



# Geometric Software Solutions

Q1 08 Quarterly Analyst Presentation

# Quarter's Summary

- 1.4% decline in sequential operating revenue in dollar terms
- Rupee appreciation by 7.4% over the previous quarter adversely impacted Rupee revenues
- Systematic coverage of foreign exchange exposure helped mitigate the impact
- Effect of salary increases and rupee appreciation was partially offset by improved mix in favor of offshore business, and offshore productivity gains

# Financial Performance Q1 08

## INDIAN GAAP

Organic = Consolidated Performance Excluding Modern  
Consolidated = Consolidated Performance Including Modern

# Consolidated Financial Summary

<i>(figures in INR millions)</i>	Q1 08	Q4 07	Var (PQ)	Q1 07	Var (PY)
Operating Revenue <i>(in USD millions)</i>	27.89	28.27	-1.3%	15.77	76.9%
Operating Revenue	1,129.06	1,242.76	-9.1%	720.84	56.6%
Total Revenue	1,264.36	1,306.10	-3.2%	691.57	82.8%
EBITDA	213.88	221.05	-3.2%	133.92	59.7%
Profit After Tax	116.54	104.66	11.4%	63.45	83.7%

# Consolidated P&L Statement

Income Statement	(figures in INR millions)			Var (PQ)	Var (PY)
	Q1 08	Q4 07	Q1 07		
Operating Revenue <i>(in USD millions)</i>	27.89	28.27	15.77	-1.3%	76.9%
Operating Revenue	1129.06	1242.76	720.84	-9.1%	56.6%
Cost Of Revenue	776.09	791.18	415.54	-1.9%	86.8%
Contribution	352.97	451.58	305.30	-21.8%	15.6%
<i>Contribution as % of Operating Revenue</i>	<i>31.3%</i>	<i>36.3%</i>	<i>42.4%</i>		
SG&A Expense	274.38	293.88	142.11	-6.6%	93.1%
Interest	15.87	15.23	0.00	4.2%	
Depreciation	59.07	58.97	49.18	0.2%	20.1%
Operating Profit	3.64	83.50	114.01	-95.6%	-96.8%
<i>Operating Profit as % of Operating Revenue</i>	<i>0.3%</i>	<i>6.7%</i>	<i>15.8%</i>		
Other Income	135.29	63.35	-29.27	113.6%	F
Profit Before Tax	138.94	146.85	84.74	-5.4%	64.0%
<i>PBT as % of Total Revenue</i>	<i>11.0%</i>	<i>11.2%</i>	<i>12.3%</i>		
EBITDA (PBT + Interest + Depreciation)	213.88	221.05	133.92	-3.2%	59.7%
<i>EBITDA as % of Total Revenue</i>	<i>16.9%</i>	<i>16.9%</i>	<i>19.4%</i>		
Tax	2.57	22.89	10.00	-88.8%	-74.4%
Minority Interest	19.83	19.31	11.29	2.7%	75.6%
Profit After Tax	116.54	104.66	63.45	11.4%	83.7%
<i>PAT as % of Total Revenue</i>	<i>9.2%</i>	<i>8.0%</i>	<i>9.2%</i>		



# Performance Analysis

- 1.3% decrease in operating revenue in dollar terms
  - Services revenue decreased by 0.7% vis-à-vis previous Q
    - Offshore revenues grew by 5.7%, offsite revenues reduced by 13.9% and onsite revenues came down by 3.9%
  - Products revenues decreased by 8.6% over previous quarter and 11.2% over previous year
- Overall impact of 4.2% on margin due to off-shore salary increase
- Productivity gains on better offshore mix and SG&A reduction helped partially offset the impact of rupee appreciation on operating margin
- Modern incurred a loss of \$321K

