

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 AND HALF YEAR ENDED 30TH SEPTEMBER, 2006 (CONSOLIDATED)**

(Rs. in Million)

| Sr. No. | Particulars | Quarter Ended 30-9-2006 | Quarter Ended 30-9-2005 | Half-year Ended 30-9-2006 | Half-year Ended 30-9-2005 | Year Ended 31-3-2006 |
|---------|---|-------------------------|-------------------------|---------------------------|---------------------------|----------------------|
| 1. | Net Sales - Software and Services | 799.67 | 510.27 | 1,520.50 | 996.19 | 2,234.31 |
| 2. | Other Income: | | | | | |
| | (a) Gain/ (Loss) on Exchange Fluctuations (Net) | 9.27 | (13.81) | (35.91) | 46.48 | 18.17 |
| | (b) Others | 19.58 | 12.06 | 35.49 | 22.77 | 50.12 |
| 3. | Total Income | 828.52 | 508.52 | 1,520.08 | 1,065.44 | 2,302.60 |
| 4. | Expenditure: | | | | | |
| | (a) Personnel Expenses | 463.00 | 299.01 | 870.59 | 596.98 | 1,251.00 |
| | (b) Travelling Expenses | 40.62 | 27.86 | 72.63 | 48.38 | 119.08 |
| | (c) Other Expenses | 145.45 | 85.83 | 263.50 | 169.92 | 370.84 |
| | (d) Total Expenditure | 649.07 | 412.70 | 1,206.72 | 815.27 | 1,740.92 |
| 5. | Profit before Interest, Depreciation and Taxes | 179.45 | 95.82 | 313.36 | 250.17 | 561.68 |
| 6. | Interest | - | 0.15 | - | 0.31 | 0.40 |
| 7. | Depreciation | 49.76 | 40.85 | 98.94 | 77.43 | 171.73 |
| 8. | Profit before Taxes | 129.69 | 54.82 | 214.42 | 172.43 | 389.55 |
| 9. | Provision for Taxation: | | | | | |
| | (a) Current Taxes | 12.94 | 5.69 | 21.78 | 25.08 | 56.83 |
| | (b) Deferred Taxes | (0.90) | - | (0.90) | - | 4.17 |
| | (c) Fringe Benefit Tax | 1.76 | 2.14 | 2.91 | 3.23 | 7.05 |
| 10. | Net Profit after Taxes before Minority Interest | 115.89 | 46.99 | 190.63 | 144.12 | 321.50 |
| 11. | Less: Minority Interest in Net Profit of the Subsidiary Companies | 15.01 | 13.14 | 26.29 | 32.33 | 63.64 |
| 12. | Net Profit | 100.88 | 33.85 | 164.34 | 111.79 | 257.86 |
| 12.A | Operating Profit ^ | 106.22 | 61.80 | 225.32 | 112.20 | 340.89 |
| 13. | Paid-up Equity Share Capital (par value Rs. 2 each) | 121.98 | 112.55 | 121.98 | 112.55 | 113.32 |
| 14. | Reserves and Surplus | 1,924.25 | 1,209.61 | 1,924.25 | 1,209.61 | 1,311.12 |
| 15. | Basic Earnings per Share (Rs.) | 1.70 | 0.60 | 2.77 | 2.00 | 4.59 |
| 16. | Diluted Earnings per Share (Rs.) | 1.67 | 0.60 | 2.71 | 1.97 | 4.53 |

^ Operating Profit is computed as Profit Before Tax less Other Income (Net of Depreciation on leased property)

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

| Sr.No. | Company | Type of Results | % Holding |
|--------|---|-----------------|-----------|
| 1. | Geometric Software Solutions, Inc., USA | Unaudited | 100.00% |
| 2. | Geometric Software Solutions Pte. Ltd., Singapore | Unaudited | 100.00% |
| 3. | TekSoft, Inc.,USA | Audited | 82.26% |
| 4. | 3D PLM Software Solutions Ltd., India | Audited | 70.00% |

AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2006 (UNCONSOLIDATED)

(Rs. in Million)

