

HCL TECHNOLOGIES

INVESTOR PRESENTATION | SECOND 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.

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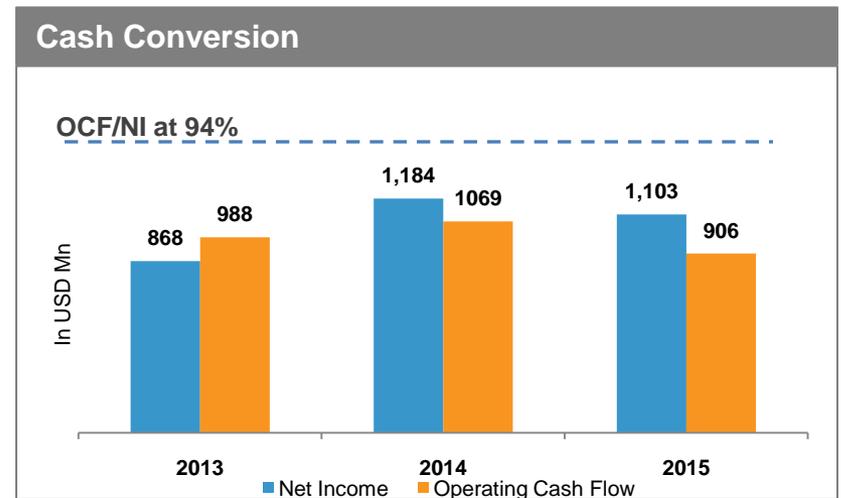
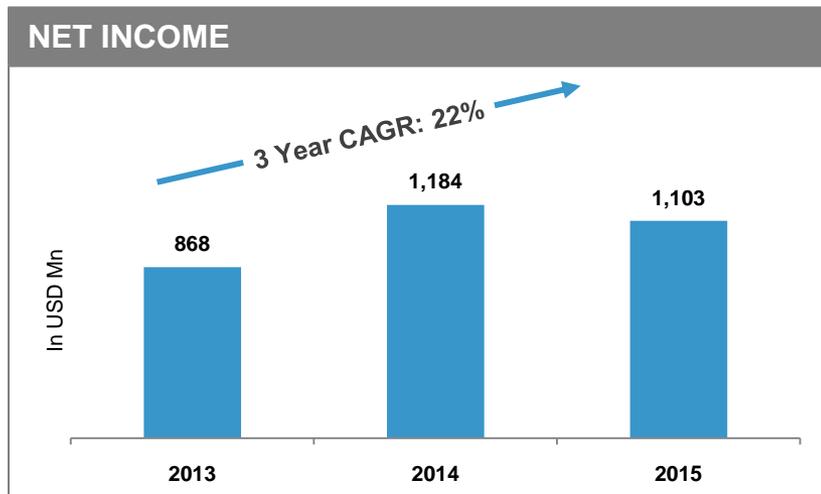
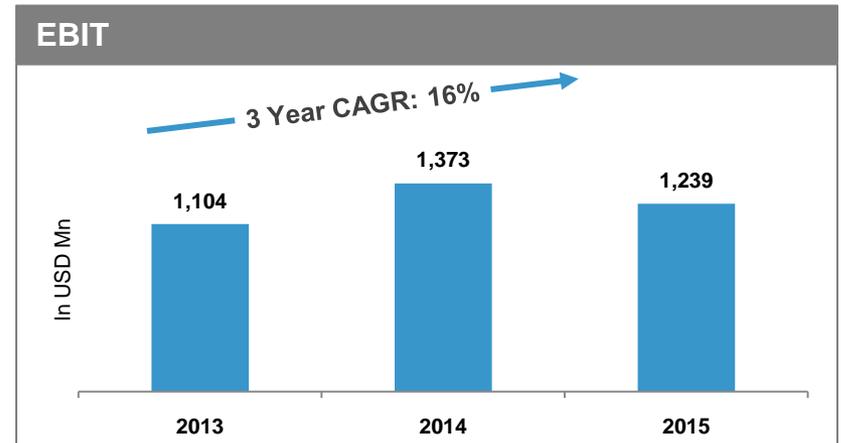
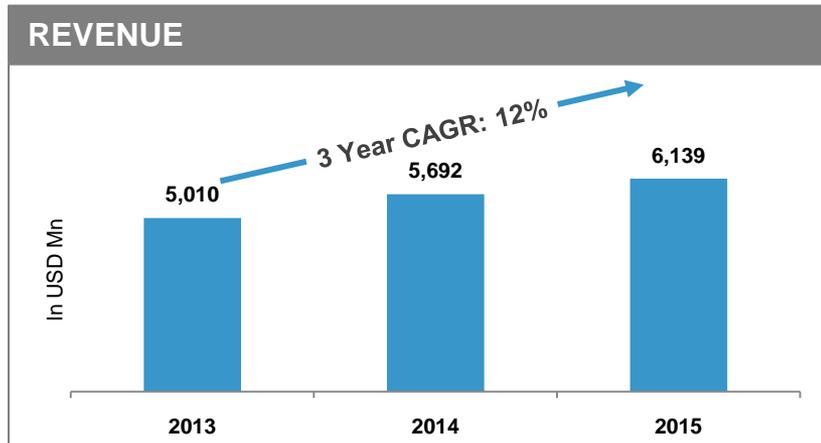
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PERSPECTIVE AND

