

Release for Analysts and Investors

Noida, National Capital Region (NCR), India October 16, 2006

HCL Tech Q1 revenues up 36% and net income up 43% YoY – crosses \$300 mn run rate

Highlights for the Quarter (USD)

- ❑ Revenues at USD 300.4 mn; up 36.2 % YoY and 10.3% sequentially
- ❑ EBITDA (before non cash stock option charge) at USD 65.1 mn; up 32.7% YoY and 6.4% sequentially
- ❑ Net Income at USD 54.5 mn; up 43.2% YoY and 7.6% sequentially
- ❑ Interim dividend of 200%, 15th consecutive quarterly dividend
- ❑ 3826 net additions in headcount, taking employee strength to 36,452 as of September end.

Highlights for the Quarter (INR)

- ❑ Revenues at Rs. 1379 crore, up 42.1% YoY and 10.0% sequentially
- ❑ EBITDA (before non cash stock option charge) at Rs. 299 crore, up 38.5% YoY and 6.2% sequentially
- ❑ Net Income at Rs. 250 crore; up 49.4% YoY and 7.4% sequentially

Overview

The quarter saw **HCL Technologies Ltd. (“HCL”) revenue grow by 36% YoY, aggregating USD 300.4 mn for the quarter.** This growth vindicates HCL’s emphasis on **large multi-service deals**, which are starting to pay off.

“HCL’s numbers do the talking. Our robust sequential revenue growth of 10% and YoY growth of 42.1% are testimony to the successful Transformational Strategy that we embraced over the last year. What is satisfying is that the growth is broad based and has emerged from HCL’s wide range of service. HCL’s talent base, strong multi service positioning with customers, and our investments in creating future momentum augur well for the year ahead,” said **Shiv Nadar, Chairman and CEO, HCL Technologies.**

“The company wide internal transformation along with focus on blue ocean strategy has resulted in significant growth this quarter, closely following good growth last quarter. **Our overall Core software and Infrastructure Services grew by 11% sequentially,** which follows a 13% sequential growth last quarter. The YoY revenue growth for the quarter in these businesses has been 43%, fuelled by our **Infrastructure Services’ phenomenal 17% sequential and 88% YoY increase in revenue.** This has been complimented by performance in our Core Software that sustained its growth momentum with 10% sequential and 37% YoY growth in revenue,” said **Vineet Nayar, President, HCL Technologies.** He added “We continued on our course of Transformation with the launch of Enterprise Transformation Services that has premium domain services structured under it to tap market potentials of key verticals. This would play a vital role in realising HCL’s Vision 2010.”

“HCL’s BPO registered a profitable growth trend this quarter with a revenue increase of 50% YoY from Indian operations and a major client win in the Legal Process Outsourcing space. The quarter also saw the **highest ever quarterly ramp up in our man-power** that has taken the **total employee strength to the 11,000 mark,**” said **Ranjit Narasimhan, Head of HCL’s BPO business.** “HCL’s BPO business has now established a firm base which we shall leverage for future growth.”

Multi-year, multi-service, multi-million dollar deals drive growth

- HCL entered into a 5-year, USD 70million **multi-service outsourcing deal** with Teradyne, a leading supplier of Automatic Test equipment.
 - The scale of the engagement includes IT Consulting, Application Development and end-to-end Application and IT Infrastructure Management involving datacenter, network, security and help desk services.
 - This multi-service outsourcing deal with a co-sourcing model of engagement integrates Remote Infrastructure Management with other critical operations for Teradyne.
- HCL entered into a transformational, multi-million, multi-service Engineering ODC Engagement with a leading global supplier of end-to-end solutions of wireless communications networks. Under this engagement, HCL will provide software engineering, RF design, Hardware design / C2 M, FPGA / ASIC, mechanical Design and Development to the client.

Vindication of our unique Business Model

Enterprise Transformation services @ HCL

- HCL announced its vision for Transformation with the Launch of **Enterprise Transformation Services**. The launch of ETS further strengthens HCL's focus on value centric leadership.
- HCL has identified the following key services that will help architect transformation for customer's organization:
 - Business and IT Consulting
 - Legacy Modernization
 - Application Architecture Services
 - Business Analytics Services
- HCL will leverage its existing growth verticals, such as Financial Services, Retail, Life Sciences and Healthcare, Telecom, Hi-Tech and Manufacturing and Media and Entertainment, where the company has deep expertise and a lengthy track record.

