

5th successful M & A transition by Helios & Matheson

Chennai, April 15, 2008: Helios & Matheson has successfully completed the transition in the acquisition of TACT Inc (now known as Helios & Matheson North America Inc. - NASDAQ capital market: HMNA). In March 2006 the company acquired 43% controlling stake in TACT for an all cash deal of USD 8.75mn.

The payment mechanism provided for a deferred payout component for protecting and transitioning the inherent value of goodwill and other intangibles of the company. This was subject to the continuation of the founder & seller Mr. Shmuel BenTov as the president & CEO for a period of 2 years till March 31, 2008.

On March 31, 2008 Shmuel BenTov retired after 25 years of service in the company and completing his 2 year contract as per the SPA. On his retirement the final installment was paid as per the SPA.

The documents in Escrow have been received by Helios & Matheson.

The total investment in equity of Helios & Matheson North America Inc. stands at 53.59% as on date (total cash investment – USD 11.2 mn)

Earlier Helios & Matheson had completed acquisitions of Laxmi group Inc.CA, USA and System Logic solutions ltd, Bangalore in 2001 and Maruthi consulting Inc. CA, USA & Jayamaruthi software systems ltd, Chennai, in 2004.

The acquisition of vMoksha in 2005 is pending judgment before the Arbitral Tribunal presided by Hon'ble Justice Mr. K. Venkataswami, Judge, Supreme Court of India (Retd.).The written arguments have been filed and the arbitral proceedings are complete. Helios & Matheson is hopeful of receiving a favorable award from the Tribunal shortly.

Thanking you

Yours faithfully,

For Helios & Matheson Information Technology Ltd.,



(K.M. Kumar)
Company Secretary