests from the customers.

A desktop version of 3DSearchIT, integrated with SolidWorks, was developed and limited time free versions of the software was made available on Geometric's website. Marketing campaign for a paid professional version will be launched in this quarter. 3DSearchIT also evoked significantly many enquiries in the last quarter, and serious integration and benchmarking exercises are going on.

Challenges/ Setbacks in the past quarter

Sales of the Geomcaliper product have not picked up as much as expected, though strong enquiries and repeat order indications exist. 3DSearchIT enquiries have not yet got converted to sales.

It was planned to have an OEM sales person in place for products, which did not happen.

Future plan of action

Aggressive marketing campaigns have been planned for products in this quarter to help drive up sales. Efforts will continue to expand the shrink-wrap products' channel by adding more resellers. The sales force will be augmented by adding an OEM sales person and a channel sales person.

- Mike Coleman

Financial Analysis for the Quarter ended 31st March 2006 (Q4 FY06) (Consolidated)

(NB: The mailer has been prepared using the MIS sheets as the basis. The MIS sheets have been enclosed in the attachment for your perusal)

Analysis of Revenue:

- Operating revenues for the quarter increased by 9% in dollar terms and 7% in Rupee term compared to previous quarter . As compared to Q4FY05, operating revenues increased by 26% in dollar terms and 28% in Rupee terms.
- Total revenue (including other income) increased by 22% compared to previous quarter. The foreign exchange gain was Rs 24.45 million, principally due to gains in the mark-to-market valuation of outstanding forward contracts as a result of the depreciation of the Rupee in this quarter.
- Analysis of revenue by business segments:

| Particulars | Q4FY06 | | Q3FY06 | | Growth | Q4FY05 | | Growth |
|-------------|---------|-----|---------|-----|--------|---------|-----|--------|
| | Rs Mil. | % | Rs Mil. | % | | Rs Mil. | % | |
| Projects | 544.54 | 85 | 492.93 | 82 | 10 | 423.17 | 85 | 29 |
| Products | 94.67 | 15 | 106.10 | 18 | -11 | 75.85 | 15 | 25 |
| Total | 639.20 | 100 | 599.03 | 100 | 7 | 499.02 | 100 | 28 |

- Analysis of revenue by geographical segments:

| Particulars | Q4FY06 | Q3FY06 | Q4FY05 |
|-------------------|--------|--------|--------|
| | % | % | % |
| USA | 58 | 60 | 60 |
| Europe | 32 | 28 | 22 |
| Rest of the World | 8 | 12 | 18 |
| Total | 100 | 100 | 100 |

- Analysis of revenue by contract types:

| Particulars | Q4FY06 | Q3FY06 | Q4FY05 |
|-------------------|--------|--------|--------|
| | % | % | % |
| Fixed Price | 5 | 5 | 6 |
| Time and Material | 80 | 77 | 79 |
| Products | 15 | 18 | 15 |
| Total | 100 | 100 | 100 |

- Analysis of revenue by customer type:

| Particulars | Q4FY06 | Q3FY06 | Q4FY05 |
|---|--------|--------|--------|
| | % | % | % |
| Software OEMs | 42 | 41 | 47 |
| Industrial customers/ Business Partners | 43 | 41 | 38 |
| Products | 15 | 18 | 15 |
| Total | 100 | 100 | 100 |

Our strategy of working with business partners continues to bear fruit. In addition, for certain select service offerings and geographies, we have adopted a direct go to market strategy.

Foreign exchange gain/ loss:

- In Q1FY06, the company made a change in Accounting for valuation of Forward Contracts, moving to mark-to-market valuation of outstanding forward contracts. During this quarter, there is a net foreign exchange gain of Rs. 24.45 Million
- As at March 31, 2006, the outstanding forward contracts amounted to \$ 48.54 million at an average mark –to- market rate of Rs 44.55 per USD. As against this, on December 31, 2005, the outstanding forward contracts amounted to \$ 47.80 million at an average mark-to-market rate of Rs. 45.36 per USD.
- We review the Forex exposure every fortnight and take appropriate hedging decisions. The Company's approach is to set a target Forex rate and then seek to protect its cash flows relative to this rate with minimizing the impact on the quarterly earnings as a secondary goal.

Analysis of Expenses

- Manpower numbers:

| Particulars | March 31, 2006 | Dec 31, 2005 | Growth | March 31, 2005 | Growth |
|----------------------|----------------|--------------|--------|----------------|--------|
| Number of developers | | | | | |
| Offshore | 1261 | 1,232 | 2% | 1037 | 22% |
| Onsite | 180 | 142 | 27% | 119 | 51% |
| Total | 1,441 | 1,374 | 5% | 1156 | 25% |

- Utilization and Attrition Ratios:

| Particulars | Q4FY06 | Q3FY06 | Q4FY05 |
|-------------------------------|--------|--------|--------|
| | % | % | % |
| Utilization | | | |
| Including Trainees | 88 | 84 | 85 |
| Excluding Trainees | 89 | 90 | 90 |
| Attrition (Annualized) | 19.4 | 15 | 14.2 |

We have faced an increase in attrition this quarter due to competitive job opportunities in some domains as well as some internal structural issues. We have taken corrective action to address these causes.. This is of particular importance, given that the first quarter, based on past trends, typically has above average attrition. There will be a revision to salaries with effect from 1st April 2006.

