

HCL TECHNOLOGIES

INVESTOR PRESENTATION | FIRST QUARTER FY'16



SAFE HARBOR STATEMENT

Certain statements in this release are forward-looking statements, which involve a number of risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those in such forward-looking statements. All statements, other than statements of historical fact are statements that could be deemed forward looking statements, including but not limited to the statements containing the words 'planned', 'expects', 'believes', 'strategy', 'opportunity', 'anticipates', 'hopes' or other similar words. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding impact of pending regulatory proceedings, fluctuations in earnings, our ability to manage growth, intense competition in IT services, Business Process Outsourcing and consulting services including those factors which may affect our cost advantage, wage increases in India, customer acceptances of our services, products and fee structures, our ability to attract and retain highly skilled professionals, our ability to integrate acquired assets in a cost effective and timely manner, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, the success of our brand development efforts, liability for damages on our service contracts, the success of the companies / entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property, other risks, uncertainties and general economic conditions affecting our industry. There can be no assurance that the forward looking statements made herein will prove to be accurate, and issuance of such forward looking statements should not be regarded as a representation by the Company, or any other person, that the objective and plans of the Company will be achieved. All forward looking statements made herein are based on information presently available to the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

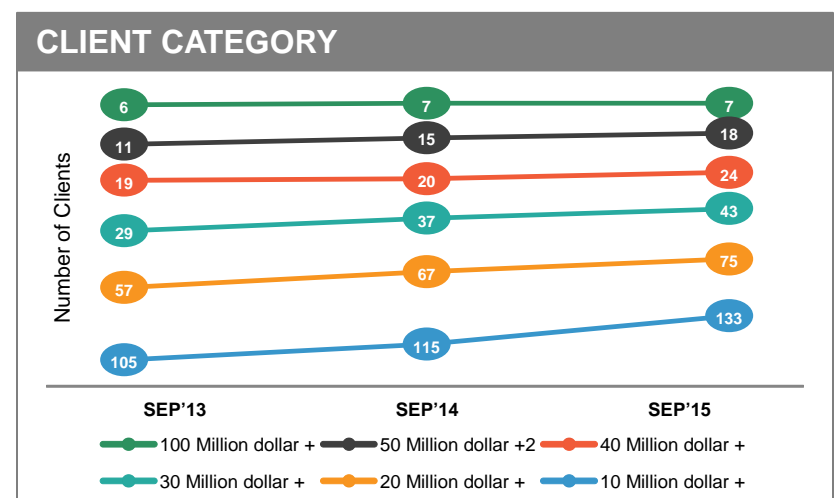
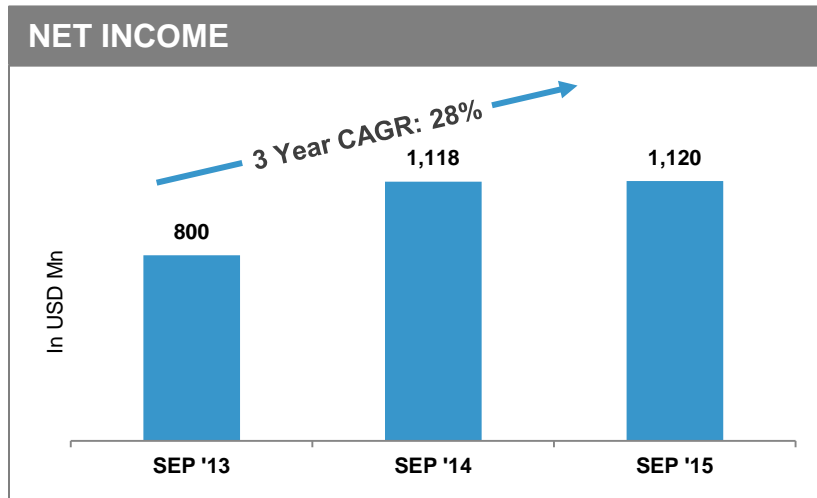
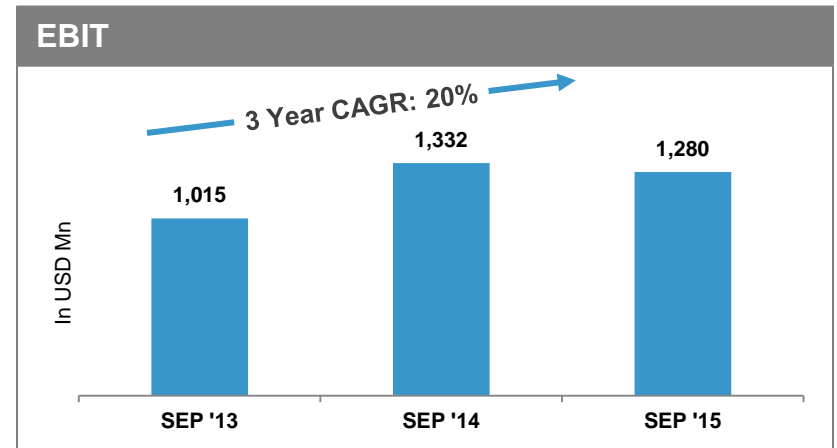
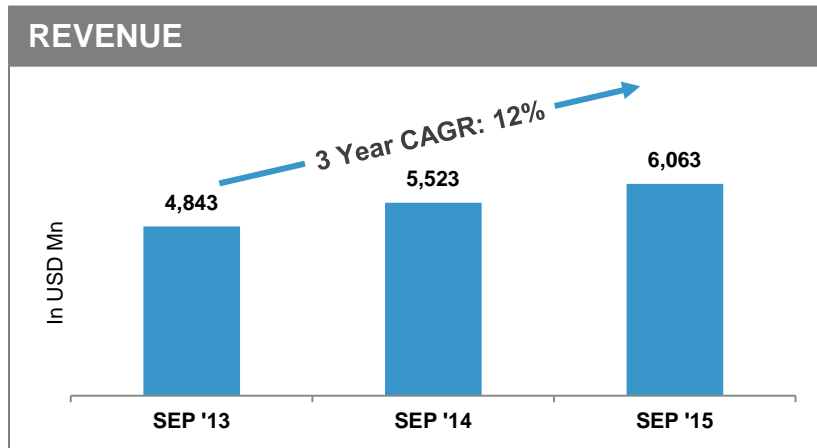
CONTENTS

