

Helios & Matheson announces ESOP

Chennai – July 21, 2005 - The shareholders of Chennai based Software Services Company Helios & Matheson approved the introduction of an Employee Stock Option Plan (ESOP) in the EGM (Extraordinary General Meeting) held here, on Wednesday, July 20, 2005. The ESOP formalizes the Company's existing corporate culture of employee participation and collaboration.

'Helios & Matheson is on a strong growth traction. Over the course of the next year, we plan to rapidly expand our middle and senior management team, commensurate with the company's growth plans. We believe that the ESOP will help us attract and retain high performing individuals, who will play a key role in taking the company to the next level,' said V Ramachandiran, Chairman, Helios & Matheson.

It was decided in the EGM that the maximum number of shares that can be issued under the scheme, for employees, would be 2% of current equity. The exercise period is 5 years and the exercise price shall be in line with the SEBI guidelines for ESOP.

'Our goal is to reward the people who make us successful by helping them reap the benefits of the company's strong performance. The ESOP conveys a greater stake in our growth to key employees in Helios & Matheson and its subsidiary companies,' said GK Muralikrishna, Managing Director, Helios & Matheson.

Helios & Matheson, which has an uninterrupted record of profits and dividend distribution since inception, plans for an aggressive growth through strong organic growth, complemented by a judicious and focused acquisition strategy. The Board of Directors of Helios & Matheson will meet on Monday, July 25, 2005, to fix the agenda, date, time and venue for the 13th Annual General Meeting, recommend dividend on the equity shares and recommend bonus share issue.

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 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 <http://www.heliosmatheson.com>.