



Helios & Matheson announces agreement to acquire 3 more companies

Deal size USD 19 million; expands European operations

Chennai - April 12, 2005 - Helios & Matheson Information Technology Ltd, the Chennai based IT company, today announced that it has signed an agreement to acquire 100% of vMoksha, subject to standard closing conditions. The transaction will be completed in May 2005. vMoksha is a business that has 510 employees and global presence with offices in USA, Europe, Singapore and India.

vMoksha was founded by Pawan Kumar, former President of IBM Global Services in India. Pawan Kumar has agreed to continue as CEO post acquisition. 'The merger with Helios & Matheson is a perfect fit with our business strategy and our competencies,' said Pawan Kumar, CEO, vMoksha. 'Size is critical for IT services companies and with this marriage, we can rapidly expand our client base and access bigger opportunities, resulting in a win-win situation for all stakeholders.'

The deal was closed at USD 19 million and includes earn-out for achieving targeted financial milestones over a two-year period. Helios & Matheson will acquire 3 vMoksha entities - vMoksha Technologies Inc, USA, vMoksha Technologies Pte Limited, Singapore and vMoksha Technologies Private Limited, Bangalore. PricewaterhouseCoopers (PwC) acted as advisors to the transaction.

vMoksha is SEI-CMMi Level 5 and BS 7799 certified. vMoksha's leadership team includes 8 VPs each with 2 decades' experience in companies like Tata Consultancy Services, IBM and Fujitsu. vMoksha's 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.

'The company has deep client relationships with European majors. Europe is a very important market for us and this transaction reaffirms our commitment to this market by significantly enhancing our local presence,' said GK Muralikrishna, Managing Director, Helios & Matheson.

'I think what has led us till now has not been the race for size, but the race for quality,' said V Ramachandiran, Chairman, Helios & Matheson. 'We are excited at the prospect of Pawan Kumar's contribution in enhancing brand equity and winning the race for quality in a globally competitive business.'

Helios & Matheson, which has an uninterrupted record of profits and dividend distribution since inception, plans for an aggressive growth to USD 100 mn revenue through strong organic growth complemented by a judicious and focused acquisition strategy. The company is also planning to attain a critical mass of 2000 employees by 2006.

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.