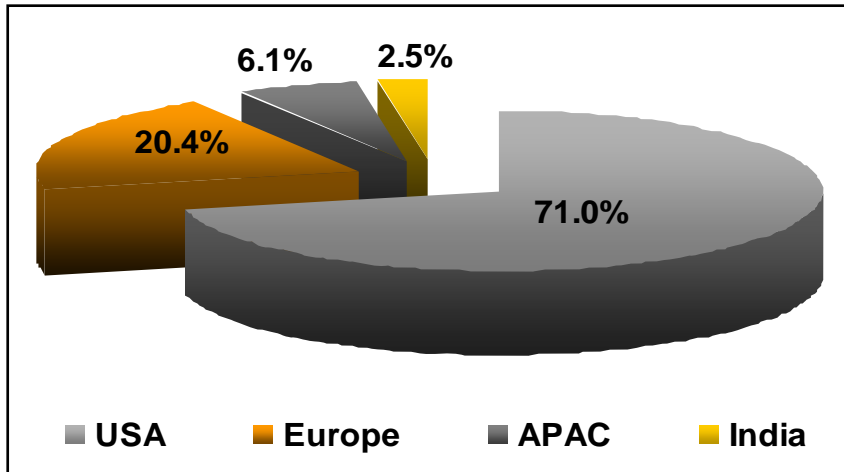
# Quarter's Highlights

- Geometric signed an agreement with a leading Enterprise Solution company to support the development of their PLM solution. This relationship will provide Geometric a strategic entry point into the extended PLM space.
- Modern Engineering won a contract for design and engineering services from one of the world's largest Defense contractors.
- Geometric won a project from an Asian auto major to build a CAD-centric PLM prototype solution with rich product configuration and BOM editing capabilities.
- Geometric won a contract for PLM-PDM consulting and product enhancements from a global leader in Apparel and Fashion solutions.
- Geometric acquired PLM adapters for enterprise integration and all existing related contracts from MeritSpring Technologies AG. These adapters will enable Geometric to broaden its offering in the PLM interoperability space by accelerating the creation of innovative, state of the art interoperability solutions and significantly expanding the markets.



# Operational Performance Q1 08

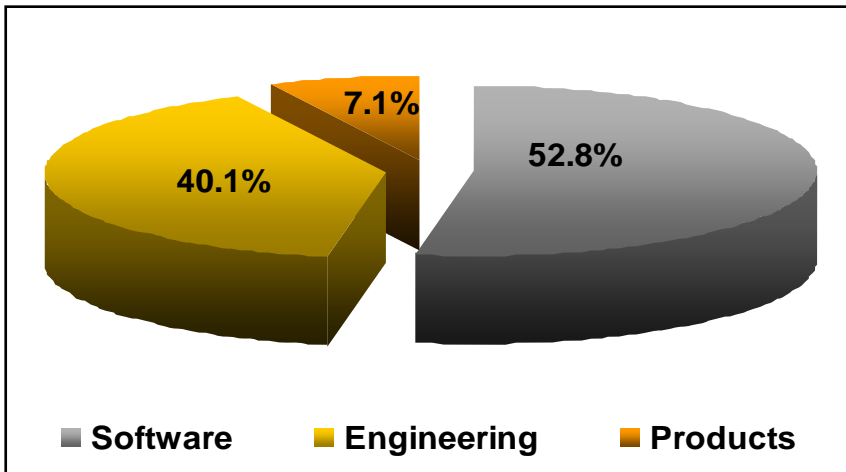
# Regional Performance



Region (%)	Q1 08	Q4 07	Q1 07	FY 07
USA	71.0%	70.6%	59.7%	63.3%
Europe	20.4%	21.6%	33.0%	28.8%
APAC	6.1%	5.4%	4.3%	5.4%
India	2.5%	2.5%	3.0%	2.5%

- Strong pipeline growth in US as the integrated sales initiative gathers momentum. Revenue realization expected from Q3 onward.
- Lag in Direct Industrial customer penetration in Europe coupled with reduction in revenue from existing Business Partners led to decrease in region's contribution
  - Sales team to be enhanced in Q2 to improve presence and penetration in the region.
- Strategic accounts in APAC showed positive trend with 13% growth in revenues over Q4

