

**For immediate release**

**PRESS RELEASE**

**Cranes Software's Q1 FY 2007 consolidated revenues expand 35%**

*Net Profit up by 47% at Rs. 190 million*

*Launches ESOP Scheme for a Significant Section of Cranes' Employees*

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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 Inc.'s subsidiary Systat Software UK Limited; NISA Software Inc, USA; Systat Software GmbH, Germany; Cranes Software International Pte. Ltd, Singapore; EMRC Engineering Mechanics Research (India) Pvt. Ltd. and Systat Software Asia Pacific Ltd.

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**Bangalore, July 27, 2006:** Cranes Software International Ltd. (Cranes Software), a global scientific and engineering software solutions provider, today announced its audited results for the quarter ended June 30, 2006.

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

*“Cranes delivered another strong performance in the quarter under review, with continued revenue growth and further expansion in margins. We remain focussed on creating innovation-led opportunities across all our global initiatives. With this perspective, we have launched several new versions and updates of our software portfolio during the quarter. We have announced the introduction of an ESOP plan for select employees. This we believe will further enhance the spirit of entrepreneurship that runs deep at Cranes and instil a feeling of ownership amongst our Employees. All these initiatives, in the short duration of just three months, demonstrate the business momentum of our operations. It is our endeavour to emerge as a preferred technology partner for the global scientific and engineering community.”*

**Cranes Software Group performance review:**

Corresponding quarter performance:

Q1 FY 2007 (April – June 2006) v/s Q1 FY 2006 (April – June 2005)

- Operating revenues increased by 35% to Rs. 637 million compared to Rs. 471.50 million.

- Operating profit improved by 18% at Rs. 335 million compared to Rs. 284.4 million.
- Net profit after tax grew by 47% to Rs. 190million from Rs. 129.6million.

**Key corporate highlights during Q1 FY2007 :**

- New product launches and software upgrades :

During the quarter, Cranes introduced new versions/updates of its suite of software products :

- Cranes enhanced its CAE-focused NISA software suite through several launches aimed at expanding its presence in the global finite element analysis (FEA) domain.
    - o NISA 14 - Cranes launched NISA 14, the new version comes with over 30 new features offering major upgrades in performance, ease-of-use and graphing capabilities.
    - o NISA Civil - Cranes launched a completely enhanced version of the civil engineering package 'NISA Civil' for the international market.
    - o NISA-Linux - Cranes announced the availability of NISA 14 for the Linux Operating System. The NISA-Linux combination enables enterprise users to handle large engineering simulations with ease and cost effectiveness.
  - SigmaPlot 10 - Cranes launched SigmaPlot 10, the latest version of its scientific graphing and data analysis package. SigmaPlot 10 provides researchers new features to confidently analyze data and create exact, publication-quality graphs that best present research results for presentation, publication or the web. Cranes had launched Version 9 of this software in August 2004.
  - SYSTAT 11 Korean - Cranes, together with Phil Science, Inc., introduced the Korean language version of its acclaimed statistical analysis software SYSTAT 11. This new language version reaches users in Korea with a local language graphic user interface and translated technical manuals. The company had launched the Japanese language version of SYSTAT 11 last year.
- Introduction of ESOP plan  
Cranes has introduced its initial employee stock option plan (ESOP 2006 plan) that will cover a large section of employees with the objective of accelerating contribution in the long term corporate goals of the company, improving retention, attracting new talent and motivating/rewarding employees.
  - Developments pertaining to the EMRC acquisition  
Cranes merged the operations of its wholly-owned subsidiary EMRC India with itself effective April 1, 2006. Cranes also announced the completion of the acquisition of EMRC's US operations. EMRC, the developer of NISA suite of products and a pioneer in the field of Computer Aided Engineering (CAE), was previously acquired by Cranes in May 2005 for US\$ 1.5 million. Cranes has now

also completed the acquisition process, enabling the reorganization and restructuring of NISA's business in India to derive optimal benefits.

- Cranes Software achieves India's first ISO 27001:2005 Accreditation

Cranes became the first Indian company and second worldwide to be awarded with the ISO 27001:2005 by DNV under Norwegian accreditation, the ultimate benchmark for information security.

-- Ends --

**Attached: Results table**

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**About Cranes Software International Limited**

Cranes Software is a global scientific & engineering products and solutions provider. The Company's business interests straddle products, services, R&D in future technologies, training and high-end consultancy for engineers and scientist worldwide. Focused on the scientific and engineering community, Cranes Software has addressed the needs of a variety of customer groups ranging from large MNCs to the US armed force for over a decade.

Today, Cranes Software has its presence in 38 countries across the world and has a customer base of more than 350,000. Cranes Software also offers world-renowned solutions from reputed principals such as The MathWorks, Mentor Graphics, Texas Instruments, IBM and Lanner through product alliances.

With a mission statement to provide its customers the best in scientific technology and to enable its customers to define new limits, Cranes Software is setting new standards in the scientific and engineering field.

For further information on the company, its products and services please log on to [www.cranessoftware.com](http://www.cranessoftware.com)

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