

For immediate release



PRESS RELEASE

Cranes Software's FY2007 consolidated operating revenues up by 35% to Rs. 2,848.5 million and PAT higher by 39% to Rs 871.2 million

FY2007 Diluted EPS at Rs 6.69

Board approves the acquisition of Proland Software and Caravel Info Systems Private Limited.

Announces a regular dividend of 20% and a special dividend of 30%, thereby aggregating to 50% (Rs.1/- per share).

High degree of expertise and experience in Data Analytics and Engineering Simulations space set to drive growth.

Note to the announcement:

This press release discusses the financial performance of Cranes Software International Limited on a consolidated basis. This includes the performance of its fully owned subsidiaries Systat Software Inc., USA; Systat Software GmbH, Germany; Cranes Software International Pte. Ltd, Singapore; EMRC Engineering Mechanics Research (India) Pvt. Ltd., Systat Software Asia Pacific Ltd.; Tilak AutoTech Pvt. Ltd, Analytix Systems Pvt. Ltd, Cranes Software Inc, USA, its subsidiary Dunn Solutions Group; and Cranes Software UK Limited, subsidiary of Systat Software, Inc.

Bangalore, June 28, 2007: Cranes Software International Ltd. (Cranes), a company that provides Data Analytics and Engineering Simulation Software Products and Solutions across the globe, today announced its audited financial results for the year ended March 31, 2007.

Cranes Software Group performance review:

Yearly review:

FY2007 (April – March 2007) v/s FY 2006 (April – March 2006)

Cranes Software International Limited:
Financial results for period ended March 31, 2007

- Operating revenues higher by 35% to Rs. 2,848.5 million compared to Rs. 2,109.8 million.
 - Overseas sales were up 38% to Rs. 2,251.4 million whereas domestic sales were up 21% to Rs. 585.9 million
- Operating profit increased by 28% at Rs. 1,506.1 million from Rs. 1,179.8 million.
- Net profit after tax up 39% to Rs. 871.2 million from Rs. 624.9 million.
- Diluted EPS up at Rs. 6.69 compared to Rs. 5.77

Other Highlights

- Board recommends a regular dividend of 20% and a special dividend of 30%, thereby aggregating to 50% (Rs.1/- per share).
- Strong focus on strengthening presence in Enterprise Data Analytics and Engineering Simulation domains

Commenting on the financial results, **Asif Khader, Managing Director, Cranes Software International Limited**, said:

“Another successful financial year has propelled Cranes to strengthen its position in the Data Analytics and Engineering Simulations domains. Our company posted 35% higher operating revenues and almost 39% higher profit after tax. During the year, we made strategic acquisitions, introduced new versions of our proprietary software products, broadened operations to new geographies, and strengthened our financial position.

Our company is well poised to ride the crest of the rising Analytics wave and the acquisitions concluded in the year under review, including the most recent Caravel Info Systems and Proland Software Solutions are in line with our pursuit to become a preferred global technology partner by providing end-to-end Analytics solutions. In an effort to generate new business as well as retain existing relationships with our clientele, Cranes released new version upgrades - NISA Civil 15, Systat 12, SigmaPlot 10 and InventX Strategic Project Management 4.0, not to speak of numerous initiatives to modularise/verticalise products for specific applications which gives our users enhanced performance, improved user interface and additional features. The acquisition and ongoing enhancement of the IPs acquired from Analytics has also facilitated larger order engagement values with some marquee customers.

Our business initiatives and accomplishments have consistently rewarded our shareholders, and the several accolades we received over the years are an acknowledgement to the same.

We are confidently optimistic about our business and will continue to maximise value for our shareholders by means of both organic initiatives like enhanced features, improved user friendliness, upgrades in technology and inorganic growth through strategic acquisitions of

Technology and IPs to complement and build on our strengths. We are accelerating in the direction of becoming a global giant in the areas of Enterprise Data Analytics and Engineering Simulations.”

Key operating/ financial highlights:

- During FY2007, Cranes increased its global headcount. Additions were made to the product development, and sales & marketing teams. The global Cranes today is 700+ strong.
- Cranes directed efforts towards maintaining a healthy working capital position. Debtors' outstanding position at Rs. 1.068 million at the close of FY2007 compared to Rs 1,055 million at the close of FY2006, resulted in DSO reducing substantially to about 138 days from 183 days at the end of FY2006.
- Cranes' debt / equity ratio maintained at about 1:1; interest coverage was at 19 times during the year.
- Cash and cash equivalents position improved to Rs. 2.809 million at the close of FY 2007. The Company's net operating cash flow was Rs. 1852 million during FY2007.