Industry pioneer - Business-led initiative aimed at tapping the market potential of key verticals, providing premium domain services

Resourcing for Growth

- Ramp up in head count by 11.7% in a single quarter - Quarterly addition of 3826 employees; 1611 added in the Core Software business, 446 in Infrastructure Services and 1769 in BPO
- Acquired further depth in Senior Management in the Financial Services Vertical - Harsha Mutt appointed Vice President in the Capital Market Services and V. Viswanathan as Vice President in the Retail & Corporate Banking line of business (LOB), two of the key micro-verticals of HCL's Financial Services vertical. With these appointments, HCL would bring about increased focus to its Capital Market and Retail & Corporate Banking businesses.

Significant ramp-up to build capability for the future

Preparing for a More Profitable Future

- Rebalancing geographic portfolio – recorded over 75% YoY growth in Europe
- Infrastructure business makes greater forays into higher margin markets (USA and Europe)
- BPO- concentrating on more profitable off-shore operations

Core Software Services Highlights

- Larger market share of new business, 8.5% from new customers
- Forrester, in its recent report, has positioned HCL as a 'Technically Focused Player' in the Retail Banking space having capabilities in Architecture, Technology and Outsourcing.
- HCL launched **its Equipment Log Manager, a Web-based application built on the .NET technology**. The application is designed for pharmaceutical manufacturers that are required to comply with the Current Good Manufacturing Practice (cGMP) guidelines mandated by FDA.
- To help pharmaceutical companies easily manage the complex regulatory submissions process, HCL launched its eCompliance product suite, a first of its kind complete submissions and labeling solution that facilitates global regulatory compliance.
- HCL achieved a significant milestone this quarter in Information Security with Unified BS7799 - 2:2002, across 23 facilities in India.

Infrastructure Services Highlights

- HCL, being the pioneer and the first in the market in Remote Infrastructure Management, continued its dominance in this space. In its latest issue of Industry Newsletter "NASSCOM Newsline", **NASSCOM has re-iterated HCL's position as the "pioneer in Remote Infrastructure Management" and the "Leading light in this segment", having established its "pre-eminence within the arena"**
- HCL's Infrastructure Services was rated as **Leader in Domestic Remote Infrastructure Management for 2006 by Frost & Sullivan**
- The total employee strength increases to 3400

BPO Services Highlights

- HCL BPO had a net addition of 1769 employees for the quarter - highest increase in net headcount for HCL BPO in any quarter
- HCL BPO won first major Legal Process Outsourcing (LPO) order from a large UK based property services conglomerate
- HCL BPO was placed in the "Top" category by the International Association of Outsourcing Professionals (IAOP)
- The Offshore operations in India continue to sustain the strong momentum of growth. Revenue from offshore operations in India grew by over 50% YoY.

FINANCIALS
**Un-audited financial results for the quarter ended 30th Sept 2006
drawn under US GAAP**
Consolidated Income Statement

Figures in USD million

Particulars	Quarter ended			Growth	
	30-Sep-05	30-Jun-06	30-Sep-06	QoQ	YoY
Revenues	220.6	272.4	300.4	10.3%	36.2%
Direct Costs	138.5	172.6	189.6		
Gross Profits	82.2	99.8	110.8	11.0%	34.8%
SG & A	33.1	38.6	45.7		
EBITDA	49	61.1	65.1	6.4%	32.7%
Depreciation & Amortisation	10.2	12.2	12.1		
EBIT	38.9	49	53	8.2%	36.2%
Foreign Exchange Gains/(loss)	-0.7	-3.6	0.3		
Other Income, net	3.5	4.8	6.1		
Provision for Tax	3.9	-0.5	4.8		
Share from Equity Investment	0	0.2	0.1		
Share of (income) / loss of minority shareholders	0.2	-0.2	-0.1		
Net Income*	38.1	50.6	54.5	7.6%	43.2%
Earnings Per Share (EPS) -					
Annualized					
Basic – in USD	\$0.50	\$0.63	\$0.67		
Diluted – in USD	\$0.46	\$0.57	\$0.64		

Note:*

The above result does not take into account:

- Unrealized gains on treasury investments of USD 11.7 mn as on Sep 30, 2006 (USD 11.5 mn as on Jun 30, 2006 and USD 11.5 mn as of Sep 30, 2005)
- Non-cash Employee Stock Option charge of USD 4.6 mn (net of tax, USD 4.4 mn for the quarter ended on Sep 30, 2006). The figure for the previous quarter are: USD 4.7 mn (net of tax, USD 4.5 mn) for the quarter ended on Jun 30, 2006, USD 2.5 mn (net of tax USD 2.4 mn) for the quarter ended on Sep 30, 2005.

