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For Immediate Release

Geometric acquires engineering services division of Modern Engineering

Mumbai, India — October 11, 2006 — Geometric Software Solutions Co. Ltd. (BSE – 532312, NSE – GEOMETRIC) and the global engineering services division of Detroit based Modern Engineering today announced that they have entered into a definitive merger agreement to form a global engineering solutions provider with an expansive services portfolio.

“The merger of Modern Engineering’s Engineering Division and Geometric represents a significant step in the realization of the true potential of global engineering”, said Ravi Gopinath, MD & CEO of Geometric Software Solutions. “Modern’s track record in engineering and manufacturing solutions coupled with Geometric’s presence in the development of cutting edge collaborative PLM solutions will offer our customers an unbeatable advantage in globalizing their engineering processes. We are excited to be the one of the few companies offering the global manufacturing sector this significant value proposition.”

“The combination of Geometric and Modern Engineering’s Engineering Division represents a quantum leap forward in the globalization strategies of both organizations,” said Ron Wood, President and CEO of Modern Engineering. “The scale of engineering domain knowledge, breadth of services and worldwide operational engineering services delivery centers is truly unique in our industry. The combined expertise of our people, processes and technology is second to none.”

A Strategic Combination

The combination of Geometric Software Solutions and Modern Engineering’s Engineering Services Division leapfrogs the combined entity to a premier position in a fast-changing engineering services & PLM market.

The merged entity is better positioned to meet the demand of customers with a broader range of services. Geometric & Modern’s engineering services division combined will be ideally placed to tap the market opportunities and generate significant growth in revenues and earnings. The combined company's increased scale, scope and global capabilities will enhance its long-term value for shareholders, customers and employees alike. Approved by the boards of directors of both companies, the merger will build upon the complementary strengths of each company to create a unified global leader in the engineering industry.

“Modern and Geometric have a shared vision of providing customers a comprehensive suite of engineering services delivered globally” said Manu Parpia, Vice Chairman and Executive Director of Geometric Software Solutions. “This merger will help us make the vision a reality, thus offering customers both savings and efficiencies in time to market.”

Spanning the Globe

Through this strategic merging of two industry leaders, the combined company will emerge with a much larger operating base than either company maintained prior to the merger. Now, in addition to offices in India, Germany, France, Singapore, Japan, China, and Romania, they will also number eight offices in North America, showing a substantial global presence for the engineering industry.

“The merger provides us the mechanism to deliver a larger and more diverse set of services to our clients worldwide,” said Michael McConnell, Senior Vice President of Global Engineering at Modern Engineering. “With the increased capacity and global footprint we will be uniquely positioned in the market to bring value to our clients both locally and on an enterprise level.”

The transaction is valued at approximately \$32 million, including a working capital loan of approximately \$7million. The net equity value of \$25 million is funded by Geometric’s contribution of US\$ 23.75 million representing 95% stake in the company & \$1.25 million investment by Modern’s executive management for 5% stake. Geometric’s contribution is funded by approximately \$10 million raised through preferential placement of equity with ICICI Venture , and balance through borrowings & internal accruals. The engineering services business of Modern Engineering has a current annual revenue of approximately \$40 million

About Modern Engineering

Modern Engineering, Inc., a wholly-owned subsidiary of Virtual Supply Chain Engineering, Inc., has been a leading provider of staffing, engineering and design services to the worldwide manufacturing industry since 1946. Modern’s expertise includes program management, product design & engineering, supply chain engineering, manufacturing engineering, tool and rack design, data management, software development, technical staffing and IT services. Modern offers services in all major CAD systems, including: UGS’ NX™ portfolio (NX, I-deas® NX Series, Femap®, NX Nastran), Unigraphics, CATIA v4 and v5, SDRC-iDEAS, Pro-Engineer, AutoCAD, SolidWorks, FactoryCAD, as well as a large portfolio of simulation tools. Modern recently introduced a new supply-chain engineering technology - The Virtual Engineer™. For more information, visit the company’s website at www.modernengineering.com.

About Geometric Software Solutions

Geometric Software Solutions (GSS) is a Mumbai-headquartered CMMI Level 5 company providing the most cost-effective end-to-end PLM solutions to the global mechanical design, manufacturing, and industrial markets. GSS offers a wide range of services - Engineering services, PLM software development, Application Management, PLM integration/implementation services across leading PLM platforms; SolidWorks™, CATIA™,

ENOVIA™, DELMIA™, eMatrix™, Teamcenter Enterprise (Metaphase)™, Windchill™, UG 17,18 & NX® etc. Their service offerings are complemented by a robust portfolio of Products & Technologies licensed to customers through a strong network of resellers. Long-standing relationships with market leaders, in-depth domain expertise, innovative products and a cost-effective global delivery model make GSS the preferred partner for PLM. GSS employs over 1800 software professionals and has business development headquarters in Merrimack, NH, USA and sales offices in Germany, France, Singapore and Japan. The company is traded on both the Bombay (BSE) and the National (NSE) stock exchanges in India. The company's website is <http://www.geometricsoftware.com/>

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For more information on Modern Engineering:

<http://www.modernengineering.com>

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