

Megasoft's net profit jumps by 100%, EPS grows 25% to Rs. 2.48

### Chennai, April 26, 2006

- o Revenue grows by 37% y-o-y to Rs 36 crore
- o Net profit grows by 100% y-o-y to Rs. 7.46 crore
- o Telecom revenues grow by more than 113%
- o Successfully concludes mega-deal with Xero Mobile

Megasoft Ltd. (BSE CODE NO:532408), a transnational Intellectual Property-driven, product-based technology company, announced its results for the quarter ended March 31, 2006. For the first quarter of the financial year 2006 (Q1FY06), Megasofts' revenue was Rs. 35.89 crore and its net profit after tax was Rs. 7.46 crore. Revenue has grown by 37% over Q1FY05, the corresponding quarter of the previous financial year and by 9.42% sequentially over Q4FY05. Net profit growth was 100% over Q1FY05 and 32.5 % over Q4FY05. Earning per share has grown to Rs.2.48, a 25% increase over Rs. 1.98 in the previous quarter.

The telecom segment revenues have grown by more than 113% over Q1FY05, from Rs.5.91 crores to Rs.12.58 crores. On a sequential basis, the Telecom revenues have grown from Rs.11.10 crores to Rs. 12.58 crores, a growth of 13.33%.

Share of telecom vertical, XIUS, was 35% of Q1FY06 revenue, marginally higher than 33.8% of revenues in Q4FY05. Revenues from Life Science vertical Afferenz, stood at 9 % in Q1FY06 compared to 7.4 % in Q4FY05.

XIUS, the telecom division of Megasoft Ltd. had recently signed a multi-million multi-year contract with Xero Mobile, a revolutionary advertising funded pre-pay mobile phone operator to power the launch and delivery of its mobile phone service in the United States. Megasoft will be responsible for providing a customized and turn-key management of an end-to-end network agnostic VOISE platform for enabling Xero's mobile launch and would also include supply of several other professional services as the project moves forward.

Commenting on the performance of the company, Mr GV Kumar, MD & CEO, Megasoft Ltd. said, "Last year we had set an ambitious target of achieving 100 per cent growth of our company. I am delighted to say that we have achieved this goal."

"Our results reflect a robust growth in the verticals that we are operating in, and are demonstrative of the comprehensive and innovative strategies that we put in place for each business objectives. We expect to maintain the same pace of growth in our target verticals." he added.

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