

Helios & Matheson completes acquisition of 3 vMoksha companies

Chennai, May 11, 2005: Helios & Matheson Information Technology Ltd today announced that it has completed the acquisition of all three vMoksha companies, vMoksha Technologies Inc, USA, vMoksha Technologies Pte Limited, Singapore and vMoksha Technologies Private Limited, Bangalore.

“The acquisition of the 3 vMoksha companies is complete and we are working towards a seamless integration,” said Mr. V. Ramachandiran, Chairman, Helios & Matheson. ***“By this transaction, we are investing cash -19 mn dollars, and therefore it is a big statement about our commitment and seriousness to build scale, capabilities and international presence.”***

The Share Purchase Agreement was signed today by Helios & Matheson and vMoksha’s officials after completion of all procedural formalities. The all-cash deal was closed at USD 19 million and includes earn-out for achieving targeted financial milestones over a two-year period. vMoksha is a business that has 510 employees and global presence with offices in USA, Europe, Singapore and India.

Helios & Matheson earlier signed an agreement in April 2005 with vMoksha to acquire all the three companies. With the completion of the acquisition, all 3 vMoksha entities now become wholly owned subsidiaries of Helios & Matheson. Pawan Kumar, founder of vMoksha and former head of IBM in India, will continue as CEO post acquisition.

“We are looking at an aggressive growth to USD 100 mn revenue in the next 24 months and also at attaining a critical mass of 2000 employees by 2006. We plan to enhance our international competitive position through both organic growth and strategic acquisitions. With the completion of the vMoksha deal, we are well positioned to achieve our strategic goals.” said Mr. G.K. Muralikrishna, Managing Director, Helios & Matheson.

Helios & Matheson had posted a net profit of Rs.18.57 Crore in the year ended March 31, 2005, up 133 % over Rs.7.96 Crore in the previous year. Earnings per share increased to Rs 18.56 on an expanded capital base (post 1:1 bonus issue) as compared to Rs. 15.91 for the previous year.



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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**.

About vMoksha

vMoksha is an IT outsourcing company headquartered in Bangalore, India. Founded in May 2001, the company has operations in US, Canada, Europe and Asia Pacific with offices in San Jose, New Jersey, London, Toronto, Singapore, and development centers in Bangalore, Pune (both in India) and Singapore. The company currently employs over 500 people and is SEI-CMMi Level 5 and BS 7799 certified. VMoksha's growth has been realized through a strong focus on innovative business solutions using technology. Its reliance on a business strategy based on people, processes and technology has led to mutually rewarding, long-term relationships with a number of prestigious customers.