SLIDE TITLE	SLIDE REFERENCE
Perspective and Q1 FY'16 Performance	7 – 10
Perspective on Addressable Market	12 – 15
Financial Snapshot Q1 FY'16	17 – 19
▪ Consolidated Income Statement (in US\$ mn)	18
▪ Strong Business & Operating Metrics	19
Corporate Governance	21 – 23
Key Messages	24

PERSPECTIVE AND Q1 FY'16 PERFORMANCE

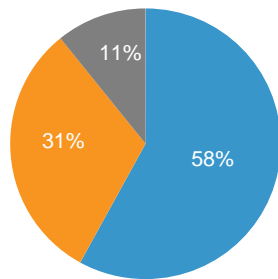
PERFORMANCE TRENDS

(ON LTM BASIS)



BALANCED PORTFOLIO CONCOMITANT WITH BROAD BASED GROWTH

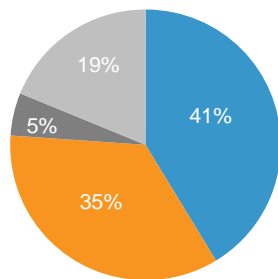
GEOGRAPHY



HCL

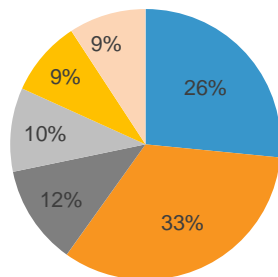
- Americas
- Europe
- RoW

SERVICE LINES



- Application Services
- Infrastructure Services
- Business Services
- Engineering and R&D Services

VERTICALS



- Financial Services
- Manufacturing
- Life Sciences & Healthcare
- Public Services
- Retail & CPG
- Telecommunications, Media, Publishing & Entertainment

SEP'15 - IN CONSTANT CURRENCY

	QOQ GROWTH	YOY GROWTH
HCL	1.2%	13.5%
Americas	0.7%	12.3%
Europe	5.6%	18.2%
RoW	-8.4%	5.8%
Application Services	0.1%	6.4%
Infrastructure Services	0.9%	16.3%
Business Services	2.4%	19.7%
Engineering and R&D Services	3.6%	23.7%
Financial Services	1.9%	7.7%
Manufacturing	0.5%	12.7%
Life Sciences & Healthcare	4.3%	40.5%
Public Services	4.9%	22.0%
Retail & CPG	1.4%	6.6%
Telecommunications, Media, Publishing & Entertainment	1.0%	23.2%

Note: Public Services include Oil & Gas, Energy & Utilities, Travel - Transport - Logistics and Government.

