



PRESS RELEASE

Helios & Matheson Net Profit up 133%

Revenue to cross Rs 200 crore mark in fiscal 2006

Chennai, April 20, 2005

Business and financial highlights

Financial highlights for the year ended March 31, 2005

- Income for the year ended March 31, 2005 was Rs. 122.12 crore, as compared to Rs 75.54 crore for the previous year, an increase of 61.7%.
- Net profit after tax for the year ended March 31, 2005 was Rs. 18.57 crore vis-à-vis Rs 7.96 crore for FY 04, a YoY growth of 133%.
- Earnings per share (annualized) increased to Rs 18.56 (post the 1:1 bonus issue of shares) as compared to Rs. 15.91 (annualized) for the previous year.
- Our cash and cash equivalents as on March 31, 2005 was Rs 31.23 crore.

Financial highlights for the quarter ended March 31, 2005

- Income was Rs. 36.26 crore for the fourth quarter ended March 31, 2005, an increase of 55.4% over comparable income for the corresponding quarter in the previous year.
- Operating profit for the quarter increased to Rs 10.26 crore from Rs 5.44 crore for the corresponding quarter in the previous year, an increase of 88.7%.
- Net profit after tax for the fourth quarter ended March 31, 2005 was Rs. 5.98 crore.
- Earnings per share (annualized) increased to Rs 23.92 (adjusted for the 1:1 bonus issue of shares distributed on October 30, 2004) compared to Rs. 6.88 (annualized) for the corresponding quarter in the previous year.

“We have seen a year of robust growth. On an expanded capital base (post 1:1 bonus), we have in fact increased our EPS to Rs 18.56 from Rs 15.91 in FY 04 and this stands testimony to our relentless focus on the bottomline,” said

V Ramachandiran, Chairman.

Business highlights

- 4 new clients were added during the quarter
- Net addition of 48 employees for the quarter
- 776 employees as on March 31, 2005



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Key milestones - FY05

- 14 new clients were added during the year
- Issued 1:1 bonus and trading in the bonus shares commenced
- Acquired 2 more companies Maruthi, CA, USA and Jayamaruthi, Chennai, India
- Helios & Matheson shares listed on NSE
- Announced agreement to acquire 3 more companies - vMoksha, USA, vMoksha, Singapore and vMoksha, India

Growth plans and business outlook

Guidance for the quarter ending June 30, 2005 (Q1 FY06)

- Income is expected to be in the range of Rs. 38.21 crore and Rs. 38.47 crore.
- Net profit after tax is expected to be in the range of Rs. 6.38 crore and Rs 6.42 crore.

Annual guidance for FY 2006 will be provided along with our Q1 FY06 results, factoring in latest developments.

G.K. Muralikrishna, Managing Director, Helios & Matheson said, “**Our business strategy focuses on strong organic growth complemented by judicious acquisitions. Our revenue is expected to cross Rs 200 crore in fiscal 2006. We believe we are well on our way to achieve the target of USD 100 mn revenue in the next 24 months.**”

Significant client wins

Helios & Matheson and its subsidiaries added **4 clients** during this quarter.

One of the **leading supply chain management companies** in the US began its relationship with Helios & Matheson this quarter. Helios & Matheson is to partner to provide high impact business and technological solutions.

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. Currently with a team of over 700 people, Helios & Matheson has a strong client focus backed by ISO 9001:2000 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