

## **Helios & Matheson Net Profit up 182%**

*Board recommends 15% dividend and 1:1 bonus issue of shares*

**Chennai, July 25, 2005**

### ***Key announcements***

- The Board has recommended doubling the payout over the last year by maintaining 15% dividend on the shares of the Company.
- The Board of Directors recommended a bonus issue of shares in the ratio of 1:1 (one share for every one share held). The bonus shares will be issued after obtaining shareholder approval at the Annual General Meeting of the Company on September 28, 2005.

The Board of Directors of Helios & Matheson felt the need to restructure the share capital in line with the capital employed in the business. The bonus issue will be made by capitalizing a part of the Company's reserves. The paid-up share capital of the Company would increase from Rs 10 crore to Rs 20 crore consequent to the bonus issue.

The bonus issue will also improve the trading liquidity of the Company's shares and consequently encourage a wider spread of shareholders.

Mr. Muralikrishna, Managing Director, said, **"Helios & Matheson has a strong track record of uninterrupted profitability and dividend distribution since inception. This fiscal too, we believe that we can continue to meet our commitment to our shareholders on an expanded capital base."**

### ***Financial highlights for the quarter ended June 30, 2005***

- Income was Rs. 49.68 crore for the first quarter ended June 30, 2005, a YoY growth of 101% and a sequential growth of 37%.
- Operating profit for the quarter increased to Rs 12.09 crore from Rs 5.85 crore for the corresponding quarter in the previous year, an increase of 107%.
- Net profit after tax was Rs. 7.66 crore vis-à-vis Rs 2.72 crore for Q1 last year – up by 182%.
- Earnings per share (annualized) was Rs 30.62 compared to Rs. 21.75 (annualized) for the corresponding quarter in the previous year.
- Our cash and cash equivalents as on June 30, 2005 was Rs 25.97 crore.

**"We have seen good volume growth last quarter. Our continued investment in sales and marketing has helped us achieve robust growth"** said V Ramachandiran, Chairman.

### **Growth plans and business outlook**

#### ***Guidance for the year ending March 31, 2006***

- Income is expected to be in the range of Rs. 220.02 crore and Rs. 220.82 crore.
- Net profit after tax is expected to be in the range of Rs. 35.1 crore and Rs 35.5 crore.



**Safe Harbor**

This release includes statements that are not historical in nature and that may be characterized as "forward-looking statements," including those related to future financial and operating results, benefits and synergies of the company's brands and strategies, future opportunities and the growth of the healthcare insurance market. You should be aware that Helios & Matheson's actual results could differ materially from those contained in the forward-looking statements, which are based on current expectations of the Helios & Matheson management and are subject to a number of risks and uncertainties, including, but not limited to, Helios & Matheson's ability to integrate acquired operations and employees. These and other factors are described in Helios & Matheson's Annual Report published for the last ended fiscal year. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

**About Helios & Matheson Information Technology Limited**

Helios & Matheson Information Technology Ltd is a 14-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 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](http://www.heliosmatheson.com).