Key ratios

	Quarter ended		
	30-Sep-05	30-Jun-06	30-Sep-06
Gross Margin	37.3%	36.6%	36.9%
Opex/Revenue	15.0%	14.2%	15.2%
EBITDA Margin	22.2%	22.4%	21.7%
Net income/Revenue	17.3%	18.6%	18.1%

Consolidated Balance Sheet

Figures in USD million

Particulars	As on	
	Jun 30'06	Sep 30'06
Assets		
a) Cash & Cash Equivalents	53.0	37.3
b) Account receivables, net	210.5	255.3
c) Treasury Investments	355.4	358.9
d) Other Current Assets	80.4	101.2
A) Total Current Assets (a+b+c+d)	699.4	752.8
B) Property and Equipments, net	189.9	209.7
C) Intangible assets, Net	182.4	182.7
D) Investment in Venture Fund / Eq	2.4	2.5
E) Other Assets	21.8	22.7
Total Assets (A+B+C+D+E)	1095.9	1170.5
Liabilities & Stockholders' Equity		
e) Total current Liabilities	194.5	207.4
f) Long-term Debt	1.8	1.8
g) Other liabilities	16.2	16.3
E) Total Liabilities (e+f+g)	212.5	225.5
F) Minority Interest	2.3	2.4
G) Total Stock holders Equity	881.1	942.6
Total Liabilities and Stockholders Equity (E+F+G)	1095.9	1170.5

Consolidated Cash Flow Statement for quarter ended 30 September 2006

Figures in USD million

Particulars	Quarter ended
	30-Sep-06
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	54.5
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	12.1
Loss/ (profit) on sale of investment securities	(5.3)
Others	(1.1)
Changes in assets and liabilities, net	
Accounts receivable	(44.5)
Other assets	(22.0)
Current liabilities	13.2
Net cash provided by operating activities	6.8
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment (net)	(27.5)
Purchase of investments	(1.1)
Others	3.9
Net cash used in investing activities	(24.7)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of employees stock options	3.1
Others	0.5
Net cash provided by (used in) financing activities	3.6
Effect of exchange rate on cash and cash equivalents	(0.7)
Net increase/ (decrease) in cash and cash equivalents	(14.4)
CASH AND CASH EQUIVALENTS	
Opening Cash Balance	52.4
Closing Cash Balance	37.3

Segment wise Profitability

A. Consolidated IT Services (Core software & Infrastructure services)

Figures in USD million

Particulars	Quarter ended			Growth	
	30-Sep-05	30-Jun-06	30-Sep-06	QoQ	YoY
Revenues	190.9	236.1	262.0	11.0%	37.2%
Direct Costs	120.2	148.9	164.7		
Gross Profits	70.7	87.2	97.3	11.6%	37.5%
SG & A	29.5	34.3	40.8		
EBITDA	41.2	52.9	56.5	6.8%	37.0%
Depreciation & Amortisation	7.7	9.3	9.1		
EBIT	33.5	43.5	47.3	8.8%	41.3%
Gross Margin	37.1%	36.9%	37.1%		
EBITDA Margin	21.6%	22.4%	21.5%		
EBIT Margin	17.6%	18.4%	18.1%		

A1) Core Software

Particulars	Quarter ended			Growth	
	30-Sep-05	30-Jun-06	30-Sep-06	QoQ	YoY
Revenues	168.9	202.1	222.3	10.0%	31.6%
Direct Costs	105.5	126.6	138.6		
Gross Profits	63.5	75.5	83.7	10.8%	31.9%
SG & A	25.0	28.6	34.2		
EBITDA	38.5	46.9	49.5	5.4%	28.6%
Depreciation & Amortisation	6.4	7.0	6.8		
EBIT	32.1	39.9	42.7	6.9%	33.1%
Gross Margin	37.6%	37.4%	37.7%		
EBITDA Margin	22.8%	23.2%	22.3%		
EBIT Margin	19.0%	19.7%	19.2%		

