

Megasoft acquires German company

Chennai, India, July 4, 2005

Megasoft, a trans-national technology company is acquiring a majority stake in a German IT services company -- beam AG – that has sound knowledge of European telecom business. Subject to the necessary statutory clearances, Megasoft plans to take a 60 per cent stake in beam AG through an all-cash transaction.

Announcing this from Germany, G.V. Kumar, CEO and MD, Megasoft, said, "This acquisition is an important step for us in line with our business growth strategy, and will give us the base for the expansion of our operations in Europe. beam's success in the telecom sector makes them an excellent inorganic growth partner and will give us quick entry into the European telecom market."

Rolf Strehle, CEO, beam AG said, "We are very excited about the wide range of solutions and increased capabilities we will get through Megasoft. Especially important for our customers are the XIUS range of unique telecom products as well as Megasoft's high quality captive development center capability."

Founded 1992 in Ulm, Germany, beam AG provides high-quality consulting and project management services for automotive, telecommunication and production industries all over Germany. One of Germany's top telecom companies, Deutsche Telekom is one of its valued customers. beam AG has over 50 customers with more than 20 of them active. In the last fiscal year, beam AG posted a turnover of 1.4 million Euro.

With a team comprising more than 20 domain experts, beam AG has successfully completed many projects across the country.