Q2 FY'16 PERFORMANCE

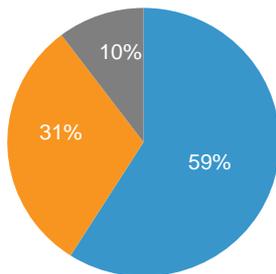
PERFORMANCE TRENDS

(CALENDAR YEAR BASIS)



BALANCED PORTFOLIO CONCOMITANT WITH BROAD BASED GROWTH

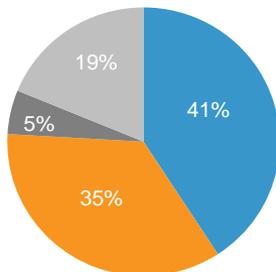
GEOGRAPHY



HCL

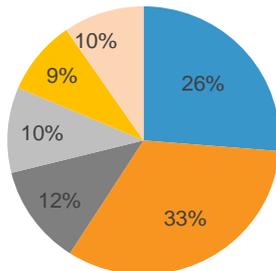
- Americas
- Europe
- RoW

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

QUARTER ENDED DEC'15 GROWTH IN CONSTANT CURRENCY

	QOQ GROWTH	CY-YOY GROWTH
HCL	2.1%	13.5%
Americas	5.5%	13.8%
Europe	-2.4%	15.1%
RoW	-3.4%	7.9%
Application Services	2.0%	6.4%
Infrastructure Services	3.4%	16.4%
Business Services	8.0%	23.9%
Engineering and R&D Services	-1.5%	23.0%
Financial Services	1.9%	10.1%
Manufacturing	-1.3%	12.3%
Life Sciences & Healthcare	0.3%	27.7%
Public Services	8.4%	17.8%
Retail & CPG	10.3%	12.6%
Telecommunications, Media, Publishing & Entertainment	3.4%	23.6%

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

PERFORMANCE DRIVERS

Market Leadership Initiatives

- HCL has been positioned as a leader in IDC MarketScope for Worldwide Application Modernization Services for Digital Transformation 2015 Vendor Assessment, Dec 2015.
- IoT Focus: HCL has established a dedicated Business Unit, IoT WoRKS, in an endeavor to become the most valued IoT services provider globally. 'IoT WoRKS by HCL' offers end-to-end offerings for organizations across different IoT adoption levels.
- HCL continues to gain scale through Next-Gen ITO offerings and DryICE, its third generation automation framework, that builds further on the mature levels of mTaaS & myCloud and spans & integrates across service lines.

Financial Services

- Financial Services grew 10.1% CY-YoY
- Adoption of Digital and FinTech innovations, key themes driving New investments from FSIs
- Continued Focus on vendor consolidation addressed by offering de-risked transitions and compelling commercials
- Investments in near-shore delivery centers, co-innovation labs
- Redefining Next-gen services propositions to enhance value:
 - Efficiency-based alternate propositions – ALT ASM offering ALT AD offering, EOF, Legacy Modernization
 - Next-Gen ITO: Integrated Service Capabilities

INFRASTRUCTURE SERVICES

- Infrastructure grew 16.4% CY-YoY
- Gained momentum in NORAM through transformation driven total outsourcing engagements.
- Growth in Gen 2.0 outsourcing deals with matured value propositions in this segment.
- Well positioned in Nordics market and is a partner of choice for increasing number of customers.
- Hybrid Cloud Adoption continues to accelerate globally, with clients expecting more agility and flexibility across services.
- Software Defined Infrastructure solution center launched to enable Next Gen Infrastructure solutions and technologies.