A2) Infrastructure Services

Particulars	Quarter ended			Growth	
	30-Sep-05	30-Jun-06	30-Sep-06	QoQ	YoY
Revenues	22.0	34.0	39.8	16.9%	80.5%
Direct Costs	14.7	22.3	26.1		
Gross Profits	7.3	11.7	13.6	16.6%	86.8%
SG & A	4.5	5.7	6.6		
EBITDA	2.8	5.9	7.0	17.9%	153.8%
Depreciation & Amortisation	1.3	2.3	2.4		
EBIT	1.4	3.6	4.6	29.1%	223.5%
Gross Margin	33.2%	34.4%	34.2%		
EBITDA Margin	12.7%	17.4%	17.6%		
EBIT Margin	6.4%	10.6%	11.6%		

B. BPO Services

Particulars	Quarter ended			Growth	
	30-Sep-05	30-Jun-06	30-Sep-06	QoQ	YoY
Revenues	29.7	36.3	38.4	5.8%	29.3%
Direct Costs	18.3	23.7	24.9		
Gross Profits	11.4	12.6	13.5	7.2%	17.9%
SG & A	3.6	4.3	4.9		
EBITDA	7.8	8.3	8.6	4.2%	10.1%
Depreciation & Amortisation	2.5	2.8	3.0		
EBIT	5.4	5.4	5.6	3.5%	4.7%
Gross Margin	38.4%	34.7%	35.2%		
EBITDA Margin	26.3%	22.9%	22.4%		
EBIT Margin	18.0%	14.9%	14.6%		

Key Metrics – Revenue Analysis

	Quarter ended			Growth	LTM
	30-Sep-05	30-Jun-06	30-Sep-06	YoY	30-Sep-06
Revenue by Geography					
US	62.1%	57.9%	59.6%	31.0%	59.3%
Europe	22.2%	28.8%	28.6%	76.1%	26.4%
Asia Pacific	15.7%	13.3%	11.8%	2.6%	14.3%
Revenue by Service Offering					
Enterprise Application Services	15.2%	12.5%	13.7%	22.9%	13.8%
Engineering and R&D Services	24.1%	23.9%	24.0%	36.0%	23.8%
Industry Solutions	37.3%	37.8%	36.2%	32.4%	36.9%
Infrastructure Services	10.0%	12.5%	13.3%	80.5%	12.3%
BPO Services	13.4%	13.3%	12.8%	29.3%	13.2%
Revenue by Contract Type					
Time & Material (T&M)	72.6%	69.8%	70.8%		70.1%
Fixed Price Projects	27.4%	30.2%	29.2%		29.9%
Revenue by Industry					
Banking, FS & Insurance (BFSI)	-	-	22.8%		
Hi-tech - Manufacturing	-	-	31.3%		
Telecom	-	-	16.9%		
Retail	-	-	12.0%		
Media Publishing & Entertainment (MPE)	-	-	5.9%		
Life Sciences	-	-	3.5%		
Others	-	-	7.6%		

"LTM" - Last Twelve Months

	Quarter ended			No of MSD
	30-Sep-05	30-Jun-06	30-Sep-06	Clients *
Client Data				
Number of Clients				
Active Client Relationship	-	-	219	40
New Client Relationship	-	-	24	3
Number of million dollar clients (LTM)				
1 Million dollar +	140	133	143	36
5 Million dollar +	29	35	41	22
10 Million dollar +	16	15	18	13
20 Million dollar +	5	6	8	7
30 Million dollar +	3	3	4	3
40 Million dollar +	3	3	3	2
50 Million dollar +	2	2	2	2
Client Contribution to revenue (LTM)				
Top 5 Clients	29.9%	28.1%	28.7%	
Top 10 Clients	39.0%	37.2%	38.2%	
Top 20 Clients	50.2%	48.9%	49.9%	
Repeat Business	96.0%	88.4%	87.5%	
Days Sales Outstanding	78	70	77	

"MSD" - Multi Services Delivery

Key Operational Metrics - Core Software

Revenue - Onsite/Offshore - Software	Quarter ended		
	30-Sep-05	30-Jun-06	30-Sep-06
Offshore	49.5%	48.6%	48.2%
Onsite	50.5%	51.4%	51.8%
Effort (man months) - Core software	30-Sep-05	30-Jun-06	30-Sep-06
Efforts Billed - Offshore	26,200	30,093	31,593
Efforts Billed – Onsite	8,675	10,860	11,620
Total Billed Efforts	34,875	40,953	43,214
Non Billable	9,728	9,100	10,055
Trainee	4,350	3,402	5,853
Utilization - Core software	30-Sep-05	30-Jun-06	30-Sep-06
Offshore	67.0%	71.8%	67.9%
Offshore - Excluding trainees	75.4%	78.1%	77.7%
Onsite	88.1%	94.2%	92.2%

