

Megasoft Q3 Revenues up by 44% Net profits grows by 57%

**Product Revenues for Q3 grows by 87% to Rs.20.51 crores 48% of revenues now from products sales**

### **Financial Highlights**

Consolidated results for the quarter ended September 30, 2006

- o Revenues was Rs. 42.92 crore for the third quarter ended September 30, 2006; YoY growth of 44%
- o Net profit was Rs. 9.62 crore for the quarter ended September 30, 2006; YoY growth of 57%
- o Earnings per share increased to Rs. 2.97 from Rs. 2.41 for the corresponding quarter in the previous year; YoY growth of 23%

Consolidated results for the nine months ended September 30, 2006

- o Revenues was Rs. 116.53 crore for the nine months ended September 30, 2006; YoY growth of 41%
- o Net profit was Rs. 25.19 crore for the nine months ended September 30, 2006; YoY growth of 74%

### **Chennai, November 1, 2006:**

Megasoft Limited (BSE CODE NO:532408), a transnational Intellectual Property-driven, product-based technology company, has reported PAT of Rs. 9.62 crore for the quarter ended September 30, 2006 as compared to Rs. 6.13 crore in the corresponding quarter last year. The revenues grew by 44% to touch a new high of Rs.42.92 crore for the quarter ended September 30, 2006 (Rs.29.76 crore in Q3FY05).

Product revenues for the quarter have grown by 87% to Rs.20.51 crores from Rs. 10.99 crores.

Share of products revenues on total revenues is 48% of Q2FY06 revenue, higher than 37% of revenues in Q2FY05.

Customer acquisition led growth

Megasoft acquired three new telecom clients during the quarter, giving impetus to new customer acquisition led growth strategy of the company

Commenting on the results, Mr. GV Kumar, Managing Director & CEO, Megasoft Ltd., said, "Our focus for organic growth in the product space continues to be strong along with accelerated plans for inorganic growth in the Telecom space. Growth during the quarter is driven mainly by the telecom segment. As on date we are on course to meeting our yearly targeted revenues and bottomline"

R&D team is continuously working on new and innovative products and solutions for the telecom markets and Megasoft continues to invest in creating a strong training and recruitment engine to meet its R&D and growth objectives.