

Helios & Matheson Q2 income up 15.5% *Operating margin up 14.3%*

Chennai, October 29, 2007

Helios & Matheson Information Technology Ltd, leading Healthcare focused IT Services Company, today announced the financial results for its second fiscal quarter of 2008 ended September 30.

Business and Financial Highlights

Financial highlights for the quarter ended September 30, 2007

- In dollar terms, Helios & Matheson's revenues grew by 34% and operating profit by 32% YoY.
- Income was Rs. 109.92 crore for the second quarter ended September 30, 2007; an increase of 15.5% over comparable income for the corresponding quarter in the previous year.
- Operating profit stood at Rs. 23.11 crore, up from Rs.20.22 crore in Q2 FY 2007; reflecting a 14.3% increase.
- Net profit increased to Rs. 14.61 crore; 4% growth QoQ.
- Earnings per share (annualised) for the quarter ended September 30, 2007 was Rs. 27.63.
- Cash and cash equivalents as on September 30, 2007 was Rs. 80.2 Crore.

Mr. GK Muralikrishna, CEO, Helios & Matheson said, "The volume growth of 34% is significant. To counter the appreciating rupee, we are exercising 3 levers – offshore leverage, pricing and cost management. With the combination of these 3 levers and a proactive hedging strategy, we are confident of continuing to deliver profitable growth in the coming quarters."

Business highlights

- 35% dividend per share approved and paid for FY 2007.
- Subsidiary, Helios & Matheson North America rings the Closing Bell at Nasdaq to commemorate 10 years' of listing with the exchange.

Mr. V. Ramachandiran, Chairman, Helios & Matheson said, "It's a matter of great pride and a significant milestone for our subsidiary to complete ten successful years of listing in the NASDAQ, which is home to category-defining companies that are leaders across all areas of business."

Human Resources Update:

Helios & Matheson continues to enjoy a very low attrition rate of 11.9%; credit for which goes to a well oiled HRD policy coupled with investment in training and building careers.

Mr. Raman Pai, Global Head - Human Resources, Helios & Matheson said, "We have been able to retain talent in an intensely competitive environment. We believe that this is the result of our endeavor to provide a challenging and entrepreneurial work environment and multiple growth opportunities for all of our people. We continue to focus on scalable recruitment processes to meet with our growing need for global talent."

2007 and beyond: Infrastructure expansion

Our offshore ratio has increased from 33.2% in H1 FY 2007 to 35.3% in H1 FY 2008. Helios & Matheson continues to drive margin expansion through rate and productivity efficiencies and a movement of work off-shore.

- Global delivery centre in New Jersey
- Additional facility in New York
- Competency centre on Great America Parkway, Santa Clara, California
- Global development center in Special Economic Zone, Chennai
- New center of excellence hosting domain experts in the healthcare vertical in International Tech Park, Chennai



PRESS RELEASE

About Helios & Matheson Information Technology Limited

Helios & Matheson Information Technology Ltd is a 16-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.

For more information please contact:

Investor Relations: +91 44 4391 0022
sundar.v@heliosmatheson.com

Media: +91 44 4391 0044
divya@heliosmatheson.com
jhon@gri.co.in (98403 98856)

URL: <http://www.heliosmatheson.com/investors/invest.asp>

PRESS RELEASE



In front of Tower 6, Times Square, New York

Left to Right:

Michael Prude, COO; Murali, Managing Director; Divya, Director on Board; Shmuel BenTov, CEO; Ram, Chairperson; Salvatore Quadrino, CFO



Team Helios & Matheson in Nasdaq Studio