| Sr. No. | Particulars | Quarter Ended 30-9-2006 | Quarter Ended 30-9-2005 | Half-year Ended 30-9-2006 | Half-year Ended 30-9-2005 | Year Ended 31-3-2006 |
|---------|--|----------------------------|----------------------------|------------------------------|------------------------------|-------------------------|
| 1. | Net Sales - Software and Services | 447.61 | 262.04 | 838.19 | 510.94 | 1,181.03 |
| 2. | Other Income: | | | | | |
| | (a) Gain/ (Loss) on Exchange Fluctuations (Net) | 4.34 | (11.15) | (29.65) | 24.30 | 1.69 |
| | (b) Others | 49.49 | 36.48 | 105.75 | 68.60 | 147.89 |
| 3. | Total Income | 501.44 | 287.37 | 914.29 | 603.84 | 1,330.61 |
| 4. | Expenditure: | | | | | |
| | (a) Personnel Expenses | 254.13 | 155.98 | 471.98 | 307.59 | 631.86 |
| | (b) Travelling Expenses | 34.60 | 21.95 | 57.00 | 36.11 | 92.14 |
| | (c) Other Expenses | 91.14 | 63.28 | 165.83 | 126.76 | 283.65 |
| | (d) Total Expenditure | 379.87 | 241.21 | 694.81 | 470.46 | 1,007.65 |
| 5. | Profit before Interest, Depreciation and Taxes | 121.57 | 46.16 | 219.48 | 133.38 | 322.96 |
| 6. | Interest | - | - | - | - | - |
| 7. | Depreciation | 29.42 | 22.48 | 57.76 | 42.96 | 98.17 |
| 8. | Profit before Taxes | 92.15 | 23.68 | 161.72 | 90.42 | 224.79 |
| 9. | Provision for Taxation: | | | | | |
| | (a) Current Taxes | 9.02 | 2.68 | 14.60 | 17.92 | 38.80 |
| | (b) Deferred Taxes | (0.90) | - | (0.90) | - | 4.04 |
| | (c) Fringe Benefit Tax | 1.38 | 1.61 | 2.31 | 2.42 | 5.32 |
| 10. | Net Profit after Taxes | 82.65 | 19.39 | 145.71 | 70.08 | 176.63 |
| 11. | Paid-up Equity Share Capital (par value Rs.2 each) | 121.98 | 112.55 | 121.98 | 112.55 | 113.32 |
| 12. | Reserves and Surplus | 1,705.90 | 1,034.56 | 1,705.90 | 1,034.56 | 1,102.87 |
| 13. | Basic Earnings per Share (Rs.) | 1.39 | 0.35 | 2.45 | 1.25 | 3.14 |
| 14. | Diluted Earnings per Share (Rs.) | 1.36 | 0.34 | 2.41 | 1.24 | 3.10 |
| 15. | Aggregate of non-promoter shareholding | | | | | |
| | - Number of Shares | 43,704,250 | 38,949,435 | 43,704,250 | 38,949,435 | 39,331,295 |
| | - Percentage of shareholding | 71.66 | 69.21 | 71.66 | 69.21 | 69.42 |

Audited Segment Financial Results (Consolidated)

(Rs. in Million)

| | Particulars | Quarter Ended 30-9-2006 | Quarter Ended 30-9-2005 | Half-year Ended 30-9-2006 | Half-year Ended 30-9-2005 | Year Ended 31-3-2006 |
|---|---|-------------------------------|-------------------------------|---------------------------------|---------------------------------|----------------------------|
| A | Segment Revenue | | | | | |
| | Products | 105.52 | 75.01 | 207.22 | 144.49 | 345.26 |
| | Projects | 694.15 | 435.26 | 1,313.28 | 851.70 | 1,889.05 |
| | Total | 799.67 | 510.27 | 1,520.50 | 996.19 | 2,234.31 |
| | Less : Inter Segment Revenue | - | - | - | - | - |
| | Net Revenue from Operations | 799.67 | 510.27 | 1,520.50 | 996.19 | 2,234.31 |
| B | Segment Results | | | | | |
| | Profit before Interest and Taxes | | | | | |
| | Products | 54.13 | 33.36 | 106.73 | 59.27 | 170.38 |
| | Projects | 253.32 | 154.97 | 491.40 | 307.36 | 703.90 |
| | Total | 307.45 | 188.33 | 598.13 | 366.63 | 874.28 |
| | Less : (a) Interest | - | 0.15 | - | 0.31 | 0.40 |
| | (b) Other unallocable expenditure net of unallocable income | 177.76 | 133.36 | 383.72 | 193.89 | 484.33 |
| | Profit before Taxes | 129.69 | 54.82 | 214.41 | 172.43 | 389.55 |
| 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 16th October , 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 at the Extraordinary General Meeting of the Company held on 17th May, 2006, the Company has made a preferential allotment of 3,867,075 Equity Shares of Rs 2 each at a premium of Rs. 115.66 per share to The Western India Trustee and Executor Company Limited (India Advantage Fund - V) on 31st May, 2006.

Pending deployment of the proceeds of the preferential issue for the stated objects of the issue, the funds have been invested in the liquid schemes of debt mutual funds.

4. Pursuant to the exercise of vested stock options by employees and directors of the Company under various Stock Option Schemes, the Company allotted 277,965 Equity Shares of Rs. 2 each during the quarter ended 30th September, 2006, and 463,380 Equity Shares of Rs. 2 each during the half-year ended on that date.
5. The Board of Directors of the Company at its meeting held on 21st September, 2006 appointed Dr. Ravi Gopinath as the Managing Director and Chief Executive Officer of the Company for a period of three years with effect from 4th October, 2006. The Board had also appointed Mr. Manu Parpia as the Vice Chairman and Executive Director for the period from 4th October, 2006 to 30th September, 2007, which has since been extended upto 31st March, 2008. Mr Parpia was the Managing Director and Chief Executive Officer of the Company before his current appointment. The aforesaid appointments are subject to approval of shareholders of the Company.
6. Geometric Software Solutions, Inc. USA, a wholly-owned subsidiary of the Company, has since signed a definitive Agreement to acquire Engineering Services Division of Modern Engineering, Inc. USA.
7. The Board of Directors of the Company at its meeting held on 16th October, 2006 decided to offer and issue 350,000 warrants convertible into equity shares to Mr. Manu Parpia, Vice Chairman and Executive Director of the Company, on a preferential issue basis in accordance with SEBI Preferential Issue Guidelines, subject to approval of shareholders of the Company.
8. Information on investor complaints for the quarter ended 30th September, 2006:

| | Opening Balance | Additions | Disposals | Closing Balance |
|----------------------|-----------------|-----------|-----------|-----------------|
| Number of Complaints | Nil | 19 | 19 | Nil |

For Geometric Software Solutions Co. Ltd.

Mumbai
16th October, 2006

Dr. Ravi Gopinath
Managing Director & CEO