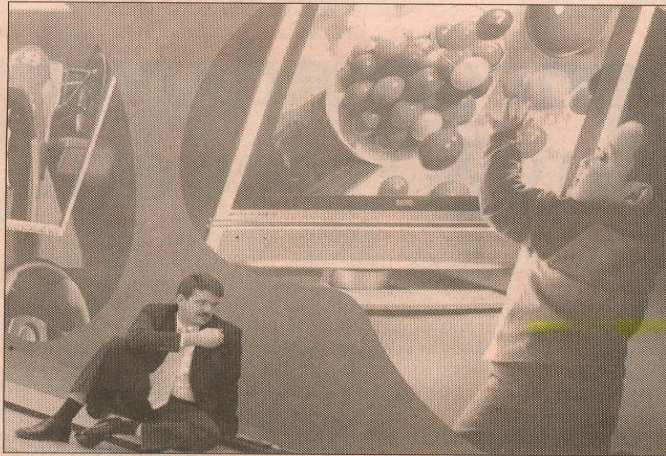


Economic Times
H&M buys US IT firm for \$8.75 m
Date: 04-04-2006 | Edition: Chennai | Page: 7

Helios takes US firm for \$8.75 million



Our Bureau
CHENNAI

HELIOS & Matheson Information Technology, the healthcare focused IT services company, has acquired 43% controlling stake in the pure play US firm, The A Consulting Team, New York, for \$8.75 million in an all-cash deal.

Helios has made the acquisition out of internal accruals and working capital. The deal has an additional earn-out component to the promoter of the US firm, Mr Shmuel BenTov, structured as a percentage of profit achieved over a two-year period ending March 2008. BenTov continues to be a director on board and president & CEO of the company.

A Consulting posted a topline of \$26.4 million in 2005. It has a team of 155 people in New York with a per capita employee revenue of \$200,000. The 23-year-

old US firm, listed on the Nasdaq since 1997, has a strong presence in the healthcare space. Yes Bank was the exclusive strategic and financial advisor to the transaction.

Mr V Ramachandran, chairman, Helios, told reporters on Monday, "we are the first Indian company to acquire controlling stake in a listed US corporation with focus on healthcare space.

Its top three clients accounted for 55% of its revenue.

Besides expanding its value added services in life sciences domain for clinical trial and pharma research, there is scope for offering BPO services".

Helios posted revenue of Rs 159 crore and profit after tax of Rs 26.85 crore in the nine months ending December 31, 2005. It is said to be looking at acquisitions in the US and European markets as part of expansion plans with a revenue target of \$100 million.