- Analysis of expenses compared to Q4 FY05

- The Software Development Expenses have increased by 38%
 - The offshore and product development manpower cost has increased by 20%. The increase in cost reflects manpower growth of 22% over the previous year and salary increase effective April 2005. However, the effect of larger numbers is partly counter-balanced by the broadening of manpower pyramid and lower average cost of manpower for engineering services.
 - Onsite cost has increased by 51%, reflecting a 51% growth in the number of onsite consultants and salary revision over the previous year. The effect of this increase is partly counter-balanced by increase in onsite revenue for ESD, where costs are lower. During this quarter, the onsite gross margin declined to 25% compared to 30% in Q4 FY05 because there was a significant increase in on-site deployment and the initial cost of travel, visa and relocation expenses has increased.
 - Increase in number of trips for pre-sales activity and software development assignments abroad has led to higher spending on Foreign Travel
 - Software tools, packages and royalty cost increased due to (a) higher royalty payable on licenses towards desktop products revenue, (b) CAD tools usage for Engineering Services as well as (c) royalties paid for usage of 3rd party tools for project execution.
- Selling & Marketing expenses were 13% higher due to the following:
 - Substantially strengthening the Marketing team as compared to Q4 FY05.
 - Higher bonuses to TekSoft sales as compared to Q4 FY05.
 - Increased travel expenses of the sales and marketing team.
- General & Administration Expenses have increased by 5% due to the following:

- Rent expenses have increased due to shifting of rented premises to larger area in Mumbai and Bangalore.
 - Power and Fuel expenses have increased due to increased area occupied at Bombay and Bangalore.
 - In-house competency building training Programs and formation of the PLM Institute for providing specialized training in PLM domain have led to higher training costs.
 - The corporate manpower expenses were lower due to lower than provided for variable compensation to top management.
- Depreciation & computer lease expenses increased by 36% due to the following
 - Computer Depreciation increased due to
 - Growth in offshore developers of 22% and additional development and QA servers.
 - Investment in training facility and PLM institute at Mumbai and Pune
 - Common servers, networking equipment and UPS for new development centre at Pune.
 - Non-computer Depreciation increased due to commissioning of new development centre at Pune.
- Analysis of expenses compared to Q3 FY06
 - The Software Development Expenses have increased by 9% over Q3 FY06.
 - The offshore and product development manpower cost has increased by 6 %. The previous quarter's cost was lower due to reversal of certain excess bonus provisions in that quarter.
 - Onsite consultant costs have increased by 16% in line with the growth in number of Onsite consultants. Onsite margins decreased from 27% to 25% as the initial travel, visa and relocation costs have been incurred in this quarter.
 - Foreign travel costs have increased due to increased pre-sales and business visits and increased short-duration visits for technical discussion.
 - Selling & Marketing expenses have declined by 7%. This is because the previous quarter's expenses included the recruitment cost of a new sales person in Japan.
 - General & Administration expenses have increased by less than 1% compared to Q3 FY06
 - Corporate manpower expenses were lower due to write-back of certain bonus expenses provided in earlier quarters which were not payable this

quarter. Travel expenses within G & A were also controlled during this quarter.

- Rent cost increased due to occupation of additional office space at Bombay.
 - Increase in power & fuel expenses is due to increased area occupied at Bombay and the Q3FY06 expenses being lower due to refund received in that quarter of certain extra charges paid earlier.
 - Recruitment costs have substantially increased mainly due to increased focus on special skills recruitment during the quarter and scarcity of skilled resources.
 - Training costs have declined because the previous quarter included certain special programs for corporate training and soft-skills development initiatives.
 - Miscellaneous expenses have been controlled and have declined.
 - Provision for doubtful debts has been made in line with company's policy to provide for doubtful debts.
 - Company has continued on its plans to implement SAP ERP solution as its information backbone. The project is being tracked closely in the steering committee and is progressing as per plan so far.
- Depreciation & computer lease expense has increased by 11% over Q3 FY06
 - Depreciation increased in line with infrastructure up grade and additions to servers.
 - Non-Computer Depreciation has increased due to commissioning of additional area in the new development centre at Pune.
 - Computer lease rentals have been grouped along with depreciation in MIS report for the sake of comparability.

▪ **Analysis of tax provision:**

| Particulars | FY06 | FY05 | Q4FY06 | Q3FY06 | Q4FY05 |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| | % of PBT | % of PBT | % of PBT | % of PBT | % of PBT |
| Current Tax | 15 | 16 | 16 | 13 | 20 |
| Deferred Tax | 1 | 2 | 1 | 4 | 1 |
| Fringe Benefit Tax | 2 | - | 1 | 3 | - |
| Other | | | 1 | - | - |
| Total | 18 | 18 | 19 | 20 | 21 |

Compared to the previous year, the current and deferred tax expense has declined, as the revenue from the tax-exempt units has continued to grow. There was no FBT last

year.

In the next year (FY07) we expect the current tax rate to stabilize around Q4FY06 rate or decline marginally. However, deferred tax rate can vary depending upon the addition or divestment of fixed assets. FBT will reduce once the provisions in the Finance Bill reducing the taxability of superannuation contribution come into effect.