# Business Segment Performance

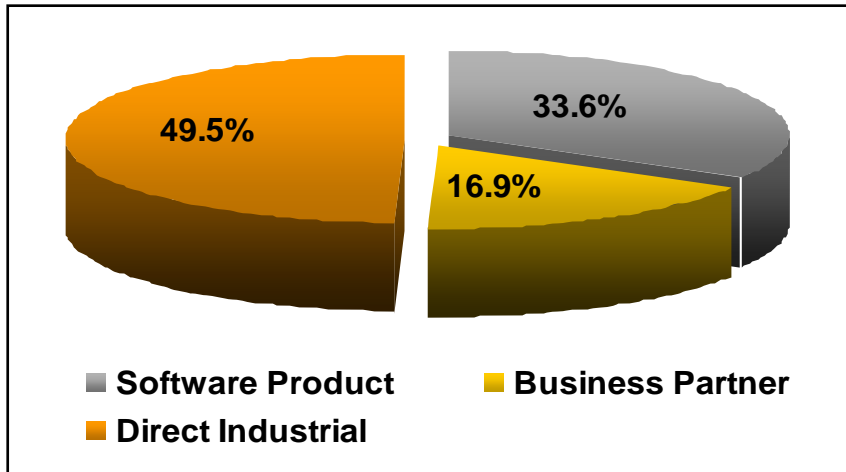


Service Line (%)	Q1 08	Q4 07	Q1 07	FY07
Software	52.8%	52.7%	77.5%	64.2%
Engineering	40.1%	39.3%	8.4%	25.1%
Products	7.1%	8.0%	14.1%	10.7%

- Outsourced Product Development business increased by 9% over Q4. Overall Software segment revenues remained flat. PLM Solutions growth was hampered by delays in contracts – these revenues will come in from the next quarter.
- Products fell short of desired performance, with both Enterprise Products and Desktop Products showing revenue decline over Q4.
- Engineering business remained flat. Modern’s business growth was impacted by program delays in Detroit and long sales cycle in new verticals.



# Customer Profile Performance



Customer Segment (%)	Q1 08	Q4 07	Q1 07	FY07
Software Product	33.6%	29.7%	46.6%	36.8%
Business Partners	16.9%	15.9%	30.1%	22.9%
Direct Industrial	49.5%	54.4%	23.3%	40.3%

- Growth in Outsourced Product Development business contributed to increase in revenue share of Software OEM customers
- Start of projects for two large Direct Industrial customers moved to next quarter
  - Expected recovery in Q2 on strength of strong pipeline and start of delayed projects
- Portfolio with Business Partners almost completely focused on strategic relationships

# Operational Parameters

## Delivery Location Distribution

Revenue* (%)	Q1 08	Q4 07	Q1 07	FY07
Offshore	41.0%	37.6%	58.3%	46.0%
Onsite	54.1%	56.7%	27.6%	45.9%
Offsite	4.9%	5.7%	14.1%	8.2%

## Project Type Distribution

Revenue* (%)	Q1 08	Q4 07	Q1 07	FY07
Time & Material	82.4%	78.8%	95.3%	87.7%
Fixed Price	17.6%	21.2%	4.7%	12.3%

## Utilization

%	Q1 08	Q4 07	Q1 07	FY07
Including Trainees	87.0%	86.0%	91.0%	87%
Excluding Trainees	87.6%	87.2%	92.0%	90%

\* Revenue is operating revenue less product revenues and hardware reimbursements



