

Other Income boosts Megasoft Q3 Income by 14% to Rs.829 Mn

Total Income	Rs. 829 mn
EBIDTA	Rs. 140 mn
PBT	Rs. 27 mn
PAT	Rs. 22 mn

Financial HIGHLIGHTS for Q3 of 2008:

- o Operational income declines on both Q on Q and Y on Y basis.
- o Nine month revenues have grown by 32% Y on Y. Company has posted consolidated revenues of RS. 2648 mn for the nine months ended 30th Sep 08 as compared to Rs. 1929 mn for the corresponding nine months last year.
- o Considering the current liquidity crunch worldwide and an uncertain economic climate the company is going slow on accepting orders without immediate cash flow and has also reduced its exposure to current customers whose payment schedules are uncertain. This has resulted in significant drop in revenues for the Quarter some of which may accrue back in the next few Quarters along with the cash flows associated with them. The company is also putting in place several cost cutting measures including leasing out unused space etc.
- o The company had added two large customers in telecom during the Quarter and the company bagged 6 new outsourcing deals this Quarter for its Blueally division.
- o The strong US Dollar has helped the company for the current quarter and the company expects this to benefit the company for the next quarter also.

Hyderabad, October 30, 2008: - Megasoft Limited (BSE CODE NO:532408), a transnational Intellectual Property-driven, product-based technology company, has reported a consolidated Income of Rs. 829 mn and PBT of Rs. 27 mn for the quarter ended Sep 30, 2008 as compared to Income of Rs. 728 mn and PBT of Rs. 155 mn in the corresponding quarter last year.

Commenting on the results, Mr. GV Kumar, Managing Director & CEO, Megasoft Ltd., said "There is no doubt that the economic crisis has affected the entire world and growth rate of overall telecom industry. Now we are more focused on our higher end, larger customers and cash flow centric business and are viewing new growth opportunities conservatively. We are prudent on investment for growth while continuing to ensure we are a stable, strong partner for our many customers in this unpredictable environment," he further added.