Compared to the previous quarter, the Current Tax expense as % to PBT has increased from 13% to 16% and conversely the deferred tax expense has declined from 4% to 1%. During the previous quarter, certain tax deductions were available in a foreign tax domain, the quantum of which has reduced in this quarter. During this quarter, deferred tax provision has been made due to difference in the rate of depreciation between books and income tax in case of additional portion of the new development centre commissioned at Pune. There was no fringe benefit tax last year.

Current tax expense as % of PBT has declined by 4% compared to previous year. This is because the business in the tax-exempt units has continued to grow.

'Other' refers to an amount to be paid to the seller of TekSoft Inc. towards 25% of the tax benefit availed by TekSoft, Inc. Such expense will be incurred till 31st December 2007 and will vary according to the profit earned by TekSoft.

▪ **Analysis of minority interest:**

Compared to Q3FY06, minority interest went up due to higher PAT in 3DPLM. TekSoft profit was stable during this quarter.

▪ **Profitability Ratios:**

| Particulars | Q4FY06 | Q3FY06 | Q4FY05 |
|-------------------------|--------|--------|--------|
| | % | % | % |
| Operating Profit Margin | 18 | 18 | 19 |
| EBITDA / Total Revenue | 29 | 19 | 29 |
| PBT / Total Revenue | 23 | 12 | 23 |
| PAT / Total Revenue | 16 | 7 | 15 |

Operating Profit Margins have declined by 1% point in comparison with Q4 FY05. This is due to a combination of:

- Margin improvers:
 - Improvement in TekSoft margins and growth in other products
 - Leveraging of S & M and G & A expenditure
- Margin draggers:
 - Increase in on-site engagements
 - Increase in ESD business with lesser margins due to project based engagements affecting utilization.
 - Increase in software and training expenses

- Higher depreciation due to increase in a development centre and investment in technology assets.

The operating margin has remained unchanged compared to Q3FY06 due to a combination of:

- Margin improvers:
 - Improvement in manpower utilization by 4% points
 - Leveraging S & M expenditure
 - Reversal of certain bonus provisions during this quarter.
- Margin draggers:
 - Higher on-site costs and increase in foreign travel costs.
 - Decline in product revenue
 - Increased depreciation due to capitalization of additional area at Pune and increase in technology assets.

▪ **Key operating parameters:**

| Particulars | Q4FY06 | Q3FY06 | Q4FY05 |
|-------------------------------|--------|--------|--------|
| Days Sales Outstanding (DSO) | 69 | 74 | 75 |
| Number of Clients Added | 10 | 6 | 4 |
| Top 10 customers % to Revenue | 72 | 72 | 78 |

Quarterly Performance for 3D PLM:

- At the end of quarter 3D PLM has over 450 software developers. The growth is in line with our expectations.

Quarterly Performance for TekSoft:

- Compared to the previous quarter, TekSoft revenue showed a 2% growth. The CamWorks family of products showed a cyclical decline of 2%. This was counter-balanced by growth in the desktop software products such as e-drawings and Geom-caliper. TekSoft expenses were higher by 7% and consequently PBT declined by 5%. TekSoft is strengthening its sales and marketing muscle and this is expected to produce healthy growth in the future.
- In acknowledgement of the turnaround achieved at TekSoft during past one year, Geometric purchased 165 additional shares of TekSoft during the quarter from one of the former members of the TekSoft management at a valuation, which reflects the improved business performance of TekSoft. Thus the Company now owns 82.26% of TekSoft

Sale of one of the building at Pune:

- In our previous quarter's Analyst Mailer, we had informed about the proposed sale of one of the three buildings in company's Pune campus. We have appointed an international real estate firm and the project is under progress. The transaction is expected to be completed within next two quarters. The sale will help us finance our growth plans by restricting equity dilution or cost of servicing debt.

New format of MIS Information from next quarter:

- From next quarter, we will provide enhanced level of information in line with the recent changes in the organization structure

Geometric Software Solutions Co. Ltd (Including Teksoft)
Consolidated Income Statement in Recasted MIS format for the Quarter ended 31st March, 2006

