HCL Technologies, AMD sign IT Co-Sourcing Deal

New Delhi, July 24, 2003 - Achieving yet another milestone for the Indian IT services industry, HCL Technologies (HCLT), a leading software engineering services company, today announced that it has signed a multi-year, multi-million dollar collaborative IT co-sourcing contract with AMD, a leading supplier of integrated circuits for the personal and networked computer and communications markets. The strategic co-sourcing deal involves IT infrastructure management, maintenance and support of global IT applications. This reinforces HCL Technologies' focus and pioneering efforts in the IT domain.

The services will be delivered out of HCLT's facilities in India, part of which will be dedicated for AMD. The ISO 9002 certified, ITIL process compliant HCL Operations Management Center (OMC), which uses best of breed enterprise management tools and processes to ensure high availability of IT infrastructure, was a key factor in AMD's decision in HCL's favor.

"As part of AMD's overall strategy to build a more variable cost structure and enable greater operational and financial flexibility, we are building strategic relationships with quality complementors that allow our internal resources to focus on the issues and programs of highest priority and strategic importance for AMD," said Ajay Marathe, AMD's vice president, Business Process Transformation. "This co-sourcing arrangement with HCL Technologies allows AMD to leverage HCLT's world-class processes and IT expertise to help deliver the IT functions that AMD needs to remain competitive and focused on customers, and to do so more economically."

Mr. S. Raman, Chief Operating Officer, HCL Technologies, further added, "HCLT's IT service capability in applications management, its strong application competence coupled with its extensive IT infrastructure and remote diagnostic tool framework offers a seamless, unmatched and compelling proposition for AMD. Over time, we are likely to see many more such arrangements as they add exponential value to our customers."

Following a transition period, the collaborative co-sourcing arrangement is planned to comprise approximately 70% offshore and 30% on-site work distribution to help ensure 24x7 availability of AMD's IT operations. Experts from the two companies will form a program management team that will guide the engagement.

Mr. Vineet Nayar, Executive Vice President, HCL Technologies, further added, "IT applications and infrastructure management constitute an enormous opportunity for the Indian IT services industry due to huge untapped potential. Given increasing cost pressures, the focus today has shifted from IT investment to IT operations management. Collaborative co-sourcing has thus become an innovative alternative for companies seeking to enhance the efficiency of their business processes."

About HCL Technologies

HCL Technologies is one of India's leading global IT services and product engineering companies, providing value-added, software-led IT solutions and services to large and medium-scale organizations. Founded in 1991, HCL Tech focuses on technology as well as R&D outsourcing, with the objective of working with clients in areas at the core of their business.

HCL Tech delivers these services through an extensive offshore software development infrastructure and a vast global marketing network, spanning 26 offices in 14 countries

that enables scalable, flexible and cost-effective delivery. The company's well defined business strategy has enabled it to build domain expertise across a host of chosen verticals including banking, funds management, insurance, petrochemicals, pharmaceuticals, aerospace, automotives, semi-conductors and retail.

As of 31 December 2002, HCL Tech along with its subsidiaries had 7,788 employees. Together with its knowledge of embedded systems, core technologies and application development expertise, HCL Tech is positioned as a composite solutions provider equipped to cater to the entire gamut of IT needs. For more information, visit HCL Technologies at www.hcltech.com

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Certain statements in this release are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, 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, 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 and general economic conditions affecting our industry. 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.