

Helios & Matheson earmarks Rs 75 crore for expansion in Tamil Nadu

Plans expansion in Tier II cities like Coimbatore

Chennai, September 28, 2005

Helios & Matheson Information Technology Limited today announced the company's decision to invest Rs 75 crore in additional facilities in line with the company's growth plans.

Announcing the decision, Mr V Ramachandiran, Chairman, Helios & Matheson said today at the 13th AGM of the company, "Tamil Nadu offers excellent infrastructure to match our status as a global player. The Government of Tamil Nadu is extremely co-operative and progressive in its IT initiatives, which has been an important factor in the growth of our operations here."

The company plans to invest approximately Rs 25 crore this year in phase one of the project, which has the potential to grow to 400 people. Helios & Matheson plans to invest another Rs 50 crore in the following 2 years in phase two expansion in Tier II cities like Coimbatore.

"Helios & Matheson is expanding, and we will invest in infrastructure to keep pace with this rapid growth. Coimbatore offers a large talent pool with close to 20 engineering colleges annually producing about 6,000 engineering graduates. We are committed to providing the best facilities for our people and I am sure our campus would prove to be an ideal environment for our employees." said GK Muralikrishna, CEO.

Shareholders of the Helios & Matheson today approved the 1:1 issue of bonus shares at the company's 13th Annual General Meeting. The record date has been fixed as October 29, 2005. The bonus shares will be issued on receipt of requisite statutory approvals.

The shareholders have also approved the proposal to increase the authorized share capital of the company from the present Rs 25 crore to Rs 35 crore. Capital restructuring is a continuous process at Helios & Matheson and the increase in share capital was proposed to align the equity capital in line with the capital employed in the business.



PRESS RELEASE

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 internationally 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.