PERFORMANCE DRIVERS

EUROPE

- Europe at 18.2% YoY on a constant currency basis is leading the growth.
- Significant momentum gathering in Germany and other neighboring markets in the DACH region as well as the Benelux region including France.
- 58% of Rebid deals are expected from the EMEA region.
- Seeing first time outsourcing opportunities in Europe.
- Volvo engagement likely to propel HCL as a leading player in Nordics. HCL will also get industry leading Mainframe capabilities that allows HCL to tap into a potentially bigger market for mainframe services. Additionally, the deal will significantly strengthen HCL's Shared Services capabilities.

DIGITALIZATION SERVICES

- Digital business is embedded in all the service lines.
- Focusing on digitizing the whole value chain, rather than only on the user experience.
- Have forged partnerships with SaaS providers for implementation.
- 'Beyond Digital' business has been formally launched in the quarter.
- HCL has partnered with Manchester United to unveil a number of digital initiatives to transform the experience of the club's 659 million global followers. HCL is creating a state-of-the-art United Xperience Lab to be housed within the iconic Old Trafford stadium.

INFRASTRUCTURE SERVICES

- Global Infrastructure grew 22% YoY; steady state business grew by 32% on YoY basis.
- Transitioning 10 large engagements. Pipeline is healthy and win rates continue to be robust.
- Increased traction in cloud services (including SAAS) and infrastructure utility as a service being part of the full solutions to the customers.
- Increased Deal sizes due to the end to end Multi- geography requirements with clients entrusting the entire Infrastructure portfolio with one provider.

SOME OF DEALS WON IN THE QUARTER

- Next Gen ITO: HCL has won a deal with a Fortune 10 Oil & Gas company to provide Data Center Operations and End User Computing services.
- HCL has been selected by a leading US based Defense System Integrator for IT Infrastructure Transformation Engagement. HCL will deliver end-to-end IT infrastructure solutions including Data center, Workplace, Network and Security services to the client.
- HCL has won a deal from a multi-national Communication Technology & Services firm to provide Research & Development Services for its Next-generation IP & Datacenter cloud platforms.

PERSPECTIVE ON ADDRESSABLE MARKET

STATE OF THE MARKET

Gartner: IT Services Market to Grow 3.7% in 2015 in Constant Currency

IT Services Growth Rates (CY15)	2014	2015	2016
Constant Currency	3.5%	3.7%	4.0%
Reported USD	1.9%	-3.5%	3.9%

Source: Gartner Report "Forecast Alert: IT Spending, Worldwide, 3Q15 Update" authored by JohnDavid Lovelock; Kathryn Hale; Adrian O'Connell; Wm. L. Hahn; | Ranjit Atwal; Colleen Graham; Michael Dornan

USD Appreciation Impacts Reported Currency Growth

Rebid Market: Cloud/IUS will be Key Factors in Renewals

\$150Bn* Worth of Renewals Over 2016, 2017 and 2018 (*Source ISG: Non Government and BPO)

58% from EMEA

30% Full ITO

Source: ISG/HCL Analysis

40% → **Churn Rate**
From Large Deals to Best of Breed Providers

Source: Everest

2015–19 CAGR

Cloud Services ↑ **30%**

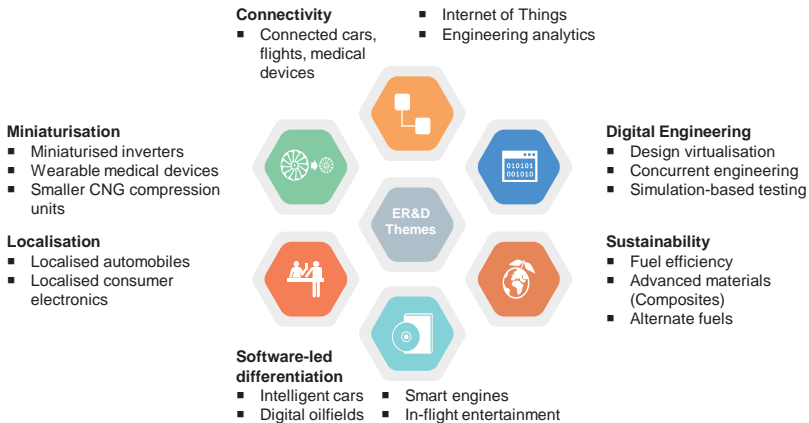
IUS ↑ **12%**

DCO ↓ **-3%**

Source: Gartner

Source: Gartner Report "Forecast: IT Services, Worldwide, 2013-2019, 3Q15 Update" authored by Kathryn Hale, Dean Blackmore, Susan Tan, Helen Huntley

