

MEGASOFT LIMITED



Company Background

Megasoft is an IP-driven technology solutions company. Megasoft provides IT services and solutions in the telecom and life sciences domains. The company provides solutions that assist in reducing the software development cycles which resulted in direct productivity and time-to-market benefits to customers. The IP-driven technology solutions approach enables Megasoft to consistently provide these benefits to the customers.

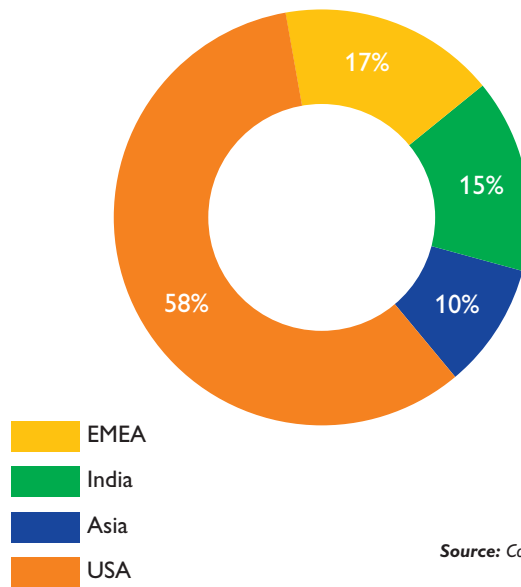
Megasoft's software engineering processes have ISO 9001 certifications and are also assessed at SEI CMM level 4. The company has operations in nine countries worldwide including its development centers in India and China.

Megasoft leverages on its domain expertise to provide technology-enabled solutions to its clients. In telecom space, XIUS is one of the major telecom brands of Megasoft. This enables mobile operators to authenticate, authorize and charge subscribers on a real time basis. Megasoft offers innovative products and solutions in the life sciences. Afferenz and Acceliant, are Megasoft's fast-growing life sciences solutions that caters to the specialised needs of the pharma industry.

The company is listed on the Bombay Stock Exchange and the National Stock Exchange. In 2005, and posted consolidated revenues of EUR 21 million. The company had 437 employees as on 31 December 2005.

During Q2 2006, Megasoft registered growth of 74 per cent in the revenues.

Megasoft Limited Revenue Break-up by Geography: 2005



Source: Company Website

Megasoft Limited in the EU

Megasoft has witnessed growth in the EU by establishing its subsidiaries in the region. The company's acquisitions in the EU have facilitated its expansion in the region.

Megasoft has been actively providing services to various clients in the EU in the telecom domain. The company has acquired major orders from various clients that are slated to be fulfilled in the next three to five years. Recently, Megasoft has been selected by Sonetel to develop a distributed SoftPBX solution. This solution would be developed by Megasoft's XIUS division, which provides expert services in the telecom domain. XIUS has recently acquired another deal to deploy XERO Mobile's

telecom platform VOISE (Virtual Operator Integrated Services Engine). The deal is worth EUR 18 million and is to be executed in three years.

Megasoft Limited in Germany

Beam AG

Megasoft Ltd. acquired a 64-per cent stake in Beam AG, Germany which provides a wide range of services that include high-quality consulting and project management services for various industries such as automotive, telecommunications and manufacturing. In FY 2004, the company had consolidated revenues of EUR 1.4 million.

Megasoft Consultant GmbH

Megasoft Consultant GmbH is Megasoft Ltd.'s subsidiary in Germany. It offers services such as process improvement planning, defining new processes, training and metrics analysis. The company's consulting division has benefitted from the recent acquisition of Beam AG. This acquisition has also provided it with a robust sales and marketing network.

Megasoft Limited in the UK

Megasoft Consultants Ltd is Megasoft Ltd.'s subsidiary in the UK. It provides consulting services to its clients in areas such as process improvement planning, gap analysis, metrics analysis, verification and final assessment.

Megasoft Limited in the Netherlands

Megasoft Consultants BV is a subsidiary of Megasoft Ltd (India) in the Netherlands. The company provides specialised process consulting services to its clients in the region.

Factors for Success

Leader in the Telecom Domain

Megasoft is among the leading companies in the world that provide advanced technological solutions in the telecom domain. This domain has

been witnessing high growth, resulting in the increasing requirement of innovative solutions. Approximately 30 per cent of Megasoft's revenues are generated from the niche services that it provides to the telecom industry.

Focus on Research and Development

Megasoft's business model is based on providing intellectual property-driven technology solutions. It invests a substantial share of its revenues on R&D, which has resulted in increasing its market share. The company has a skilled workforce to work on its R&D projects, which has facilitated it in launching cutting-edge technologies and applications. The company has also been able to cater to the growing demand of various industry segments.

Future Plans

Megasoft has identified the telecom domain as its future growth driver. The company has plans to aggressively market its VOISE solution across the EU, especially to the telecom service providers in Germany, the UK, France, Italy, etc. The company also plans to tap the potential being generated in the industry because of the outsourcing requirements.

The company is also planning to increase its focus on the life sciences domain, primarily on Electronic Data Capture (EDC) applications (required in clinical research). With an enhanced understanding of customer needs, Megasoft is focussing on tapping the increasing market requirement for EDC applications in the pharmaceutical industry, especially in the EU and the US.

Megasoft Ltd. generates approximately 60 per cent of its revenues from its consulting division. The company has plans to increase its geographic presence and provide quality consulting services to its clients.

www.megasoft.com