DEAL WINS THIS QUARTER

- Continuing its momentum of deal wins, HCL booked 8 transformational deals, significantly getting contributed from the rebid market ~ 70% and from newer discrete offerings around Digitalization and IoT ~30%.
- 80% of all deals that HCL is winning have a component of digital and cloud. We have signed several milestone strategic engagements with different deals sizes across this chain.
- HCL has been selected as a digital partner by a Fortune 200 integrated financial services company to transform their user experience around billing and improve the overall operating efficiencies.
- HCL has won an engagement from a Leading Global Medical Devices company to provide an end-to-end integrated solution by implementing IoT-based remote monitoring solution.

PERSPECTIVE ON

ADDRESSABLE MARKET

STATE OF THE MARKET

Gartner: IT Services Market to Grow 3.8% in 2016 in Constant Currency

IT Services Growth Rates (CY Basis)	2015	2016	2017
Constant Currency	3.6%	3.8%	4.0%
Reported USD	-4.5%	3.1%	4.1%

Source: Gartner Report "Forecast: IT Services, Worldwide, 2013-2019, 4Q15 Update " authored by Kathryn Hale, Allie Young, Lai-ling Lam, Jacqueline Heng, Cathy Tombohm, Fred Ng

USD Appreciation Impacts Reported Currency Growth

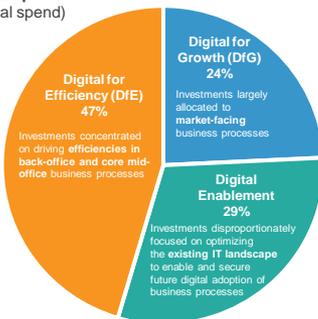
Key Industry Predictions for 2016 and Beyond

1. By 2017, 40% of services managed by IT will be business services oriented to augmented experience and smart products.
2. By 2018, six billion connected things will be requesting support.
3. By 2020, autonomous software agents outside of human control will participate in five percent of all economic transactions.
4. By 2020 almost 50% of IT budgets will be tied into DX (Digital Transformation) initiatives

Source: Gartner; Forbes (IDC Predictions)

Digitalization: Impacts Spending Across Front, Middle and Back-Office

Digital technology adoption trends – Average digital spend (% of total digital spend)

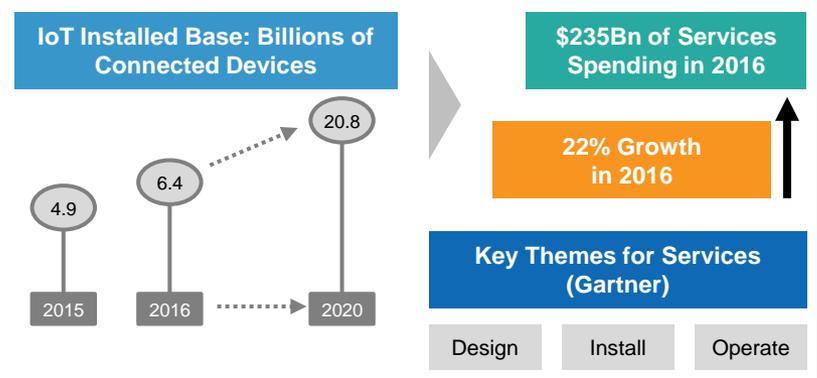


North America Digital Spending Trends (Everest)

- Back Office: 47% for Efficiency
- Middle Office: 29% for Digital Enablement
- Front Office: 24% for Growth