Forces impacting Engineering Services business



Source: 2014 ER&D interviews, Strategy & IC and analysis

Applications, Consulting and Implementation

\$20Bn*+ Worth of Renewals in Applications Services Over 2016, 2017 and 2018 (*Source ISG: Non Government)

Outcome-Based Models

By 2018, 25% of Applications Contracts Will be Outcome-Based: Gartner

Source: Gartner report "Predicts 2015: Application Services Continue to Move Toward Business Outcomes and Speed to Results Through Changes in Delivery Models" authored by Twiggy Lo | Patrick J. Sullivan | Frances Karamouzis | Alex Soejarto | Susanne Matson | Gilbert van der Heiden | Susan Tan

Consulting Driven

Applications Constitutes 56% of Overall Technology Consulting: JP Morgan

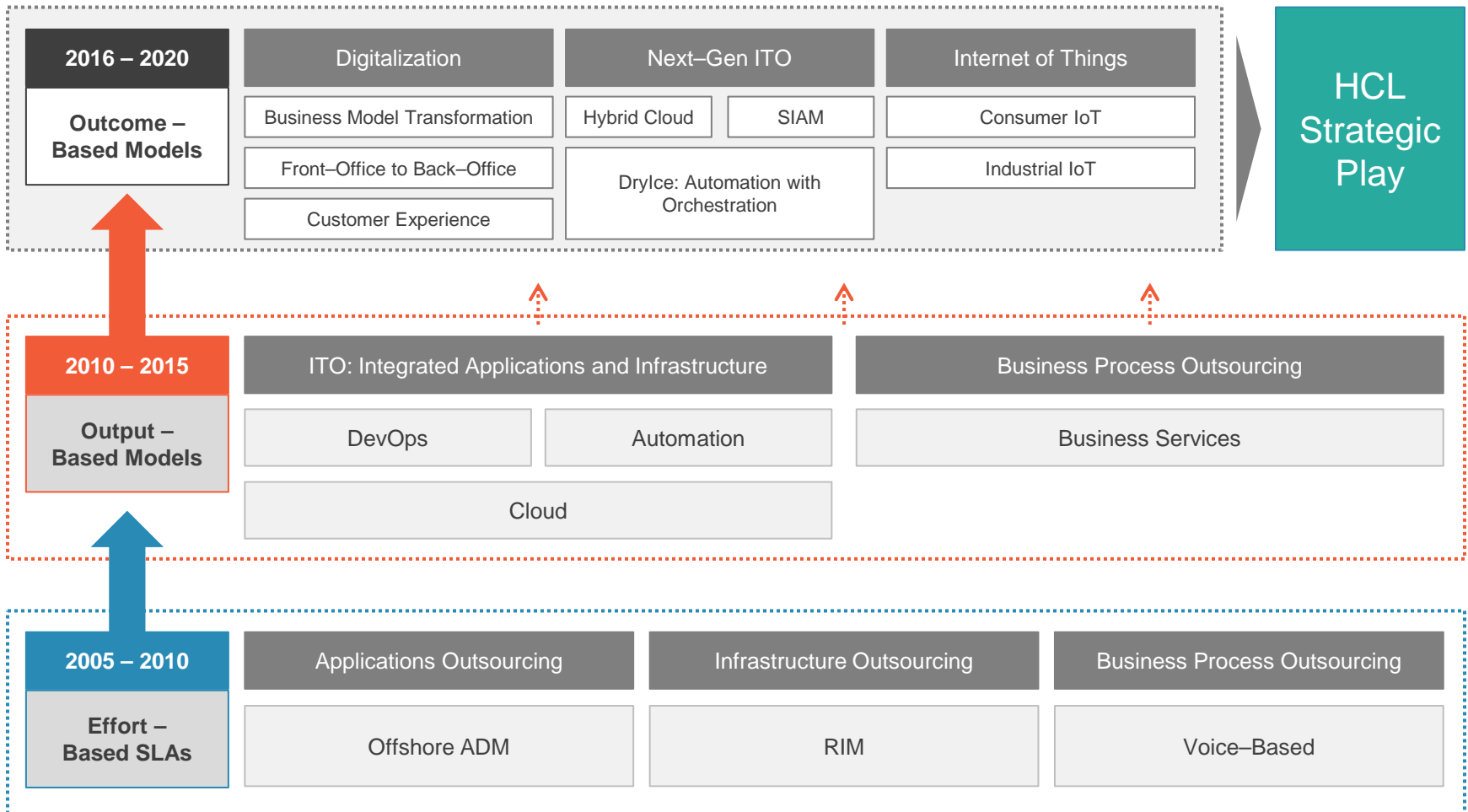
Digital Consulting

GRC

Operational Excellence

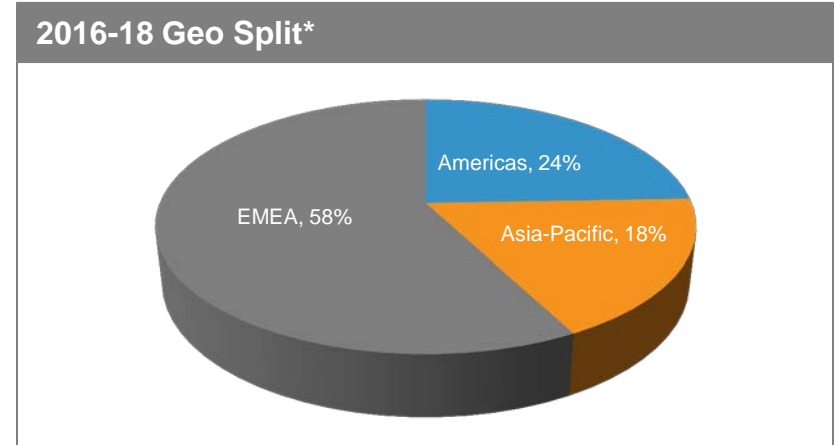
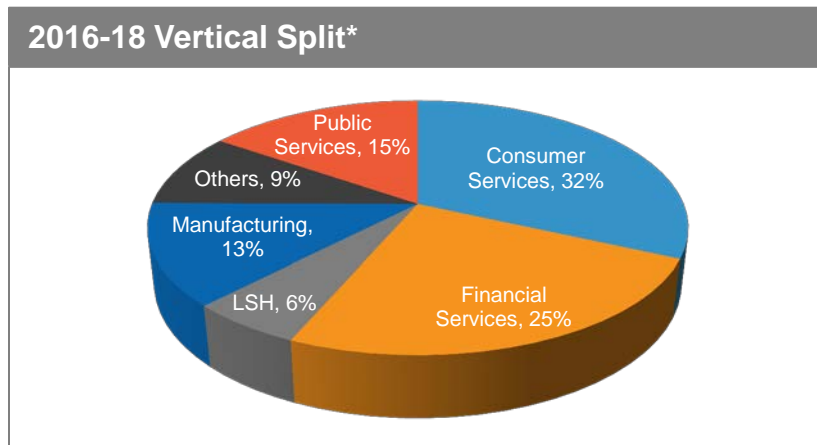
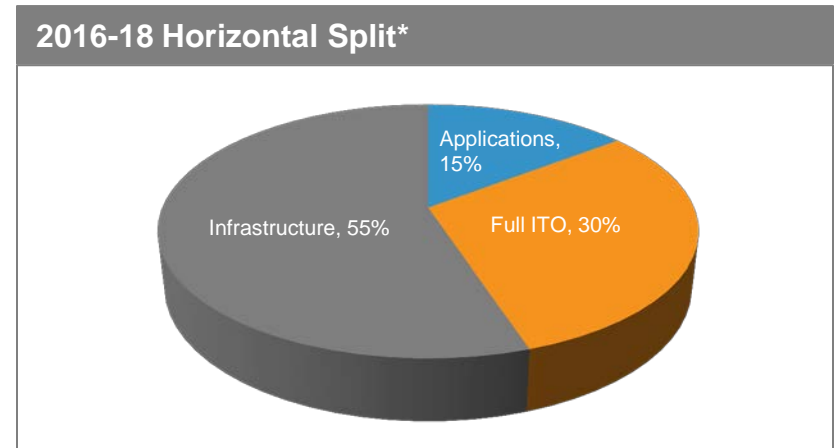
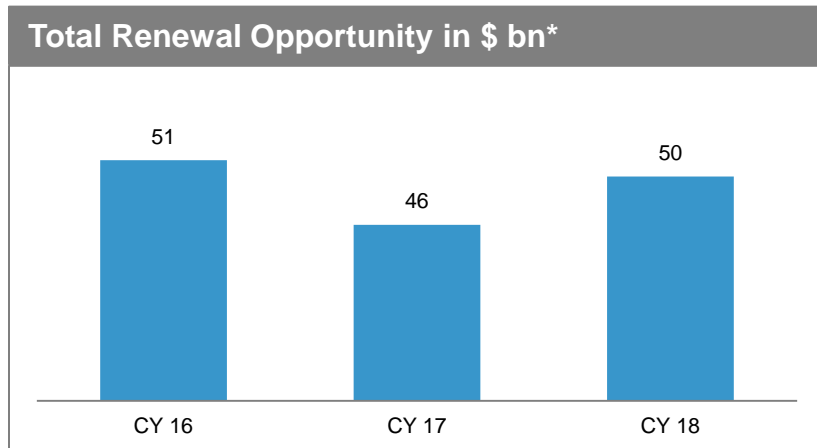
Architecture