Employee Metrics

Manpower Details	Quarter ended		
	30-Sep-05	30-Jun-06	30-Sep-06
Total Employee Count	26,285	32,626	36,452
Core software – Total	17,708	20,332	21,943
Technical	16,116	18,156	19,657
Support	1,592	2,176	2,286
Gross addition	2,132	2,759	2,752
Net addition	1,049	1,709	1,611
Gross lateral employee addition	1,069	1,818	1,684
Attrition (LTM) *	17.6%	16.9%	16.5%
Infrastructure Services - Total	1,805	2,951	3,397
Technical	1,403	2,466	2,867
Support	402	485	530
Gross addition	315	643	614
Net addition	246	529	446
Gross lateral employee addition	242	460	325
Attrition (LTM) *	26.0%	13.7%	13.1%
Attrition (LTM)* - IT Services (core software + Infrastructure Services)	18.3%	16.8%	16.1%
BPO Services - Total	6,772	9,343	11,112
Technical - Offshore	5,428	7,295	9,081
- Onsite	800	1,301	1,259
Support	544	747	772
Gross addition	1,775	2,062	3,429
Net addition	900	650	1,769
Gross lateral employee addition	NA	1,388	1,525
Attrition – Quarterly**	NA	16.7%	18.5%

* Excludes involuntary attrition

** Excludes UK BPO

Details of facilities as on 30 September 2006

Summary Delivery Locations	Completed		Work in Progress		Land Available for expansion - in acres
	Built Up area (Sq. ft.)	No. of seats	Built Up area (Sq. ft.)	No. of seats	
Gurgaon	155,027	1,533	133,000	1,500	
Noida (NCR)	1,218,998	14,343	675,724	6,112	46.8
Chennai	1,683,939	14,647	70,000	1,350	50.0
Bangalore	783,050	7,335	87,810	1,724	27.1
Mumbai	32,027	305	-	-	
Kolkatta	32,129	308	-	-	
Hyderabad	53,452	537	-	-	
Northern Ireland (NI)	100,000	1,400	-	-	
Manesar (Haryana)					9.5
Total	4,058,622	40,408	966,534	10,686	133.4

Financials in INR as per convenience translation

(The financials are based on a convenience translation using the closing rate as of the last day of the quarter: US\$ = Rs. 45.92 for quarter ended on 30 Sep'2006; US\$1=Rs. 46.03 for quarter ended on 30 June 2006; US\$1=Rs. 44.01 for quarter ended on 30 Sep' 2005)

**Un-audited financial results for the quarter ended 30th Sept 2006
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Consolidated Income Statement

Figures in Rs Crore

Particulars	Quarter ended			Growth	
	30-Sep-05	30-Jun-06	30-Sep-06	QoQ	YoY
Revenues	970.7	1253.8	1379.5	10.0%	42.1%
Direct Costs	609.1	794.6	870.8		
Gross Profits	361.7	459.2	508.7	10.8%	40.6%
SG & A	145.8	177.7	209.8		
EBITDA	215.8	281.4	298.8	6.2%	38.5%
Depreciation & Amortisation	44.7	56.2	55.7		
EBIT	171.1	225.3	243.2	7.9%	42.1%
Foreign Exchange Gains/ (Loss)	(3.0)	(16.6)	1.2		
Other Income, net	15.4	22.0	27.8		
Provision for Tax	16.9	(2.3)	21.9		
Share from equity investments	0.0	0.7	0.4		
Share of (income) / loss of minority shareholders	0.9	(0.8)	(0.5)		
Net Income*	167.5	233.0	250.2	7.4%	49.4%
Earnings Per Share (EPS) - (Annualized)					
Basic - in Rupees (FV Rs. 2/-)	21.0	29.0	30.9		
Diluted – in Rupees (FV Rs. 2/-)	19.3	26.9	27.2		

Note:*

The above result does not take into account:

- Unrealized gains on treasury investments of Rs. 53.7 Crs as on Sep 30, 2006 (Rs. 52.9 Crs as on Jun 30, 2006 and Rs. 50.6 Crs as of Sep 30, 2005)
- Non-cash Employee Stock Option charge of Rs. 21.1 Crs (net of tax, Rs. 20.2 Crs) for the quarter ended on Sep 30, 2006. The figure for the previous quarter are Rs 21.6 Crs (net of tax, Rs 20.7 Crs) for the quarter ended on Jun 30, 2006, Rs. 11.0 Crs (net of tax, Rs.10.6 Crs) for the quarter ended on Sep 30, 2005.