Key corporate developments during FY 2007:

- New product launches
 - NISA Civil version 15 – includes a host of new features that lay emphasis on requirements of structural engineers focusing on the British and American steel and concrete building construction industry.
 - Linux compatible version of NISA 14.
 - SigmaPlot 10 – is the latest version of the scientific graphing and data analysis package with new features to analyze data, and create exact publication-quality graphs that best present research results for presentation, publication or the web.
 - SYSTAT version 12 – provides users with major graph enhancements, an attractive interface containing many innovative features, and new statistical tools that include mixed model analysis, robust regression procedures, response surface optimization and many new probability distributions.
 - InventX Strategic Project Portfolio Management 4.0 – is the latest version that offers a highly customizable solution which supports end-to-end business planning from strategy to operations in a multi-site project management and product development support environment.
- Acquisitions:

During the course of the year, Cranes successfully acquired Dunn Solutions Group, Tilak AutoTech, Ariel, and Analytix Systems.

These acquisitions not only spark off development of vertical variants to the company's base analytics products but also propel us towards productising solutions.

- Strategic Alliances and Moves:

- Cranes Software entered into an agreement with Engineering Technology Associates (ETA) to distribute and support ETA's DYNAFORM and VPG products across India. As part of this alliance, Cranes will also distribute and support Livermore Software Technology Corporation's (LSTC) LS-DYNA™.

Cranes NISA suite and its expertise in design, development of embedded control modules provides a robust entry point in the design, development, prototyping, testing of new generation of auto components like engine modules, body frames, vehicle suspension and vehicle safety systems. The synergy between Cranes own expertise in the auto field, and the strategic alliance with ETA/LS-DYNA provides Cranes an end-to-end solutions development, computer simulated testing and computer aided product development capability. India is fast emerging as a nodal centre for both passenger car and heavy duty commercial vehicle development, and Cranes is poised to entrench its ties with Indian auto makers as well as overseas auto manufacturers.

- Cranes also signed an MoU with Structural Engineering Research Centre (SERC) to co-develop products for the scientific and engineering community in India.
- Cranes entered into a research and talent grooming initiative with the Statistics Department of the University of Pune as part of its industry – academia partnerships to promote the development of a highly skilled statistical talent pool in India. Pune University has traditionally been strong in mathematics and statistics and there is a growing need for statistics and math expertise in the IT, automotive and electronic engineering industry belt in the region

Cranes aspires to enter into collaborative research initiatives between industry and academia, in the applied statistics and math fields. There is a yawning gap between supply and a growing demand for expertise in the field, that is fast emerging as a key differentiator for India, in the knowledge driven economy.

- Awards:

During the year, Cranes received several accolades for its consistent performance and innovative approach to become a preferred technology partner. Cranes was honoured with the 'United Kingdom Trade and Investment' award as the new market entrant of the year. This award was presented to Cranes to recognize and celebrate exceptional

entrepreneurial and innovative talent while boosting bilateral trade between the two countries.

The Company was also recognized for its business model 'Acquire-Enhance-Expand' as it received the 'Innovation for India' award, an award instituted by Marico Foundation and Business World to showcase the leading innovators among the Indian corporate community.

The Company's business model was also lauded as 'The Value Multiplier Business Model' by Microsoft at the 'India is Innovation summit' in April 2006.

Cranes clearly demonstrated its superior product development capabilities while it added to its list of awards - the 'Association of Consulting Civil Engineers (ACCE) CDC Award 2006' in civil engineering for the best software package, for NISA Civil, an award, instituted by Computer Design Consultants, is given yearly to organizations excelling in the field of civil engineering software, and the 'EFY Readers Choice Award 2006' for design and simulation software.

At the board meeting held on 28th June 2007, the board approved two acquisitions that will help the company grow its competency and revenues in Embedded Design and Data Encryption and Security.

Proland

At a strategic level, this acquisition fits into Cranes' intent to seek significant technology leadership in every element of the analytics value chain.

