ACCEL FRONTLINE
GLOBAL IT SERVICES

CAC Corporation

Joint Press Release

CAC Corporation, Japan to acquire 51% ownership of Accel Frontline Limited

Promoters of Accel Frontline and CAC to grow the Company as a Joint Venture

Tokyo, Japan; Chennai, India, 9th December, 2013

CAC Corporation, Japan ("CAC") [TSE: 4725] and the current promoters of Accel Frontline Limited have announced that they have signed definitive agreements today to induct CAC as a strategic partner in Accel Frontline Limited ("AFL" or "the Company) [NSE: AFL, BSE: 532774].

Under the terms of the agreements, CAC will acquire a minimum of 51% equity shareholding in AFL through purchase of equity shares from the promoters,, subscription of new equity shares of the Company and purchase of equity shares from public shareholders by the mandatory open offer for up to 26% of the Company's fully-diluted equity capital at a price of Rs 45 per equity share.

The Company will be run as a Joint Venture between CAC and the current promoters of AFL who will continue to be significant owners of the Company. Mr. N.R.Panicker will remain as the Executive Chairman of the Company.

As a part of the growth plans for AFL, CAC will invest in fresh equity in the Company to expand its capital base. In addition, both CAC and the current promoters of AFL will provide long-term soft loans to the Company to enhance AFL's long-term working capital.

The transaction is subject to statutory approvals from regulatory authorities in Japan and India.

CAC Corporation was established in 1966 as Japan's first independent software development company. Over the last 47 years, CAC has expanded to provide a wide range of services supporting IT utilization and the integration of IT and business processes. CAC specializes in providing services to the banking, healthcare and manufacturing sectors. It has long-standing service relationships with a variety of leading Japanese companies. CAC has regional offices in China, USA, UK, and India. CAC is an independent company and is listed on the Tokyo Stock Exchange.

Accel Frontline founded in1991 as Accel Automation, is a leading provider of Integrated IT services to small, medium and large enterprises. The Company has over 3,000 employees across 7 countries and offers Engineering and R&D services, Outsourced Product Development, IT Infrastructure Management, Managed Services and Enterprise Applications for the Banking, Telecom and Manufacturing sectors. Accel Frontline operates in over 100 locations in India. It has subsidiaries in USA, UAE, Singapore and Japan.

The formation of the Joint Venture partnership is expected to provide major opportunities to both partners. While CAC will gain an immediate platform in the fast growing Indian IT services market, Accel Frontline will be able to access CAC's relationships in Japan to provide IT services with India as a service hub. Also, Accel Frontline will now be able to keenly bid for providing IT infrastructure services for the major industrial corridors being built in India by leading Japanese companies.

CAC Corporation was advised by Meghraj Capital Advisors, India and Mizuho Securities, Japan as financial advisors, by Desai & Chinoy, India and Momo-o, Matsuo & Namba, Japan as legal advisors, and by SK Parekh as accounting & tax advisors for the transaction. Accel Group was advised by SRS Associates as legal advisors for the transaction.

Commenting on the development, **Mr. Akihiko Sako, President and CEO of CAC Corporation** said "We at CAC Corporation are excited about this Joint Venture with the Promoters of Accel Frontline Limited, which is a leading name in the IT services business in India, with an established presence in overseas markets such as USA, Japan, the UAE and Singapore. CAC Corporation is one of the oldest software development companies in Japan started way back in 1966. As part of our globalization plan, we are looking at India, not only as a market, but also as an outsourcing destination for software, which can help our customers in different parts of the world. So this JV partnership will achieve the twin objectives of serving our Japanese clients operating in India and leveraging Accel's capability for software development services to serve our global customers."

Commenting on the development, **Mr. N. R. Panicker, Chairman of Accel Frontline Limited** said "This is an important milestone for Accel Frontline coming two years after the promoters had bought back a controlling stake in the company from British Telecom in August, 2011. We have been looking at various avenues to grow our international business more rapidly. The Joint Venture with CAC Corporation will help us to achieve this goal. CAC Corporation's prominent presence in Japan and their client base in USA, the UK and other countries will give us cross-selling opportunities with our service offerings."

About CAC Corporation, Tokyo, Japan

CAC Corporation (http://www.cac.co.jp/english/e_index.html) provides information technology (IT) services worldwide. The company offers systems consultation, integration, development, operation, and maintenance services; and business process outsourcing, data center, help desk, call center, information processing, application operation, and security services. It provides financial information systems primarily for banks, trusts, securities businesses, and insurance companies; research and development, production, sale, distribution, personnel, and accounting solutions for pharmaceuticals; and total supply chain management solutions for the food services industry.

In addition, the company offers IT solutions such as value chain management encompassing design, procurement, manufacture, sales, and distribution; corporate management, including personnel and accounting; and information management, through an enterprise information portal. Further, it provides enterprise solutions, data warehouse and business intelligence services, application development and maintenance, and independent verification and validation services. CAC Corporation was founded in 1966. It is headquartered in Tokyo, Japan. CAC Corporation employs about 2,100 professionals. It has offices in Japan, USA, the UK, China and India. CAC Corporation is listed on the Tokyo Stock Exchange.

For further information, please contact: Mr. Malcolm F. Mehta at malcolmf@zipangu.cac.co.jp Ph: +919821331326

About Accel Frontline Limited, Chennai, India

Accel Frontline Limited (http://www.accelfrontline.in/) was started as Accel Limited in 1991 by Mr. Panicker, a first generation entrepreneur. Over the years, the company has evolved from a computer maintenance company to a full-fledged IT services company offering services in IT Infrastructure management, Software Services, Warranty Management, Product Engineering and R&D services. The company had its initial public offering in 2006. It is currently listed on NSE and BSE. The company was a subsidiary of Frontline Technologies, Singapore and then British Telecom till 2011. The founding promoters of Accel Frontline had then acquired back the entire stake held by British Telecom in 2011 to pursue global IT services opportunities. The company has offices in India, the UAE, Singapore, the UK and USA. It has software development centers located in Thiruvananthapuram, Kochi, Chennai and Noida.

For further information, please contact: Mr.K.Venkatesh, k.venkatesh@accelfrontline.com Ph: 044-42252000