| PARTICULARS | Quarter III 2005-06 | % to Total Quarter III Revenue | Quarter IV 2005-06 | % to Total Quarter IV Revenue | Sequential Growth over previous Quarter | Quarter IV 2004-05 | % to Quarter IV Revenue 2004-05 | Q-O-Q Growth compared to Last Year |
|--|------------------------|--------------------------------------|-----------------------|-------------------------------------|--|-----------------------|---------------------------------------|---|
| A | B | C | D | E | F=(D-B)/B | G | H | I = (D-G)/G |
| Projects- Offshore (US\$ Millions) | 7.58 | 57% | 8.37 | 58% | 10% | 6.82 | 60% | 23% |
| Projects- On site (US\$ Millions) | 3.29 | 25% | 3.83 | 27% | 17% | 2.89 | 25% | 32% |
| Products (US\$ Millions) | 2.34 | 18% | 2.14 | 15% | -8% | 1.72 | 15% | 25% |
| Total Revenue (US\$ Millions) | 13.20 | 100% | 14.34 | 100% | 9% | 11.43 | 100% | 26% |
| Sales - Software Packages & Services | | | | | | | | |
| Offshore Projects | 338.00 | 56% | 374.07 | 59% | 11% | 300.14 | 60% | 25% |
| Onsite Projects | 154.93 | 26% | 170.34 | 27% | 10% | 123.04 | 25% | 38% |
| Products (Components & Technologies) | 106.10 | 18% | 94.67 | 15% | -11% | 75.85 | 15% | 25% |
| Total Operating Revenue | 599.03 | 100% | 639.08 | 100% | 7% | 499.02 | 100% | 28% |
| Foreign Exchange gain / (loss) | (52.77) | | 24.45 | | -146% | 16.79 | | 46% |
| Other Revenue | 7.36 | | 10.23 | | 39% | 6.88 | | 49% |
| TOTAL REVENUE | 553.62 | 100% | 673.76 | 100% | 22% | 522.70 | 100% | 29% |
| EXPENSES | | | | | | | | |
| SOFTWARE DEVELOPMENT EXPENSES | | | | | | | | |
| Manpower Expenses | 168.21 | 30% | 178.68 | 27% | 6% | 149.16 | 29% | 20% |
| Staff Welfare | 6.02 | 1% | 6.33 | 1% | 5% | 4.17 | 1% | 52% |
| Foreign Travel exps | 15.55 | 3% | 17.31 | 3% | 11% | 6.27 | 1% | 176% |
| Local travel & conveyance | 5.51 | 1% | 4.69 | 1% | -15% | 4.72 | 1% | -1% |
| Data Communication costs | 1.39 | 0% | 1.37 | 0% | -1% | 0.97 | 0% | 42% |
| Software Tools & Packages/ Royalties | 21.66 | 4% | 22.66 | 3% | 5% | 11.20 | 2% | 102% |
| (b) On-site consultants cost | 112.55 | 20% | 130.47 | 19% | 16% | 86.19 | 16% | 51% |
| % to on site consultant's revenue | 73% | | 77% | | | 70% | | |
| Total Software Development Expenses | 330.90 | 60% | 361.52 | 54% | 9% | 262.67 | 50% | 38% |
| % to Operating Revenue | 55% | | 57% | | | 53% | | |
| Contribution | 268.14 | 48% | 277.56 | 41% | 4% | 236.34 | 45% | 17% |
| % to Operating Revenue | 45% | | 43% | | | 47% | | |
| SELLING & MARKETING EXPENSES | 37.25 | 7% | 34.70 | 5% | -7% | 30.69 | 6% | 13% |
| % to Operating Revenue | 6% | | 5% | | | 6% | | |
| GENERAL & ADMINISTRATION EXPENSES | | | | | | | | |
| Central Services, Corporate & VPs offices | 34.70 | 6% | 26.56 | 4% | -23% | 34.12 | 7% | -22% |
| Tel, Fax & Courier | 3.74 | 1% | 4.82 | 1% | 29% | 2.57 | 0% | 88% |
| Rent | 11.51 | 2% | 13.53 | 2% | 18% | 11.62 | 2% | 16% |
| Power, Fuel & Electricity | 5.93 | 1% | 8.41 | 1% | 42% | 4.28 | 1% | 97% |
| Recruitment costs | 2.03 | 0% | 3.48 | 1% | 71% | 4.30 | 1% | -19% |
| Training | 3.51 | 1% | 2.67 | 0% | -24% | 0.76 | 0% | 253% |
| Miscellaneous Expenses | 22.12 | 4% | 20.14 | 3% | -9% | 18.14 | 3% | 11% |
| Provision for doubtful debts | (2.68) | 0% | 1.30 | 0% | -148% | 1.39 | 0% | -6% |
| Total General & Administration Expenses | 80.86 | 15% | 80.92 | 12% | 0% | 77.16 | 15% | 5% |
| % to Operating Revenue | 13% | | 13% | | | 15% | | |
| Total Expenses | 448.99 | 81% | 477.14 | 71% | 6% | 370.52 | 71% | 29% |
| % to Operating Revenue | 75% | | 75% | | | 74% | | |
| PBIDT | 104.63 | 19% | 196.61 | 29% | 88% | 152.17 | 29% | 29% |
| % to Total Revenue | 19% | | 29% | | | 29% | | |
| Interest | | | | | | | | |
| Depreciation (Non Computer) | 7.50 | 1% | 9.42 | 1% | 26% | 7.92 | 2% | 19% |
| Depreciation (Computers) | 30.27 | 5% | 30.73 | 5% | 1% | 24.28 | 5% | 27% |
| Lease Rentals Computers | 1.71 | | 3.65 | | | | | |
| Depreciation | 39.48 | 7% | 43.79 | 6% | 11% | 32.20 | 6% | 36% |
| Profit Before Tax | 65.15 | 12% | 152.82 | 23% | 135% | 119.97 | 23% | 27% |
| % to Total Revenue | 12% | | 23% | | | 23% | | |
| Operating Profit (PBT Less Other Income) | 110.56 | 20% | 118.14 | 18% | 7% | 96.30 | 18% | 23% |
| % to Operating Revenue | 18% | | 18% | | | 19% | | |
| Tax | 10.52 | 2% | 25.40 | 4% | 141% | 25.4 | 5% | 0% |
| Fringe Benefit Tax | 1.93 | | 1.90 | | | - | | |
| Minority Interest | 13.35 | 2% | 17.97 | 3% | 35% | 13.66 | 3% | 32% |
| Tax Sharing Expenses | - | | 0.85 | | | | | |
| Profit After Tax & Minority Interest | 39.35 | 7% | 106.70 | 16% | 171% | 80.91 | 15% | 32% |
| % to Total Revenue | 7% | | 16% | | | 15% | | |

Note: Impact of premises leased to a customer is excluded from Other Income and Depreciation (Non Computer) amounting to Rs. 5.1 Million for Qtr 4 FY06 (Rs. 2.48 Million for Qtr 4

FY05, Rs. 5.10 Million for Qtr 3 FY06) for calculation of Operating Profit. PBT remains unaffected. To this extent other income and depreciation in the quarterly advertisement will be higher.