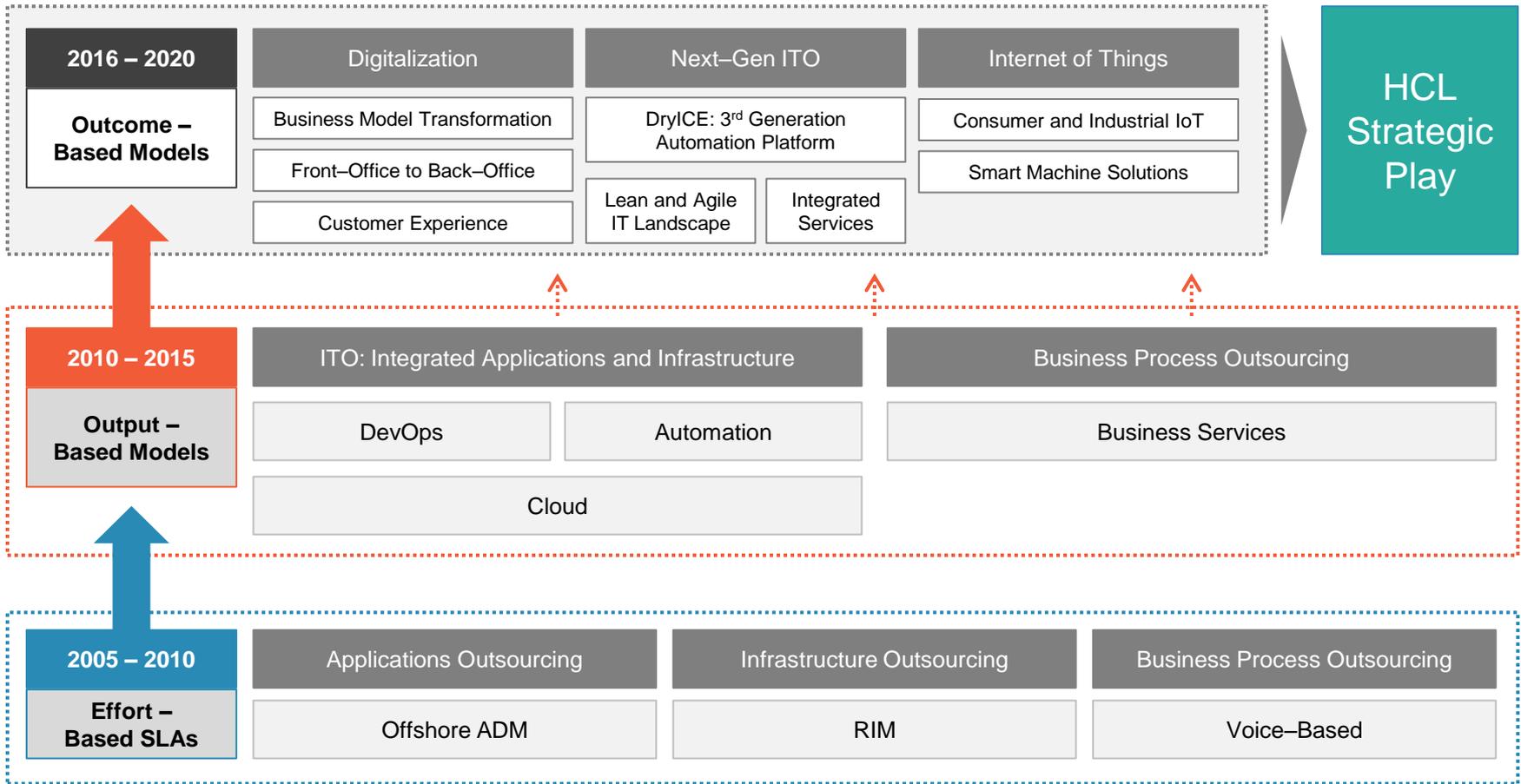
Source: Everest

IoT: 6.4Bn Connected Devices in 2016 Leading to \$235Bn Services Spending



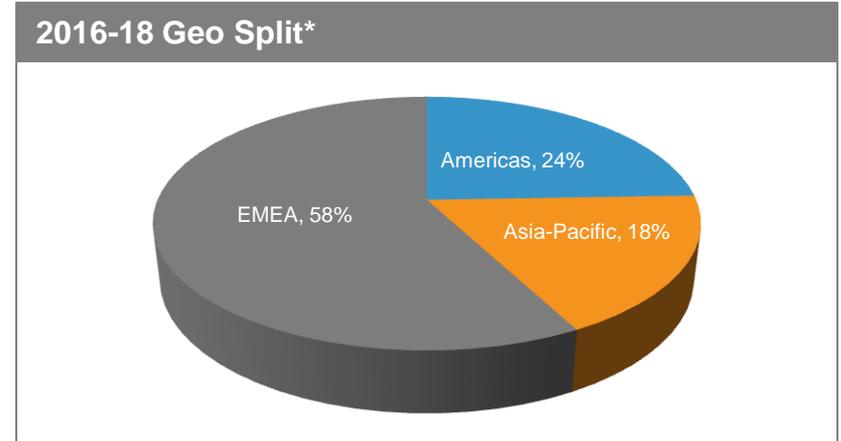