# Client Parameters

## Client Contribution

Revenue* (%)	Q1 08	FY 07
Top 1	24.9%	28%
Top 5	57.3%	54%
Top 10	70.5%	68%

## Client Acquisition

# of Clients	Q1 08	Q4 07	Q1 07	FY07
New Clients	13	12	8	47

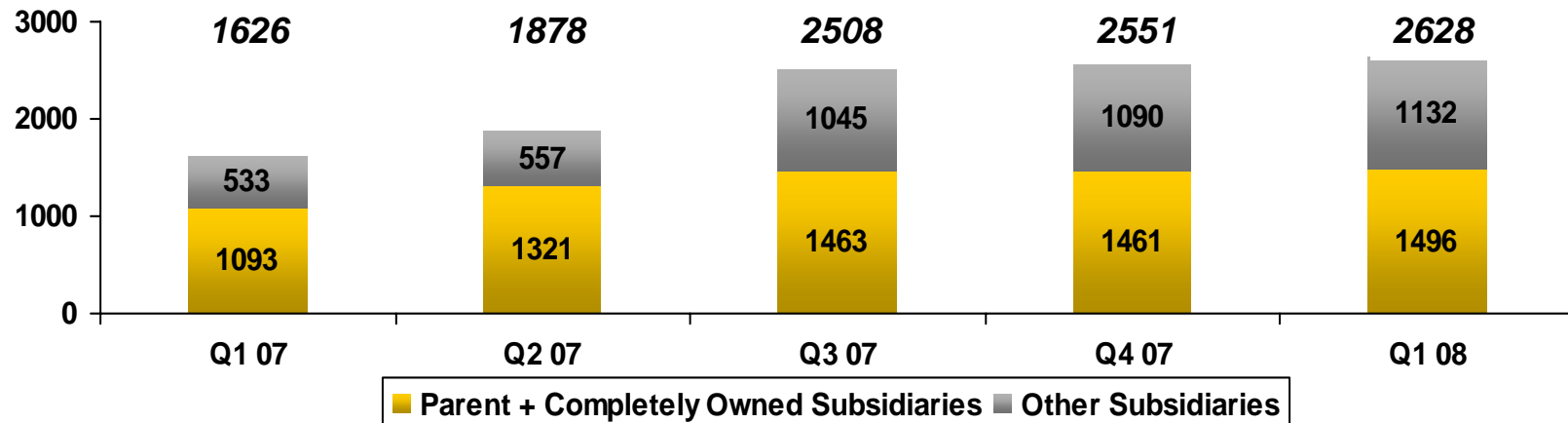
\* Based on operating revenues only



# Human Resources Update Q1 08

# Employee Base

- Total number of permanent employees in Geometric, including subsidiaries, as on 30<sup>th</sup> June 2007 were 2628
- Staff strength of Modern was 505 employees and that of 3D PLM was 612
- 9% of permanent employee base was support staff



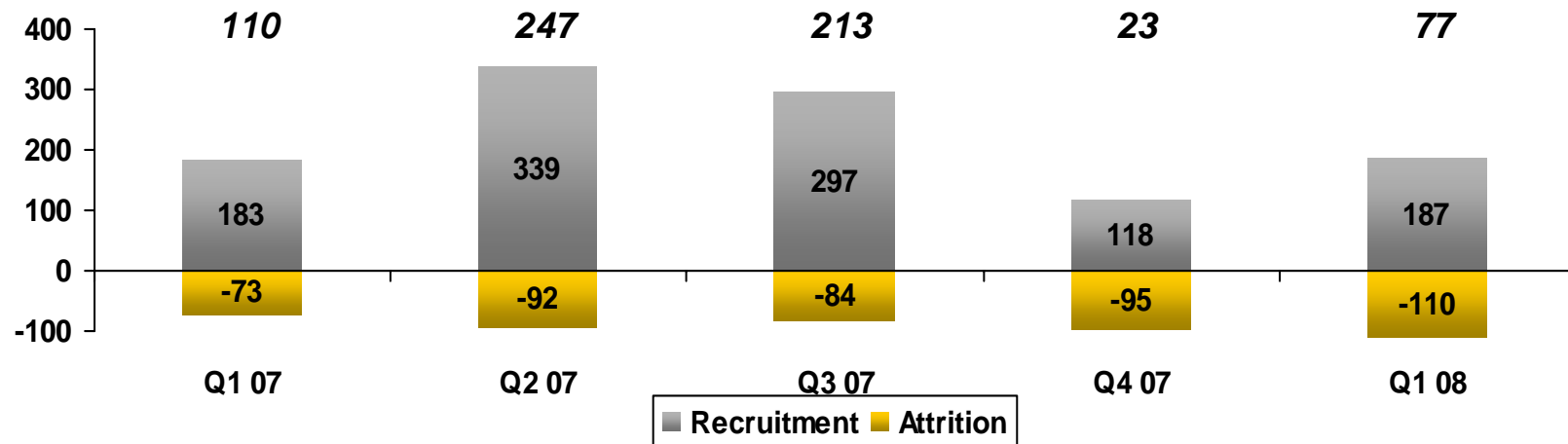
All numbers as of end of period

Other subsidiaries include 3D PLM, TekSoft Inc and Modern Inc and its subsidiaries



# Recruitment And Attrition Analysis

- Total recruitment for the quarter was 187
- Less than 5% recruitment at Manager and above level
- Annualized attrition for the quarter was 19.6% (excluding Modern)
- New batch of freshers is expected to join in Q2 08



All numbers as of end of period

Changes in manpower due to Modern acquisition in Q4 07 is not captured in this chart

