

Press Release

Accel Transmatic Ltd. – Annual Performance for the Financial Year ending March 31, 2007

Accel Transmatic Ltd. closes FY 2006-07 with a Total Income of Rs. 41.78 Crores and Profit after Tax of Rs. 4.31 Crores.

The Company proposes to expand its Animation Division with new facilities in KINFRA-Film & Video Park, Thiruvananthapuram.

Chennai, May 29, 2007:

Accel Transmatic Ltd. (ATL) announced its audited consolidated financial results taken on record by the Board of Directors for the financial year ended March 31, 2007.

For the financial year ended March 31, 2007, ATL has posted a Net Turnover of Rs. 35.03 Crores and Profit Before Tax of Rs. 3.13 Crores up from Rs. 29.35 Crores and Rs. 2.57 Crores respectively for the previous year. On account of extra-ordinary items, the Company declared a Total Income of Rs. 41.78 Crore and Profit After Tax of Rs. 4.31 Crores. Considering the encouraging financial performance, the Board has decided to maintain the dividend at 6 % conserving the resources for future use.

Key Highlights:

There has been a smart turn around in the performance of all the Business Units.

The newly launched Animation Division had a brisk start with three customer wins within the first six months & Co-Production agreement signed with 2 North American Media companies.

The company has unveiled ambitious plans for expansion in the Animation Division including setting up of a Motion Capture Studio for the first time in India in the Kinfra Film and Video Park in Thiruvananthapuram by September 2007.

The Transmatic Systems Division's new initiative to design and manufacture automated utility payment kiosks and ticket vending systems, has been well received. Major orders coming in from the Banking and Government segment.

The embedded software division (Ushus Technologies) doubled its export turnover during the year with 2 new client acquisitions in Japan.

The company launched a wholly owned subsidiary in California, USA in Jan 2007 to market its services.

The Training Division was hived off as a wholly owned subsidiary effective 31 March 2007 to leverage the opportunities in the fast growing Training market.

Annual Performance for FY 2006-07

Announcing the audited financial results for the year, **Mr. N. R. Panicker, Chairman of Accel Transmatic said**, "In FY 07, the company undertook new initiatives that has created a robust foundation for the company to grow from strength to strength in the coming years. The year has also been financially successful with growth in both revenue and profits. New clients with good revenue potential have been added during the year. We strongly believe that the momentum could be maintained in the next few years, which will enable us to achieve our growth targets.

Mr. T. Ravindran, President of Transmatic Systems Division said: "During the Year we launched three products for the Government, Utility and Banking Industry segments. All the products have been well received. We remain confident of the overall business prospects and our recent wins will help us to continue to grow in the subsequent quarters".

Mr. S. Muralidharan, CTO of Accel Animation Studios said, "We have received very good appreciation from the international market for *South India Fables*, our Thirukural based animated serials, being distributed worldwide by LongTale Inc. Los Angeles. We are also working on a few projects currently with "Kahani World" of Canada. Along with these tie-ups we have also in the process of setting up India's first Motion Capture Studio in KINFRA Film & Video Park, Thiruvananthapuram. We are confident that our multi-pronged strategy of working on IP based and Service based models in 3D Animation, VFX and Gaming will enable us to become a leading player in the Animation Industry."

Consolidated performance summary (audited) for year ended March 31, 2007.
Rs. in Lacs (except percentages)

Parameters	Rupees Lacs (except percentages)			
	31-Mar-07 (Q-IV: 2006-07)	31-Mar-06 (Q-IV: 2005-06)	31-Mar-07 (Annual: 2006-07)	31-Mar-06 (Annual: 2005-08)
Revenues	1754.23	987.67	4210.44	3010.09
Cost of Revenues	336.3	329.25	926.48	845.59
Gross Profit	1417.93	658.42	3283.96	2164.5
Gross Profit %	80.83	66.66	78.00	71.91
Staff Costs	323.01	241.33	989.14	792.43
Operating Expenses	818.48	302.49	1535.81	900.69
Earnings before interest and depreciation (EBITDA)	276.44	114.6	759.01	471.38
EBITDA %	15.76	13.95	18.25	16.33
Interest including finance charges	42.68	30.86	131.93	138.87
Depreciation	41.09	48.07	139.62	135.36
Operating profit / (Loss)	192.67	35.67	487.46	197.15
Operating profit / (Loss) %	10.98	3.61	11.58	6.55
Other Income	11.9	10.01	17.04	23.68
Profit Before tax	204.57	45.68	504.5	220.83
Provision for taxation	64.39	(3.98)	85.85	15.2
Net Profit after tax	140.18	49.66	418.65	205.63
Net Profit after tax%	7.99	5.03	9.94	6.83

About Accel Transmatic Limited

Accel Transmatic Ltd., formerly known as Transmatic Systems Ltd., was formed in 2004 through a strategic merger of Transmatic Systems Ltd., Accel Software & Technologies Ltd. and Ushus Technologies Pvt. Ltd.

The company operates through three business divisions namely Transmatic Systems, Ushus Technologies and Accel Animation Studios.

Transmatic Systems Division is engaged in the design and manufacturing of Automated Payment Collection Systems, Q-Management Systems and Multi-Function Kiosks. Its products are being used by leading utility companies and Banks. Recently the ticket-vending kiosk developed by Transmatic Systems has been selected by CRIS (Indian Railways) for implementing smart card based ticket vending systems.

Ushus Technologies Division is engaged in Outsourced Software Product Development Services in Imaging, Multimedia, Networking and Embedded Systems.

Accel Animation Studios, a new division created by the company to address the fast growing market segment of 3D Animation, VFX and Gaming, has its studio in Chennai and is in the process of setting up India's first Motion Capture Studio at the Kinfra Film and Video Park in Thiruvananthapuram.

The company has its subsidiary companies in Tokyo, Japan and San Jose, California USA. A significant all India presence with offices in 10 strategic locations enables better market reach and customer service.

The company has a wholly owned subsidiary Accel Academy Limited, engaged in Career Development Programs in Networking, Embedded Systems and Animation Technologies.

To learn more about Accel Transmatic Ltd. please visit www.acceltransmatic.com or email info@acceltransmatic.com or contact

S. T. Prabhu Company Secretary Accel Transmatic Ltd. Ph: 98400-68582 email: stprabhu@accel-india.com	Twinkle Xavier 20:20 MEDIA Ph: 9884480115 email: twinkle@2020india.com
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