Geometric Software Solutions Co. Ltd.
Consolidated Income Statement in MIS format for the year ended 31st March, 2006

| PARTICULARS | Year Ended 31-03-2006 | % to Total Revenue | Year Ended 31-03-2005 | % to Total Revenue | Growth compared to previous year |
|--|--------------------------|-----------------------|--------------------------|-----------------------|-------------------------------------|
| A | B | C | D | E | F = (B-D)/D |
| Projects- Offshore (US\$ Millions) | 29.50 | 59% | 24.46 | 65% | 21% |
| Projects- On site (US\$ Millions) | 13.08 | 26% | 9.23 | 25% | 42% |
| Products (US\$ Millions) | 7.76 | 15% | 3.94 | 10% | 97% |
| Total Revenue (US\$ Millions) | 50.34 | 100% | 37.62 | 100% | 34% |
| Sales - Software Packages & Services | | | | | |
| Offshore Projects | 1,302.71 | 58% | 1,098.55 | 65% | 19% |
| Onsite Projects | 586.33 | 26% | 407.71 | 24% | 44% |
| Products (Components & Technologies) | 345.26 | 15% | 175.63 | 10% | 97% |
| Total Operating Revenue | 2,234.30 | 100% | 1,681.89 | 100% | 33% |
| Foreign Exchange gain / (loss) | 18.17 | | 12.98 | | 40% |
| Other Revenue | 31.33 | | 27.71 | | 13% |
| TOTAL REVENUE | 2,283.80 | 100% | 1,722.58 | 100% | 33% |
| EXPENSES | | | | | |
| SOFTWARE DEVELOPMENT EXPENSES | | | | | |
| Manpower Expenses | 681.65 | 30% | 504.24 | 29% | 35% |
| Staff Welfare | 24.87 | 1% | 15.73 | 1% | 58% |
| Foreign Travel exps | 51.10 | 2% | 25.66 | 1% | 99% |
| Local travel & conveyance | 20.84 | 1% | 10.27 | 1% | 103% |
| Data Communication costs | 4.66 | 0% | 5.48 | 0% | -15% |
| Software Tools & Packages/ Royalties | 76.81 | 3% | 28.65 | 2% | 168% |
| (b) On-site consultants cost | 427.63 | 19% | 300.72 | 17% | 42% |
| % to on site consultant's revenue | 73% | | 74% | | |
| Total Software Development Expenses | 1,287.57 | 56% | 890.74 | 52% | 45% |
| % to Operating Revenue | 58% | | 53% | | |
| Contribution | 946.73 | 41% | 791.14 | 46% | 20% |
| % to Operating Revenue | 42% | | 47% | | |
| SELLING & MARKETING EXPENSES | 132.30 | 6% | 103.49 | 6% | 28% |
| % to Operating Revenue | 6% | | 6% | | |
| GENERAL & ADMINISTRATION EXPENSES | | | | | |
| Central Services, Corporate & VPs offices | 122.37 | 5% | 99.89 | 6% | 23% |
| Tel, Fax & Courier | 15.18 | 1% | 9.15 | 1% | 66% |
| Rent | 46.58 | 2% | 22.89 | 1% | 103% |
| Power, Fuel & Electricity | 33.32 | 1% | 15.19 | 1% | 119% |
| Recruitment costs | 10.40 | 0% | 9.42 | 1% | 10% |
| Training | 11.78 | 1% | 4.90 | 0% | 140% |
| Miscellaneous Expenses | 79.97 | 4% | 64.96 | 4% | 23% |
| Provision for doubtful debts | 6.90 | 0% | 1.08 | 0% | 538% |
| Total General & Administration Expenses | 326.50 | 14% | 227.49 | 13% | 44% |
| % to Operating Revenue | 15% | | 14% | | |
| Total Expenses | 1,746.38 | 76% | 1,221.71 | 71% | 43% |
| % to Operating Revenue | 78% | | 73% | | |
| PBIDT | 537.42 | 24% | 500.87 | 29% | 7% |
| % to Total Revenue | 24% | | 29% | | |
| Interest | | 0% | 0.02 | 0% | -100% |
| Depreciation (Non Computer) | 27.74 | 1% | 26.07 | 2% | 6% |
| Depreciation (Computers) | 113.94 | 5% | 85.30 | 5% | 34% |
| Lease Rentals Computers | 5.36 | 0% | - | | |
| Depreciation | 147.03 | 6% | 111.36 | 6% | 32% |
| Profit Before Tax | 390.39 | 17% | 389.48 | 23% | 0% |
| % to Total Revenue | 17% | | 23% | | |
| Operating Profit (PBT Less Other Income) | 340.89 | 15% | 348.78 | 20% | -2% |
| % to Operating Revenue | 15% | | 21% | | |
| Tax | 61.00 | 3% | 71.11 | 0.04 | -14% |
| Fringe Benefit Tax | 7.06 | | - | | |
| Minority Interest | 63.64 | 3% | 43.60 | 0.03 | 46% |
| Tax Sharing Expenses | 0.85 | | | | |
| Profit After Tax & Minority Interest | 257.84 | 11% | 274.76 | 16% | -6% |
| % to Total Revenue | 11% | | 16% | | |

Note: Impact of premises leased to a customer is excluded from Other Income and Depreciation (Non Computer) amounting to Rs. 19.09 Million for the year ended 31.03.2006 (Rs. 10.42 Million for the year ended 31.03.2005) for calculation of Operating Profit. PBT remains unaffected. To this extent other income and depreciation in the quarterly advertisement will be higher.

