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**Press Release**

**For Immediate Publication**

**Geometric completes transactions related to acquisition of Engineering Services Division of Modern Engineering Inc.**

**November 2, 2006, Mumbai, India:** Geometric Software Solutions Co. Ltd. (BSE – 532312, NSE – GEOMETRIC), a leader in product lifecycle management (PLM) and engineering services, has formally announced the closure of all transactions relating to the company's acquisition of Detroit based Modern Engineering Inc.

Geometric Software Solutions Inc. (GSS Inc.), a wholly owned subsidiary, has bought 95% shares of Modern Engineering Inc. (Modern) for US\$ 23.75 million. The balance 5% shares of Modern are held by the MMG Group LLC, which comprises of the management group of Modern.

The acquisition of Modern by GSS Inc. was financed via an equity investment of US\$ 14.00 million and a loan of US\$ 1.75 million by the company. This was in addition to a term loan of US\$ 8.00 million from Citibank N.A. The Company financed its investment and loan to GSS Inc. through issue of equity shares on preferential basis to the Western India Executor and Trustee Co. Ltd., a fund managed by ICICI Venture Capital Fund Management Limited, for approx. US\$ 10.00 million, as well as through internal accruals.

Modern has a working capital line of credit of approx. US\$ 7.00 million which is being refinanced by ICICI Bank UK Limited and the Company has taken a working capital loan of US\$ 4.5 million.

Thus, the Company and its subsidiaries will have a term loan of approx. US\$ 8.00 million and working capital loans of approx. US\$ 11.5 million on its balance sheet. The financials of Modern Engineering, Inc. will be consolidated with that of the Company with effect from November 1, 2006.

**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](http://www.modernengineering.com).

### **About Geometric Software Solutions**

Geometric Software Solutions (Geometric) 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. Geometric offers a wide range of services - Engineering services, PLM software development, Application Management, PLM integration/implementation services across leading PLM platforms. Geometric 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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