HCL – BUSINESS AND IT SERVICES STRATEGIC PLAY



REBID MARKET CONTINUES TO BE STRONG

~\$146BN OF TCV EXPECTED OVER NEXT THREE YEARS; CHURN RATE HAS INCREASED TO 40% FROM 34% IN LAST 2 YEARS



Source: ISG/HCL Analysis; * Excluding Government vertical & BPO

FINANCIAL SNAPSHOT

Q1 FY'16

CONSOLIDATED INCOME STATEMENT (IN US\$ MN)

Q1, FY'16

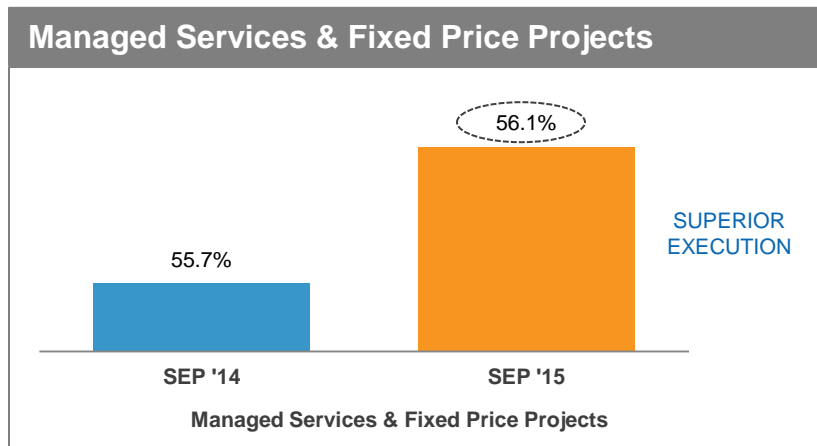
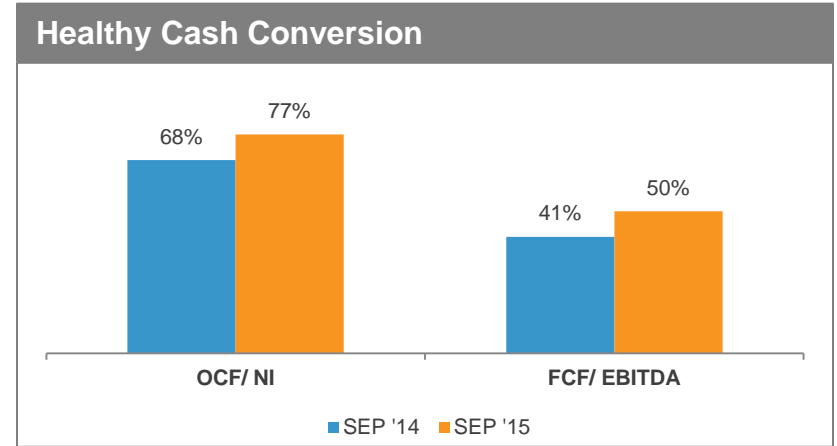
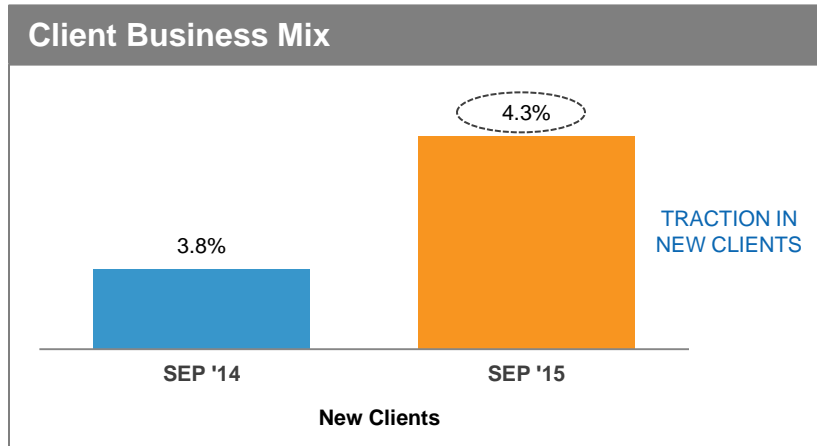
- Constant currency revenue growth at **1.2% QoQ** and **15.3%** on LTM YoY
- Revenue at **US\$ 1,545 Mn**; up **0.5% QoQ** in reported currency
- EBIT (Ex Adj.) at \$ 317 Mn;
- Annualized GAAP EPS (Diluted) – **INR 52 (Ex Adj)**