GEOMETRIC SOFTWARE SOLUTIONS CO. LTD.

Regd. Office: Plant 6, Pirojshanagar, Vikhroli (West), Mumbai - 400 079.
Phone : (022) 67056500 Fax : (022) 67056891 e-mail: investor-relations@geometricsoftware.com
Website: www.geometricsoftware.com

**AUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31ST MARCH, 2006 (CONSOLIDATED)**

(Rs. in Million)

| Sr. No. | Particulars | Nine Months Ended 31-12-2005 | Quarter Ended 31-3-2006 | Quarter Ended 31-3-2005 | Year Ended 31-3-2006 | Year Ended 31-3-2005 |
|---------|---|---------------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| 1. | Net Sales - Software and Services | 1,595.23 | 639.08 | 499.02 | 2,234.31 | 1,681.89 |
| 2. | Other Income: | | | | | |
| | (a) Gain/ (Loss) on Exchange Fluctuations (Net) | (6.28) | 24.45 | 16.79 | 18.17 | 12.98 |
| | (b) Others | 35.23 | 14.89 | 9.36 | 50.12 | 38.13 |
| 3. | Total Income | 1,624.18 | 678.42 | 525.17 | 2,302.60 | 1,733.00 |
| 4. | Expenditure: | | | | | |
| | (a) Personnel Expenses | 911.11 | 339.89 | 268.39 | 1,251.00 | 922.52 |
| | (b) Travelling Expenses | 83.41 | 35.67 | 23.66 | 119.08 | 80.40 |
| | (c) Other Expenses | 268.75 | 102.09 | 76.47 | 370.84 | 212.84 |
| | (d) Total Expenditure | 1,263.27 | 477.65 | 368.52 | 1,740.92 | 1,215.76 |
| 5. | Profit before Interest, Depreciation and Taxes | 360.91 | 200.77 | 156.65 | 561.68 | 517.24 |
| 6. | Interest | 0.40 | - | - | 0.40 | 0.03 |
| 7. | Depreciation | 122.93 | 48.80 | 36.68 | 171.73 | 127.73 |
| 8. | Profit before Taxes | 237.58 | 151.97 | 119.97 | 389.55 | 389.48 |
| 9. | Provision for Taxation: | | | | | |
| | (a) Current Taxes | 32.98 | 23.85 | 23.53 | 56.83 | 63.02 |
| | (b) Deferred Taxes | 2.62 | 1.55 | 1.19 | 4.17 | 7.42 |
| | (c) Fringe Benefit Tax | 5.15 | 1.90 | - | 7.05 | - |
| | (d) Prior Year's Tax Adjustments | - | - | 0.68 | - | 0.68 |
| 10. | Net Profit after Taxes before Minority Interest | 196.83 | 124.67 | 94.57 | 321.50 | 318.36 |
| 11. | Less: Minority Interest in Net Profit of the Subsidiary Companies | 45.68 | 17.96 | 13.66 | 63.64 | 43.60 |
| 12. | Net Profit | 151.15 | 106.71 | 80.91 | 257.86 | 274.76 |
| 13. | Paid-up Equity Share Capital | 112.90 | 113.32 | 111.55 | 113.32 | 111.55 |
| 14. | Reserves and Surplus | 1,251.03 | 1,311.12 | 1,090.42 | 1,311.12 | 1,090.42 |
| 15. | Basic Earnings per Share (Rs.) * | 2.69 | 1.90 | 1.46 | 4.59 | 4.97 |
| 16. | Diluted Earnings per Share (Rs.) * | 2.66 | 1.87 | 1.45 | 4.53 | 4.92 |

* Previous Year's figures have been adjusted for the sub-division of Equity Shares of Rs. 10 each into five Equity Shares of Rs. 2 each.

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

| Sr.No. | Company | % Holding |
|--------|---|-----------|
| 1. | Geometric Software Solutions, Inc., USA | 100.00% |
| 2. | Geometric Software Solutions Pte. Ltd., Singapore | 100.00% |
| 3. | Teksoft, Inc., USA | 82.26% |
| 4. | 3D PLM Software Solutions Ltd., India | 70.00% |

AUDITED FINANCIAL RESULTS

FOR THE QUARTER ENDED 31ST MARCH, 2006 (UNCONSOLIDATED)

