

Megasoft in News

Megasoft docks 73% rise in Q3 net

Revenues up YOY by 79% to 76.81 crores, Product revenues grow by 100% to 39.75 crores
Acquisition of bcgi strengthens Megasoft as a products company

Financial Highlights

Consolidated results for the quarter ended September 30, 2007

- Net profit was 16.29 crores for the quarter; a 73% growth over last year
- Operating profits stood at Rs. 19.36 Crores for the Quarter - YoY growth of 131%
- Revenue for quarter stood at 76.81 crores for the third quarter ended September 30, 2007; YoY growth of 79%

Hyderabad, October 18, 2007: Megasoft Limited (BSE CODE NO:532408 and NSE CODE NO:MEGASOFT), a transnational Intellectual Property-driven, product-based technology company, today announced financial results for the third quarter ending September 30, 2007, with a 73 % jump in its Y-on-Y profits for the quarter.

Megasoft acquired NASDAQ listed bcgi during the quarter, giving its telecom business a great momentum and access to tier 1 operators.

XIUS, its telecom division, appointed Alejandro Pacheco as Director Sales for the Latin American region and Parvis Ansary as VP Sales for the Middle East and Africa regions. XIUS also launched the world's first billing solution on the latest Oracle Enterprise Linux 4 to enable lower costs and superior uninterrupted services to operators.

Telecom revenues for the quarter have grown by 73% to 39.75 crores from 23.03 crores last year.

BlueAlly, the new SBU focusing on Product Lifecycle Management (PLM) has built a strong pipeline of orders in the American market.

Commenting on the results, Mr. GV Kumar, Managing Director & CEO, Megasoft Ltd., said, "Our performance in the quarter reflects the rapid transformation of our telecom products business into a hosted ASP model, with more than 65% of revenues now coming from long term contracts with predictable revenue streams. We are into a strategic restructuring process within the company, which will enable us to target our focus markets even better in the coming quarters, thus delivering better value for all stakeholders.

"Even though Megasoft has consistently demonstrated strong performance, we believe that the stock is undervalued. With firm contracts in the bag and a strong pipeline, we remain upbeat about our accelerated revenue & profit growth and believe that the strong financial results in this and the expected robust performance in the coming quarters should result in a positive re-rating" added Mr. Kumar.