

Helios & Matheson shareholders to approve 1:1 Bonus

Chennai, September 20, 2005: Shareholders of Helios & Matheson Information Technology Limited are to approve the 1:1 bonus issue of shares at the 13th Annual General Meeting of the Company to be held on September 28, 2005. The record date for the bonus issue will also be fixed at the Annual General Meeting.

The bonus issue will be made by capitalizing a part of the Company's reserves. The paid-up share capital of the Company would increase from Rs 10 crore to Rs 20 crore consequent to the bonus issue.

The Board has also recommended doubling the payout over the last year by maintaining 15% dividend on the shares of the Company.

Mr Muralikrishna, Managing Director, said, **“Helios & Matheson has a strong track record of uninterrupted profitability and dividend distribution since inception. On an expanded capital base (post 1:1 bonus in October 2004), we in fact increased our FY 2005 EPS to Rs 18.58 from Rs 15.91 in FY 2004. This fiscal too, we believe that we can continue to meet our commitment to our shareholders on an expanded capital base.”**

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 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.