(Rs. in Million)

| Sr. No. | Particulars | Nine Months Ended 31-12-2005 | Quarter Ended 31-03-2006 | Quarter Ended 31-03-2005 | Year Ended 31-3-2006 | Year Ended 31-03-2005 |
|---------|--|------------------------------|--------------------------|--------------------------|----------------------|-----------------------|
| 1. | Net Sales - Software and Services | 828.49 | 352.54 | 281.02 | 1,181.03 | 954.45 |
| 2. | Other Income: | | | | | |
| | (a) Gain/ (Loss) on Exchange Fluctations (Net) | (13.84) | 15.53 | 7.34 | 1.69 | 8.63 |
| | (b) Others | 107.66 | 40.23 | 28.34 | 147.89 | 99.61 |
| 3. | Total Income | 922.31 | 408.30 | 316.70 | 1,330.61 | 1,062.69 |
| 4. | Expenditure: | | | | | |
| | (a) Personnel Expenses | 468.05 | 163.81 | 134.63 | 631.86 | 478.24 |
| | (b) Travelling Expenses | 64.48 | 27.66 | 20.91 | 92.14 | 63.39 |
| | (c) Other Expenses | 198.62 | 85.03 | 65.58 | 283.65 | 186.61 |
| | (d) Total Expenditure | 731.15 | 276.50 | 221.12 | 1,007.65 | 728.24 |
| 5. | Profit before Interest, Depreciation and Taxes | 191.16 | 131.80 | 95.58 | 322.96 | 334.45 |
| 6. | Interest | - | - | - | - | 0.03 |
| 7. | Depreciation | 70.18 | 27.99 | 19.73 | 98.17 | 68.10 |
| 8. | Profit before Taxes | 120.98 | 103.81 | 75.85 | 224.79 | 266.32 |
| 9. | Provision for Taxation: | | | | | |
| | (a) Current Taxes | 20.94 | 17.86 | 18.16 | 38.80 | 52.70 |
| | (b) Deferred Taxes | 2.62 | 1.42 | 1.50 | 4.04 | 6.28 |
| | (c) Fringe Benefit Tax | 3.88 | 1.44 | - | 5.32 | - |
| | (d) Prior Year's Tax Adjustments | - | - | 0.65 | - | 0.65 |
| 10. | Net Profit after Taxes | 93.54 | 83.09 | 55.54 | 176.63 | 206.69 |
| 11. | Paid-up Equity Share Capital | 112.90 | 113.32 | 111.55 | 113.32 | 111.55 |
| 12. | Reserves and Surplus | 1,063.10 | 1,102.87 | 951.39 | 1,102.87 | 951.39 |
| 13. | Basic Earnings per Share (Rs.) * | 1.67 | 1.48 | 3.74 | 3.14 | 3.74 |
| 14. | Diluted Earnings per Share (Rs.) * | 1.64 | 1.46 | 3.71 | 3.10 | 3.71 |
| 15. | Aggregate of non-promoter shareholding | | | | | |
| | - Number of Shares * | 39,122,850 | 39,331,295 | 38,386,870 | 39,331,295 | 38,386,870 |
| | - Percentage of shareholding | 69.31 | 69.42 | 68.83 | 69.42 | 68.83 |

* Previous Year's figures have been adjusted for the sub-division of Equity Shares of Rs. 10 each into five Equity Shares of Rs. 2 each.

Audited Segment Financial Results (Consolidated)

(Rs. in Million)

| | Particulars | Nine Months Ended 31-12-2005 | Quarter Ended 31-03-2006 | Quarter Ended 31-03-2005 | Year Ended 31-3-2006 | Year Ended 31-03-2005 |
|----------|---|------------------------------------|-----------------------------|--------------------------------|-------------------------|--------------------------|
| A | Segment Revenue | | | | | |
| | Products | 250.59 | 94.67 | 75.85 | 345.26 | 175.64 |
| | Projects | 1,344.64 | 544.41 | 423.17 | 1,889.05 | 1,506.25 |
| | Total | 1,595.23 | 639.08 | 499.02 | 2,234.31 | 1,681.89 |
| | Less : Inter Segment Revenue | - | - | - | - | - |
| | Net Sales/ Income from Operations | 1,595.23 | 639.08 | 499.02 | 2,234.31 | 1,681.89 |
| B | Segment Results | | | | | |
| | Profit before Interest and Taxes | | | | | |
| | Products | 122.09 | 48.29 | 34.18 | 170.38 | 80.14 |
| | Projects | 493.13 | 210.77 | 190.35 | 703.90 | 674.68 |
| | Total | 615.22 | 259.06 | 224.54 | 874.28 | 754.83 |
| | Less : (a) Interest | 0.40 | - | - | 0.40 | 0.03 |
| | (b) Other unallocable expenditure net of unallocable income | 377.25 | 107.09 | 104.57 | 484.34 | 365.31 |
| | Profit Before Taxes | 237.57 | 151.97 | 119.97 | 389.54 | 389.48 |
| 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 21st April, 2006.
2. Fixed assets and other assets used in 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. Pursuant to the approval of shareholders of the Company at the Eleventh Annual General Meeting held on 24th June, 2005, the Company's Equity Shares of Rs. 10 each were sub-divided into 5 Equity Shares of Rs. 2 each, on 9th August, 2005.
4. Pursuant to the exercise of vested stock options by employees and directors of the Company under various Stock Option Schemes, the Company allotted 208,445 Equity Shares of Rs.2 each during the quarter ended 31st March, 2006, 55,227 Equity Shares of Rs.10 each (before sub- division) and 608,290 Equity Shares of Rs.2 each during the year ended on that date.

