



PRESS RELEASE

Helios & Matheson net up 71%

Income up 79%; Operating margin up 54%

Chennai, July 24, 2006

Business and financial highlights

Financial highlights for the quarter ended June 30, 2006

- Net profit increased to Rs. 13.11 crore from Rs.7.66 crore; growth of 71%
- Income was Rs. 88.93 Crore for the first quarter ended June 30, 2006 reflecting a YoY increase of 79%.
- Operating profit was Rs. 18.61 crore, a 54% jump from the corresponding quarter of the previous year.
- Earnings per share (annualized) for the quarter ended June 30, 2006 was Rs. 26.20.
- Cash and cash equivalents as on June 30, 2006 was Rs. 42.42 crore (prior to receipt of FCCB proceeds of USD 20 mn).

Welcoming Mr. S. Jambunathan, IAS (Retd), Director (and former Chairman) BSE, to the Board of our US company, TACT Inc (NASDAQ Capital Market: TACX), V. Ramachandiran, Chairman said, **“He will be a key advisor to the company bringing to the table the critical independence and his rich experience of interacting with business leaders and political executives. We believe that his presence will add to the quality of debate and decision making at the Board.”**

Business highlights

- The Board of TACT Inc. has recommended a name change to **Helios & Matheson North America Inc.** Ticker symbol on NASDAQ Capital Market to be changed accordingly. Name change to be ratified at the Annual Shareholder Meeting on August 22, 2006.
- TACT Inc. has increased the number of directors from seven to nine. 5 nominees from Helios & Matheson for Board majority.

Mr. S Jambunathan, IAS (Retd), Director (and former Chairman) BSE, Divya Ramachandran, Vice President, Helios & Matheson and Kishan Ananthram, Chairman and CEO of IonIdea to join the Board of TACT Inc.



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Daniel L Thomas, CPA, and former audit partner with Corbin & Wertz and Shankar N Ram, President, US Operations of Helios & Matheson joined the Board.

- Placement of Foreign Currency Convertible Bonds (FCCBs) for USD 20 mn. The formalities and listing of the bonds completed on July 7, 2006.

G.K. Muralikrishna, Managing Director said, **“The Board decided in favor of the placement of FCCB in view of the company’s strong, predictable revenue streams and positive outlook for its business. The resounding success of the placement is an endorsement of strong investor interest and confidence in Helios & Matheson. The proceeds will be used to fund our infrastructure development and strategic acquisition plans.”**

Growth plans and business outlook

Guidance for the year ending March 31, 2007

- Income projected to be in the range of Rs. 394.16 crore and Rs. 394.72 crore.
- Net profit after tax projected to be in the range of Rs. 55.57 crore and Rs. 55.65 crore.

About Helios & Matheson Information Technology Limited

Helios & Matheson Information Technology Ltd is a 15-year old IT services organization with its corporate headquarters in Chennai, India and subsidiaries and offices in USA, Singapore and Bangalore. The range of service offerings is one of the most comprehensive in the industry and spans the entire software services lifecycle, from application development and integration to application life cycle management. Helios & Matheson has a strong client focus backed by internationally certified quality processes and a global delivery model. The company’s ability to manage large client relationships, extensive industry specific knowledge and experience, and delivery excellence are some of its important differentiators. For more information visit us at www.heliosmatheson.com.