Income Statement (US GAAP – US\$ Mn)	30-Sep-14	30-Jun-15	30-Sep-15		Ex Adj	
			Ex Adj	Reported	YoY	QoQ
Revenue	1,433	1,538	1,545	1,545	7.7%	0.5%
Gross Profits	527	525	531	513		
SG & A	168	197	193	193		
EBITDA	359	328	338	320		
Depreciation & Amortization	17	20	21	21		
EBIT	342	309	317	299	-7.3%	2.8%
Forex & Other Income (Net)	50	33	37	37		
Earnings before Tax (EBT)	392	342	354	336		
Tax	85	63	76	72		
Net Income (Ex Adjustment) *	307	279	279	264	-9.3%	-0.1%
EPS (Diluted) – Annualized – In INR	53	50	52			

* Adjustment refers to one time provision for a project

Margins	30-Sep-14	30-Jun-15	30-Sep-15	
			(Ex Adj)	Reported
Gross Margin	36.8%	34.1%	34.4%	33.2%
EBITDA Margin	25.1%	21.3%	21.9%	20.7%
EBIT Margin	23.9%	20.1%	20.5%	19.4%
Net Margin	21.4%	18.1%	18.0%	17.1%

STRONG BUSINESS & OPERATING METRICS (LTM BASIS)



- ### Key Highlights
- Increase in New Clients contribution to revenue aided by pace of business momentum during the year.
 - Net Income to Operating Cash Flow conversion is at an average of 100% for last 3 years. Improvement in cash conversion ratios on YoY basis.
 - Uptick continues in Managed Services reflective of emergence of sophisticated constructs in next-gen ITO and Engineering and R&D services.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

TENETS & PHILOSOPHY

AWARDS/ RECOGNITIONS

HCL has been ranked in Forbes Asia's prestigious annual listing of the 50 best publicly traded companies in Asia-Pacific called 'Asia's Fab 50 companies'. HCL has made it to this list for the sixth consecutive year in 2015

HCL also won the European Outsourcing Association's 'IT Outsourcing Project of the Year Award' for its successful IT Transformation project for a leading multinational pharmaceutical firm in 2015

Conferred the 'Best Governed Company Award' by the Asian Centre for Corporate Governance & Sustainability In 2014



BOARD OF DIRECTORS

GLOBAL & VALUE DRIVEN

10 DIRECTORS: INDEPENDENT: 7; EXECUTIVE: 1;
NON EXECUTIVE – NON INDEPENDENT – 2;
WOMEN DIRECTORS - 2

CORPORATE OFFICERS: 21

EVERY DIVISION/ ENABLING FUNCTION –
SALES/ DELIVERY/ FINANCE/ HR HEADED BY A CORPORATE OFFICER

FRAMEWORK FOR CODE OF BUSINESS

Code of Business Ethics and Conduct

Insider Trading Code

Fair Disclosure Code

Anti-Bribery & Anti Corruption Policy

Whistle Blower Policy

Policy Against Sexual Harassment

Investors Satisfaction Survey

BOARD COMMITTEES

PLAY A CRUCIAL ROLE IN GOVERNANCE STRUCTURE

AUDIT	RISK MANAGEMENT	FINANCE	NOMINATION & REMUNERATION	CSR	STAKEHOLDERS RELATIONSHIP	ESOP ALLOTMENT
4 4	4 4	3 5	2 4	1 3	1 3	1 2
INDEPENDENT DIRECTORS			TOTAL			

BOARD OF DIRECTORS



Mr. Shiv Nadar, Chairman and Chief Strategy Officer: Founder of HCL and recipient of Padma Bhushan award. Through Shiv Nadar Foundation, Mr. Nadar has been actively associated with numerous philanthropic initiatives with prime focus on education. Holds iconic global status in IT Thought Leadership



Mr. R. Srinivasan: An electrical engineer and an MBA from IIM-A. Founder and now Vice Chairman of Redington (India) Limited, a leading Tech product supply chain solution company.