5. Information on investor complaints for the quarter ended 31st March, 2006:

| | Opening Balance | Additions | Disposals | Closing Balance |
|----------------------|-----------------|-----------|-----------|-----------------|
| Number of Complaints | Nil | 10 | 10 | Nil |

6. Foreign Exchange Transactions:
Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities relating to foreign currency transactions, remaining unsettled at the year-end, are stated at the contracted rates when covered under forward exchange contracts and at the year-end rates in other cases.
The Company enters into forward exchange contracts based on firm commitments or highly probable forecast revenues. Till 31st March, 2005, the Company used to amortize the premium on such forward exchange contracts over the period of the contract.
With effect from 1st April, 2005, the Company ascertains the fair value of the outstanding forward exchange contracts at the forward rate available at the reporting date for the remaining maturity of the contract, and resultant gain or loss is recognized in the Profit and Loss Account.

As a result of this change in accounting policy, the Profit Before Taxes for the quarter is higher by Rs 20.21 million, and for the year is lower by Rs.23.96 million; the Consolidated Profit Before Taxes for the quarter is higher by Rs.30.43 million, and for the year is lower by Rs.33.09 million.

7. The Board of Directors has recommended a dividend at the rate of Rs 0.80 per equity share of Rs 2 each subject to the approval of shareholders at the ensuing Annual General Meeting.
8. The Board of Directors has convened an Extraordinary General Meeting of the members of the Company on 17th May, 2006 to increase the Authorized Capital of the Company from Rs 130 million to Rs 160 million and to approve issue of equity shares on preferential basis.

For Geometric Software Solutions Co. Ltd.

Mumbai
21st April, 2006

Manu Parpia
Managing Director & CEO

GEOMETRIC SOFTWARE SOLUTIONS CO. LTD. (Consolidated)

Growth in Sales over Last Year

Figures in US\$ Million

| | FY 2005 | | | | |
|----------------------|-------------|-------------|-------------|--------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Projects - Offshore | 4.61 | 4.70 | 5.42 | 5.52 | 20.25 |
| Fixed Price Projects | 0.38 | 0.89 | 0.43 | 0.73 | 2.43 |
| Projects - Onsite | 1.78 | 2.34 | 2.22 | 2.89 | 9.23 |
| Software (Products) | 0.70 | 0.62 | 0.90 | 1.72 | 3.94 |
| Domestic | 0.26 | 0.24 | 0.71 | 0.57 | 1.78 |
| Total | 7.73 | 8.79 | 9.68 | 11.43 | 37.62 |

| | FY 2006 | | | | |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Projects - Offshore | 5.35 | 5.89 | 6.28 | 7.07 | 24.59 |
| Fixed Price Projects | 0.47 | 0.54 | 0.65 | 0.69 | 2.34 |
| Projects - Onsite | 2.94 | 3.03 | 3.29 | 3.83 | 13.08 |
| Software (Products) | 1.60 | 1.68 | 2.34 | 2.14 | 7.76 |
| Domestic | 0.80 | 0.52 | 0.65 | 0.61 | 2.57 |
| Total | 11.15 | 11.66 | 13.20 | 14.34 | 50.35 |

Product R & D Expenses (Consolidated)

(Rs Million)

| | Particulars | Nine months ended 31-12-2005 | Quarter Ended 31-03-2006 | Quarter Ended 31-03-2005 | Year Ended 31-3-2006 | Year Ended 31-3-2005 |
|---|--|------------------------------------|--------------------------------|--------------------------------|----------------------------|----------------------------|
| A | Product Revenue | 250.59 | 94.67 | 75.85 | 345.26 | 175.64 |
| B | Product Costs | 128.50 | 46.38 | 41.67 | 174.88 | 95.49 |
| C | Product Contribution | 122.09 | 48.29 | 34.18 | 170.38 | 80.14 |
| D | Total Revenue (Product + Project) | 1,595.23 | 639.08 | 499.02 | 2,234.31 | 1,681.89 |
| E | Product Costs as % of Total Revenue (B / D) | 8.1% | 7.3% | 8.4% | 7.8% | 5.7% |
| | Product Contribution as % of Product Revenue | 48.7% | 51.0% | 45.1% | 49.3% | 45.6% |

Quarterly Trend in Revenues and Profitability

| Growth Trends | F'05 Q1 | F'05 Q2 | F'05 Q3 | F'05 Q4 | F'06 Q1 | F'06 Q2 | F'06 Q3 | F'06 Q4 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| QoQ Growth in Operating Revenue | 13% | 14% | 9% | 15% | -3% | 5% | 17% | 7% |
| QoQ Growth in Operating Profit | -14% | 54% | 38% | -16% | -48% | 23% | 79% | 7% |
| QoQ Growth in PBT | 1% | 24% | 18% | 13% | -2% | -53% | 19% | 135% |
| QoQ Growth in PAT | -4% | 24% | 26% | 2% | -4% | -57% | 16% | 171% |

| Margin Trends | F'05 Q1 | F'05 Q2 | F'05 Q3 | F'05 Q4 | F'06 Q1 | F'06 Q2 | F'06 Q3 | F'06 Q4 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Operating Profit Margin | 15% | 20% | 26% | 19% | 10% | 12% | 18% | 18% |
| PBT Margin | 20% | 22% | 25% | 23% | 21% | 11% | 12% | 23% |
| PAT Margin | 14% | 15% | 19% | 15% | 14% | 7% | 7% | 16% |