

Megasoft Records a Strong First Quarter; Revenues up by 81%.

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Mumbai, Apr 30, 2007 (ACN Newswire) - Megasoft Limited (BSE CODE NO: 532408), a transnational Intellectual Property-driven, product-based technology company, today announced financial results for the first quarter ending March 31, 2007, with both revenue and net profit exceeding the company's guidance. Megasoft follows the January - December calendar.

- Revenue from Operations was Rs. 650.5 (\$15.09 mn) a growth of 81% over Q1' 06.
- Net Profit rose to Rs. 121.0 mn (\$2.81 mn) a growth of 62% over Q1' 06.
- Operating margins improve by 700 basis points Y-o-Y and 45 basis points Q-0-Q
- Launched Brand "BlueAlly" for its IT and Technology Services Business.
- Launched MyPeers - world's first smart-tagging advertising engine for mobile communications

Other Highlights of Qtr 1 Ended March 31, 2007

- 88% increase in Telecom revenues over corresponding quarter in 2006
- 78% increase in Consulting revenues over corresponding quarter in 2006
- 122% increase in Telecom segment profit over corresponding quarter in 2006
- Telecom Segment margins improved to 53% from 45% for Q1 ;06
- EPS Rs. 2.71 on diluted equity for the quarter.
- Operating Margins improved to 30.81% compared to 23.85% in Q4' 06

"The Company has shown robust performance and significant improvement in operating margins and net profit for the quarter. Post Amalgamation with Visualsoft, The Company has re-positioned its IT Services business as the number one "go-to" company in the Product Life cycle Management (PLM) and ADMS space and has launched a new brand, "BlueAlly". The Company has also reconstituted its Board of directors by inducting Mr. Anil Sood, Mr. Sadagopan and Mr. J Srihari Raju in the Board of Directors. The Company would benefit from their valuable experiences with their long association in the Industry. " said Managing Director & CEO, GV Kumar.

Awards and Recognition

Megasoft won the prestigious HP Business Partner of the Year Award for the EMEA Region.