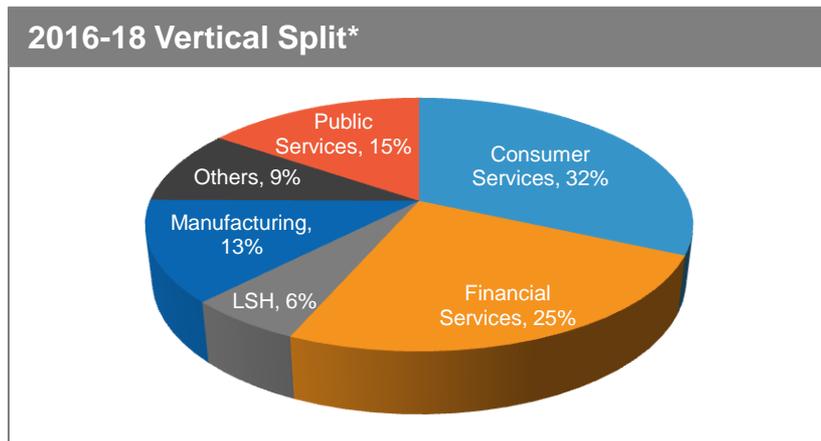
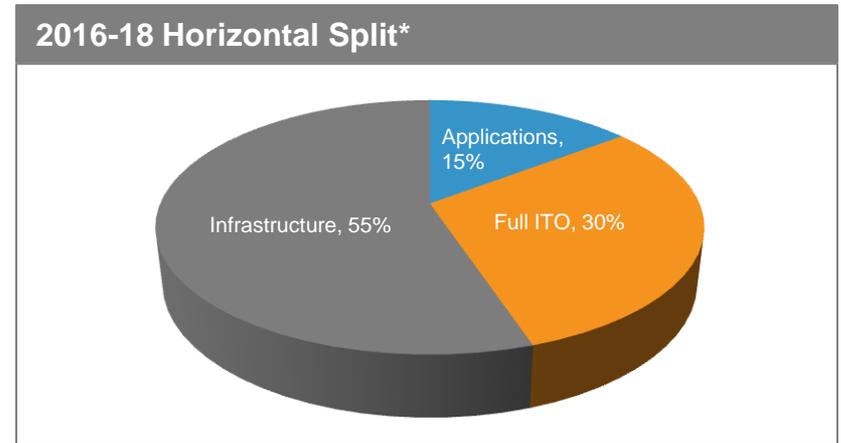
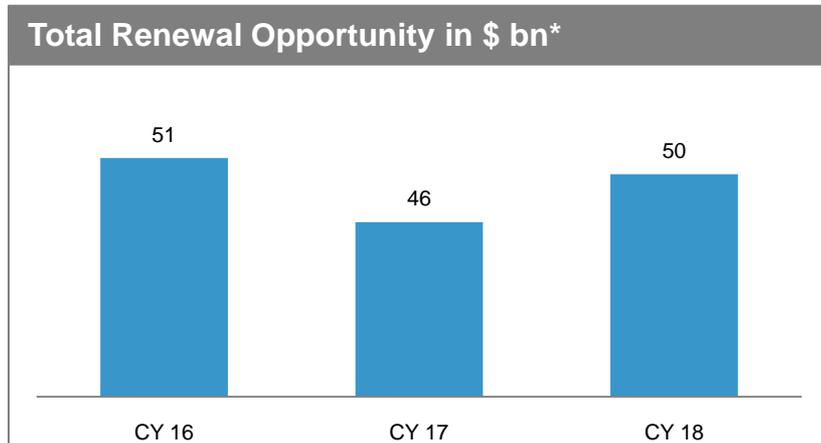
Source: HCL Analysis/Gartner

