



Helios and Matheson US listed subsidiary expects to report 108% increase in profits, (\$422,000 profit for FY 2012- Preliminary Unaudited Results)

NEW YORK, New York, January 25, 2013 — Helios and Matheson Information Technology Inc (NASDAQ:HMNY or the “Company”), a 30 year old IT services organization focused on banking, financial services, insurance, automotive and healthcare sectors, is providing the following preliminary (unaudited) information regarding the results of its operations for the fourth quarter of the year ended December 31, 2012:

For 2012, the Company expects to report a profit of \$422,000 or \$0.18 per diluted share as compared to \$203,000 or \$0.09 per diluted share for 2011. This represents a 108% increase in profits. The Company expects to close 2012 with profits for each quarter during the year ended December 31, 2012.

The Company expects to end 2012 with cash of approximately \$2.9 million, up from \$2 million at the onset of the year. The Company is debt free. The Company expects to end 2012 with a strong balance sheet, with current assets and security deposits at about \$5.3 million.

The table below represents a summary of the consolidated statements of Operations for the periods indicated:

(In 000s except per share amounts)	Three Months Ended			Twelve Months Ended	
	12/31/12	12/31/11	09/30/12	12/31/12	12/31/11
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	\$ 3,325	\$ 2,830	\$ 3,404	\$ 12,369	\$ 12,204
Gross Profit	\$ 695	\$ 731	\$ 750	\$ 2,787	\$ 2,526
Income from operations	\$ 156	\$ 236	\$ 146	\$ 506	\$ 211
Net Income	\$ 164	\$ 239	\$ 143	\$ 422	\$ 203
EPS per basic share	\$ 0.07	\$ 0.10	\$ 0.06	\$ 0.18	\$ 0.09
EPS per diluted share	\$ 0.07	\$ 0.10	\$ 0.06	\$ 0.18	\$ 0.09

Helios and Matheson expects to report net earnings of \$164,000 or \$0.07 per diluted share for the fourth quarter compared to \$143,000 or \$0.06 per diluted share for the third quarter in 2012. The Company expects to report revenue of \$3.3 million for the fourth quarter, as compared to third quarter revenue of \$3.4 million.

The Company expects that gross margin will be stable in the range of 21-22% for the

fourth quarter of 2012. Selling, general and administrative costs are expected to be \$540,000 in the fourth quarter, which would be a decrease of 11% from the previous quarter level in 2012 and an increase of 9% from the fourth quarter of 2011, as a result of the Company's ongoing cost management efforts.

About Helios and Matheson Information Technology Inc

Helios and Matheson Information Technology Inc is a 30 year old IT services organization focused on the banking, financial services, insurance, automotive and healthcare sectors. Its common stock is traded on the Nasdaq Global Market under the ticker symbol "HMNY".

Forward Looking Statements

This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding our expected future financial position, results of operations, cash flows, financing plans, business strategy, products and services, competitive positions, growth opportunities, plans and objectives of management for future operations, as well as statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," and other similar expressions are forward-looking statements. All forward-looking statements involve risks, uncertainties and contingencies, many of which are beyond our control, which may cause actual results, performance, or achievements to differ materially from anticipated results, performance, or achievements. Factors that may cause actual results to differ materially from those in the forward-looking statements include those set forth in the Helios and Matheson Information Technology Inc. Annual Report on Form 10-K for the year ended December 31, 2011 and more recent reports and registration statements filed with the SEC. Helios and Matheson Information Technology Inc. is under no obligation (and expressly disclaims any such obligation) to update or alter such forward-looking statements, whether as a result of new information, future events or otherwise.