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Geometric Consolidated Operating Revenues up 28% year on year, Total Revenue up 24%

Mumbai, 21st October 2005

Geometric Software Solutions' (BSE – 532312, NSE – GEOMETRIC) consolidated Total Revenue for the quarter ended 30th September 2005 increased by **24%** to **Rs. 508.52** million as compared to **Rs. 408.44** million for the corresponding quarter last year.

On a **sequential** quarter on quarter basis, consolidated total revenues decreased by **9%** to Rs. **508.52** million for the current quarter compared to Rs. **556.91** million for the preceding quarter. This decline was primarily due to a loss of over Rs.13 million in mark-to-market valuation of outstanding Forward contracts.

Consolidated **Operating Revenues (Sales)** grew by **28%** to Rs. **510.27** million for the quarter ended 30th September 2005 as compared to Rs. **398.67** million for the corresponding quarter last year. On a **sequential** quarter on quarter basis, consolidated operating revenues grew by **5%** to Rs. 510.27 million as compared to Rs. 485.92 million for the preceding quarter.

Commenting on the results, **Manu Parpia, Managing Director**, Geometric said, "While the revenue growth this quarter did not meet our expectations, we firmly believe building and executing on the end-to-end PLM solutions presents an excellent growth opportunity over the long term. Our perspective is reinforced by the increased interest shown by many other Indian companies in the PLM market."

Highlights for the quarter include:

- Launch of Application Maintenance Services (AMS) offering, designed to generate Annuity billing
- Added two new customers in the software OEM space
- Implementation of the Accounts & Practices Matrix structure in delivery unit
- Product Releases : New versions of FR, Nestlib, GeomCaliper, 3DSearchIT
- Addition of 2 new customers for Nestlib
- eDrawings Professional for SolidEdge™ support for previous versions released
- Teksoft held its first re-seller world wide conference in 3 years
- Introduction of the New Sheet Metal module based on third party technologies by Teksoft

Highlights of the Results (Consolidated):

1. Comparison with Q2 of FY' 05

- Operating Profit* (PBT (after depreciation) but excluding other income) declined by 26%, Rs. 61.80 million for the quarter ended 30th September'05 as compared to Rs. 84.03 million for corresponding quarter last year.
- Decrease in Operating profit is due to;
 - Lower than expected growth in revenues
 - Appreciation of the Rupee by 4%
 - Reduction in manpower utilization %
 - Increase in salary cost
 - Teksoft consolidation
- Consolidated Net Profit for the quarter ended 30th September 2005 decreased by 46% to Rs. 33.85 million as compared to Rs. 63.25 million for the corresponding quarter last year. This was primarily due to loss in mark-to-market valuation of outstanding Forward contracts

2. Sequential comparison with preceding quarter (Q1 FY' 06)

- Operating Profit* (PBT (after depreciation) but excluding other income) increased by 23% to Rs. 61.80 million for the quarter ended 30th September'05 as compared to Rs. 50.40 million for the preceding quarter
- Consolidated Net Profit for the current quarter declined by 57% to Rs.33.85 million as compared to Rs.77.94 million for the preceding quarter.

***Operating Profit excludes Income and Depreciation from premises leased to third party.**

About Geometric:

Geometric Software Solutions is a CMMI Level 5 company and the leading PLM services provider with over 20 years of experience in CAD/CAM/CAE, PDM and MPM. With Creative People, Innovative technologies and Strong Relationships with market leaders, Geometric enables customers realize product business value – cost-effectively. Providing PLM services through its global network of partners; Dassault Systemes, UGS, Matrixone, IBM amongst others, Geometric focuses on delivering customer success by leveraging mutual strengths in local markets worldwide. Geometric offers services based on CATIA™, ENOVIA™, DELMIA™, eMatrix™, Teamcenter Enterprise (Metaphase)™, Windchill™ and other leading CAD/CAM/CAE/PDM software platforms. Geometric employs over 1000 software professionals and has business development headquarters in Merrimack, NH, USA and sales offices in Germany, Singapore and Japan. Expertise in best-of-breed PLM solutions, innovative delivery models and a cost-effective services portfolio makes Geometric the preferred partner for PLM.

The Company is traded on both the Bombay (BSE) and the National (NSE) stock exchanges in India. The company's website is www.geometricsoftware.com

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