Mr. Amal Ganguli: A Fellow member of the ICAI and ICA, England & Wales. Previously Chairman and Senior Partner at PWC, India. His range of work includes tax advice, audits, corporate M&A and consulting.



Ms. Robin Abrams: B.A and juris doctor degree from U.S. Previously interim CEO at Zilog and senior VP at 3 Com. Held various senior management positions including Apple computers and Unisys. Served several U.S. public company Boards and several academic advisory committees.



Mr. Thomas Sieber: He is a senior international leader with more than 20 years of experience in the ICT-sector. Thomas is also Member of Board of Directors at IT-services provider Garaio AG; Sierra Wireless (NASDAQ: SWIR), Global leader in "Internet of Things", as well as Danish wireless solution company RTX (NASDAQ OMX Copenhagen A/S). Thomas is also Chairman of the Board of Directors at Axpo Holding AG, one of two national Energy providers in Switzerland. He holds masters in business administration from the University of St.Gallen, Switzerland.



Ms. Roshni Nadar Malhotra: She is CEO and Executive Director of HCL Corporation. Roshni holds MBA degree from Kellogg Graduate School of Management. She has played an institutional building role in the Shiv Nadar Foundation and the SSN Institutions in Chennai as well as the Shiv Nadar University in NCR and the Vidyagyan Schools.



Mr. S. Madhavan: C.A and MBA IIM-A, Retired as a senior Partner and Executive Director, PWC. Long standing leader of indirect practice at PWC.



Mr. Sosale Shankara Sastry: B.Tech from IIT, Bombay. Dean of Engineering at University of California, Berkeley. Previously, Member, Scientific Advisory Boards for Government of Singapore and Thailand.



Mr. Keki Mistry: Vice Chairman & CEO of HDFC Ltd. He is a CA from the Institute of Chartered Accountants of India (ICAI). Mr. Keki is also on the Board of several HDFC group companies including HDFC Bank and on board of other companies like Sun Pharmaceutical Industries Ltd and Torrent Power.



Mr. Sudhindar Krishan Khanna: Bachelor In Economics and C.A. Presently, Chairman and MD of IEP Mumbai, a leading PE Fund. Founding member of Accenture worldwide. Serves on the board of United Spirits, Peninsula Holdings and Canara HSBC Insurance.

KEY MESSAGES

→ KEY FOCUS AREAS

- Next-Gen ITO, Engineering and R&D Services and Modern Apps & Digitalization gaining traction.
-

→ STRONGLY POSITIONED IN THE MARKET

- Rebid market continues to look attractive with churn rate of healthy 40%, up from 34% in last 2 years.
 - Unexecuted order book is at highest ever level, at 10% higher than previous high seen.
 - Our investments in BEYONDigital, Next-Gen ITO and IoT offerings is reflected in our healthy bookings and deal pipeline.
 - Concluded capability driven acquisitions in Engineering space like 'Trygstad' and 'Concept to Silicon Systems' that will further enhance our positioning in Engineering and R&D Services.
 - HCL has signed a LOI with Volvo. The deal covers managing end to end IT Infrastructure Management & Application Operations for the Volvo Group. In addition, HCL will also acquire Volvo IT's external business that delivers IT Services to a large number of customers.
-

→ CONSISTENCY IN PERFORMANCE

- FY'16 commenced on a strong footing. Reported broad based growth across the portfolio.
 - Quarterly revenue grew by **13.5% YoY** and **15.3% on LTM YoY** in Constant Currency. HCL continues to gain market share.
 - Posted best in class growth in Americas (**12.3%**), Europe (**18.2%**), Lifesciences & Healthcare (**40.5%**), Public Services (**22.0%**), Engineering and R&D services (**23.7%**) and Infrastructure Services (**16.3%**).
-

→ SUPERIOR SHAREHOLDER RETURNS

- Announces dividend of **INR 5** per share, 51st consecutive quarter of dividend pay-out.
 - Robust ROE at **31%** for LTM Sep'15.
-

→ STRONG CORPORATE GOVERNANCE AND MANAGEMENT STRENGTH

- Robust Corporate Governance framework in place including Board Structure (7 out of 10 being Independent Directors) 7 Board Committees and 21 Corporate Officers.