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

Q2 FY'16

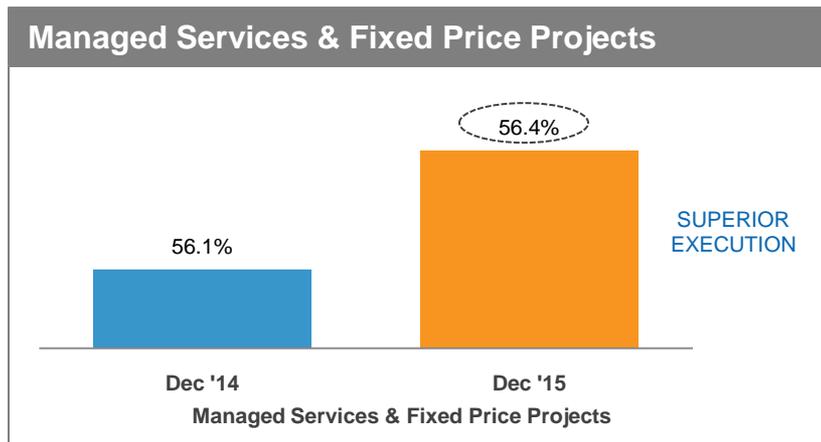
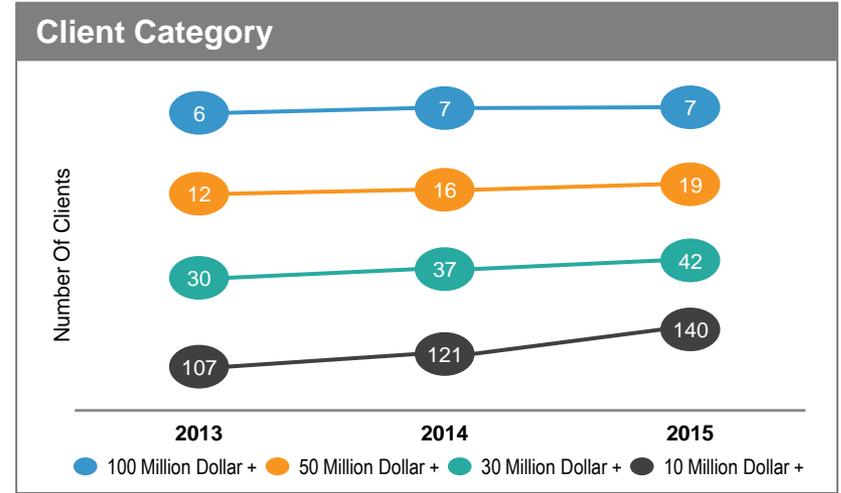
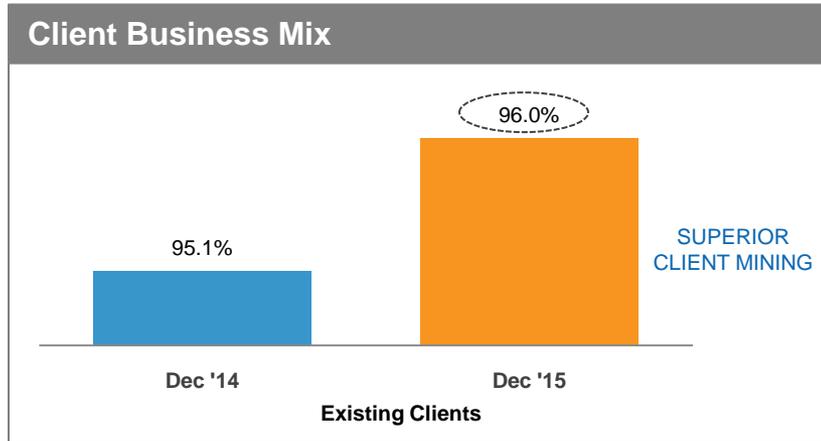
PROFIT & LOSS STATEMENT (USD)

Q2, FY'16

- Revenue at **US\$ 1,566 Mn**; up **1.4% QoQ** in reported currency
- Constant currency revenue growth at **2.1% QoQ** and **13.5%** on **CY YoY**
- EBIT at \$ 314 Mn, up by 5.0% QoQ
- Annualized GAAP EPS (Diluted) – **INR 54**

