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Press Release

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Geometric Q2 Operating Revenues up 48 % in \$ terms compared to Q2FY06

Geometric Software Solutions (BSE – 532312, NSE – GEOMETRIC) today announced its result for the second quarter.

Operating revenues for the quarter increased by 10% in dollar terms and 11% in Rupee terms compared to previous quarter. Compared to Q2FY06, operating revenues increased by 48% in dollar terms and 57% in Rupee terms.

Total revenue (including other income) increased by 20% compared to previous quarter. The foreign exchange gain was Rs 9.27 millions; principally due to gain in the mark-to-market valuation of outstanding forward contracts.

Operating Profit Margins have increased by 1% in comparison with Q2 FY06. This is due to increase in manpower utilization from 76% to 87% over Q2 FY06

Compared to Q1FY07, operating margin has declined by 4% mainly due higher onsite consultants' cost and foreign travel expenses. EBITDA margins have increased by 3% mainly on account of gain in foreign exchange fluctuation of Rs 9.27 millions this quarter compared to a loss of Rs 45.18 millions last quarter.

“During the quarter, Geometric has taken major steps to implements its strategic plan both in terms of succession planning and achieving critical mass in engineering services”. said Manu Parpia Vice Chairman & Executive Director, Geometric.

“The experience of my first two weeks re-affirms my belief that Geometric represents an opportunity to build a world leader, one of the few in the world, who can offer customers strong competencies in both PLM & Engineering services ” said Dr. Ravi Gopinath, MD & CEO, Geometric.

Highlights for the quarter include:

- Dr. Ravi Gopinath joined Geometric on October 4th as Managing Director and CEO.

- Mr. Manu Parpia, the founder of Geometric took up the role of Vice Chairman and Executive Director.
- In early October, Geometric announced the acquisition of Modern engineering service division of Modern Engineering. Upon completing the acquisition Geometric will have achieved a critical mass in engineering services with delivery centres in North America, Eastern Europe, India & China. It will also have access to a direct customer base with little or no overlap to that existing with Geometric.
- Geometric announced the formation of a new group -Virtual Product Design (VPD) and appointed Dr. Suresh Nagesh to lead it. This group will offer an end-to-end product development solution; from conceptual design' to analysis of the same (CAE)'.
- The Company added 8 customers several of whom were direct.
- The PLM services BU experienced good growth and has won some important new orders.
- The ESD unit has continued to grow at double digit rates Q on Q.

About Geometric Software Geometric Software Solutions is a CMMI Level 5 company and the leading PLM and engineering services provider with over 20 years of experience in CAD/CAM/CAE, PDM and MPM. Partnerships with major PLM vendors such as Dassault Systèmes, UGS PLM Solutions, and MatrixOne offer the unique advantage of providing cost effective services on leading PLM platforms. Geometric offers services based on SolidWorks, CATIA™, ENOVIA™, DELMIA™, eMatrix™, Teamcenter Enterprise (Metaphase)™, Windchill™, and other leading CAD/CAM/CAE/PDM software platforms. TekSoft, Inc., a subsidiary of Geometric, is a leading developer and supplier of innovative, automated CAD/CAM software solutions for the manufacturing industry. The company is traded on both the Bombay (BSE) and the National (NSE) stock exchanges in India. The company's Web site is <http://www.geometricsoftware.com/>

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