Proland has over fifteen years of experience in the areas of designing, developing and supporting software products in the data security space with a global customer base. It presently offers anti-virus and anti spam solutions for every platform of importance. Cranes' executes projects that transform data into intelligent business information that support organization decision flows. The entire process of data acquisition, analysis and reporting will result in creation of a comprehensive enterprise analytics platform architecture that warrants high-end data security and encryption systems. Cranes proposes to integrate Proland's security IP and wrap around thereon capabilities within its analytics model and provide end-to-end secure enterprise analytics and engineering simulation systems and products. The Proland expertise will help the company develop the underlying data security protocols that are essential to developing an enterprise level analytics platform

Over the immediate term, Cranes is in a position to leverage its existing marketing and distribution capabilities globally to reach large multinational companies, governments, defence establishments, educational and research institutions to increase the brand's reach.

Proland has a robust e-marketing process set up and coupled with Cranes' sales physical infrastructure, spread over 39 countries, the company can augment its sales traction.

Proland has software development tools and libraries built over a period of fifteen years that provides a cutting edge when it comes to designing and developing systems software products. Towards upgrading the software libraries to enterprise level data security systems, Cranes will integrate its in-house expertise in data encryption methodology.

The product development team at Proland has expertise to track new virus signatures within a few hours after they manifest and develop antidotes within 24 hours and release upgrades. Proland Software has the skills to develop kernel-mode device drivers in all Microsoft platforms. The tool sets and the product suites in anti-virus and spam protection can be significantly enhanced to enterprise level data security and encryption systems.

While the market for desktop anti-virus tools is shrinking from its current level of US \$ 3 bio, the market for enterprise level security system is growing. It is currently estimated at US \$ 6 bio.

Cranes will invest around Rs. 200 million in the acquisition cost and immediate investments to develop enterprise secure data systems.

Caravel Info Systems

Caravel Info Systems (CIS) provides consulting services in the areas of complete embedded product development, hardware design, embedded software design, intranet based applications development, GroupWare application development and customization services. CIS is a complete embedded design services company providing a cost-effective resource for organizations that need to develop technically complex products to stay ahead of competition.

CIS was founded in 1998 and is uniquely positioned by encompassing hardware, embedded software and application software development skills under one roof and has collaborated with manufacturing and testing houses to provide an excellent eco-system to bring their customers products to the market in shortest possible time frame. Caravel Info Systems has in the past successfully developed embedded products and delivered complex customized solutions to various industries which includes information technology, semiconductor intellectual property, semiconductor, space, defence, consumer entertainment electronics, power electronics, instrumentation, computer peripherals, manufacturing, customer care, health care and textiles.

CIS provides specialized consulting and product development in the areas of embedded hardware design, embedded software design; intranet based thin client server applications and groupware applications, etc. Caravel has developed proprietary internal processes and

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mastered the techniques for reengineering the existing legacy / obsolete products of their customers to give them a new life by redesigning them by using latest highly integrated components thus reducing the size, cost of the product and increasing the reliability and performance. This allowed a number of Caravel's customers to continue to offer their legacy products at better price and with enhanced features and performance. Caravel has a suite of IPs that can help reverse engineer outdated designs and reengineer them to better performance standards. These IPs can help in quick recalibrating the designs and integrate quite a lot of logic on to a common platform. Integrated product design, test simulation, quick prototyping, and performance calibrations are the key to re engineering and upgrading existing designs, and this is Caravel's forte. Cranes is currently working on opportunities to build software products with wrap around solutions that can be embedded into existing hardware products of OEMs in various verticals and Caravel provides an avenue to build this expertise.

Headquartered in Bangalore, and with a regional office in North America, Caravel has 65 people in the organization.

Cranes will invest about Rs. 100 million which includes the acquisition cost and immediate investment in a number of growth initiatives of CIS.

-- Ends --

Attached: Results table

About Cranes Software International Limited : www.cranessoftware.com

Cranes Software International Limited is a company that provides Data Analytics and Engineering Simulation Software Products and Solutions across the globe. The Company's business interests span Products, Productised Solutions, Services and R & D in future technologies.

Today, Cranes Software has its presence in 39 countries across the world and has a 350,000 strong global user base. Cranes Software offers a range of proprietary products – NISA, SYSTAT, SigmaPlot, SigmaStat, SigmaScan, TableCurve 2D, TableCurve 3D, PeakFit, XID, XIP, Survey ASYST, iCapella, InventX and world-renowned products from reputed principals such as Engineering Technology Associates, Livermore Software Technology Corporation, The Mathworks, Texas Instruments and IBM.

Certain statements in this release concerning our growth prospects are forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties, including government actions; local political or economic developments; technological risks; risks inherent in the Company's growth strategy; dependence on certain clients; dependence on availability of technical consultants and other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. The

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Company undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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