Income Statement (US GAAP – US\$ Mn)	31-Dec-14	30-Sep-15	31-Dec-15	Growth	
				YoY	QoQ
Revenue	1,491	1,545	1,566	5.1%	1.4%
Gross Profits	551	513	541		
SG & A	179	193	204		
EBITDA	372	320	337		
Depreciation & Amortization	17	21	23		
EBIT	355	299	314	-11.5%	5.0%
Forex & Other Income (Net)	34	37	54		
Earnings before Tax (EBT)	389	336	368		
Tax	82	72	77		
Net Income	308	264	291	-5.4%	10.3%
EPS (Diluted) – Annualized – In INR	54	49	54		
Margins	31-Dec-14	30-Sep-15	31-Dec-15		
Gross Margin	37.0%	33.2%	34.6%		
EBITDA Margin	25.0%	20.7%	21.5%		
EBIT Margin	23.8%	19.4%	20.0%		
Net Margin	20.6%	17.1%	18.6%		

STRONG BUSINESS & OPERATING METRICS (CY BASIS)



Key Highlights

- Increase in Existing Clients contribution to revenue aided by pace of client mining efforts during the year.
- Strong client addition continues in CY'15: 50 Million dollar + clients up by 3, 30 Million dollar + clients up by 5, 20 Million dollar + clients up by 5.
- 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 Foundation, the CSR arm of HCL Technologies, announced launch of HCL Grant with an aim to identify, empower and support NGOs and individual social leaders doing exceptional work in rural India. The Grant committed a corpus of Rs 100 crores over the next 5 years. The winner was presented the Grant by Hon'ble President of India, Shri Pranab Mukherjee.

IT Services Marketing Association (ITSMA), felicitated HCL with its Diamond award for "Delivering an Omnichannel Customer Experience" for its corporate positioning – 'Relationship Beyond the Contract', which has been recognized as industry's best-in-class, driving business with thought leadership.

Interbrand, world's leading brand consultancy, recognized HCL as the fastest growing brand for the second consecutive year, highlighting its ability to adapt to customers' needs. HCL is a part of the 30 best Indian brands listed by Interbrand.



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 OF DIRECTORS
GLOBAL & VALUE DRIVEN
10 DIRECTORS: INDEPENDENT: 7; EXECUTIVE: 1;
NON EXECUTIVE – NON INDEPENDENT – 2;
WOMEN DIRECTORS - 2

CORPORATE OFFICERS: 18
EVERY DIVISION/ ENABLING FUNCTION –
SALES/ DELIVERY/ FINANCE/ HR HEADED BY A CORPORATE OFFICER

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

- HCL's strategic play across digitalization, IoT, Next-Gen ITO and Engineering Outsourcing expands our addressable market beyond traditional IT and positions us well to capture both business and technology spending.

→ STRONGLY POSITIONED IN THE MARKET

- Strengthening its focus on Internet of Things, HCL has established a dedicated Business Unit, IoT WoRKS, in an endeavor to become the most valued IoT services provider globally.
- HCL has invested in 21st century enterprise offerings across: Enterprise of the Future; Digital Run; SIAM. We are making investments to be future ready, in these areas and around our 21st century enterprise model.
- Rebid market continues to look attractive with churn rate of healthy 35~40%.
- Deal pipeline continues to be good. It is strong across Next-Gen ITO (integrated services), IMS, applications and ERS.
- HCL has sustained its deal win momentum.
- Concluded capability driven acquisition in Applications space by acquiring PowerObjects – a leading North American provider of Microsoft Dynamics CRM that will further enhance our positioning in rapidly-growing global CRM industry.

→ CONSISTENCY IN PERFORMANCE

- CY'15 ended on a strong footing. Reported strong and broad based growth during the year.
- Quarterly revenue grew by **9.3% YoY** and **13.5% on LTM YoY** in Constant Currency. HCL continues to gain market share.
- Posted best in class growth (LTM-CC) in Americas (**13.8%**), Europe (**15.1%**), Lifesciences & Healthcare (**27.7%**), Public Services (**17.8%**), Engineering and R&D services (**23.0%**) and Business Services (**23.9%**).

→ SUPERIOR SHAREHOLDER RETURNS

- Announces dividend of **INR 6** per share, 52nd consecutive quarter of dividend pay-out (up from INR 5 per share in the previous quarter) entailing a healthy payout of 50%+.
- Robust ROE at **29%** for CY'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 18 Corporate Officers.

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