Key ratios

Particulars	Quarter ended		
	30-Sep-05	30-Jun-06	30-Sep-06
Gross Margin	37.3%	36.6%	36.9%
Opex/Revenue	15.0%	14.2%	15.2%
EBITDA Margin	22.2%	22.4%	21.7%
Net income/Revenue	17.3%	18.6%	18.1%

Consolidated Balance Sheet

Figures in Rs Crore

Particulars	As on	
	Jun 30'06	Sep 30'06
ASSETS		
a. Cash and cash equivalents	243.8	171.4
b. Accounts receivable, net	969.0	1172.5
c. Treasury Investments	1636.1	1648.3
d. Other current assets	370.3	464.6
A. Total current assets (a+b+c+d)	3219.2	3456.8
B. Property and equipment, net	874.2	962.9
C. Intangible assets, net	839.4	839.2
D. Investments in Venture Funds / Equity investees	11.2	11.6
E. Other Assets	100.5	104.3
Total assets (A+B+C+D+E)	5044.6	5374.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
e. Total current liabilities	895.2	952.5
g. Long -term debt	8.3	8.4
h. Other liabilities	74.5	74.7
E. Total liabilities (e+f+g+h)	978.1	1035.3
F. Minority Interest	10.7	11.2
G. Total Stockholders equity	4055.7	4328.3
Total liabilities and stockholders equity (E+F+G)	5044.6	5374.8

Segment wise Profitability

A. Consolidated IT Services (Core software & Infrastructure services)

Figures in Rs Crores

Particulars	Quarter ended			Growth	
	30-Sep-05	30-Jun-06	30-Sep-06	QoQ	YoY
Revenues	840.4	1086.7	1203.1	10.7%	43.2%
Direct Costs	529.0	685.3	756.4		
Gross Profits	311.4	401.3	446.8	11.3%	43.5%
SG & A	130.0	158.0	187.5		
EBITDA	181.4	243.4	259.3	6.5%	42.9%
Depreciation & Amortisation	33.9	43.0	41.9		
EBIT	147.5	200.3	217.4	8.5%	47.4%
Gross Margin	37.1%	36.9%	37.1%		
EBITDA Margin	21.6%	22.4%	21.5%		
EBIT Margin	17.6%	18.4%	18.1%		

A1) Core Software

Particulars	Quarter ended			Growth	
	30-Sep-05	30-Jun-06	30-Sep-06	QoQ	YoY
Revenues	743.4	930.1	1020.6	9.7%	37.3%
Direct Costs	464.2	582.5	636.4		
Gross Profits	279.3	347.6	384.2	10.5%	37.6%
SG & A	110.0	131.5	157.1		
EBITDA	169.2	216.0	227.1	5.1%	34.2%
Depreciation & Amortisation	28.0	32.3	31.0		
EBIT	141.2	183.8	196.1	6.7%	38.9%
Gross Margin	37.6%	37.4%	37.6%		
EBITDA Margin	22.8%	23.2%	22.3%		
EBIT Margin	19.0%	19.8%	19.2%		

A2) Infrastructure Services

Particulars	Quarter ended			Growth	
	30-Sep-05	30-Jun-06	30-Sep-06	QoQ	YoY
Revenues	96.9	156.5	182.5	16.6%	88.4%
Direct Costs	64.8	102.8	120.0		
Gross Profits	32.1	53.8	62.6	16.3%	94.9%
SG & A	19.9	26.4	30.4		
EBITDA	12.1	27.3	32.2	17.6%	164.9%
Depreciation & Amortisation	5.8	10.8	10.8		
EBIT	6.3	16.6	21.3	28.8%	237.5%
Gross Margin	33.1%	34.4%	34.3%		
EBITDA Margin	12.5%	17.4%	17.6%		
EBIT Margin	6.5%	10.6%	11.7%		

B. BPO Services

Particulars	Quarter ended			Growth	
	30-Sep-05	30-Jun-06	30-Sep-06	QoQ	YoY
Revenues	130.7	167.2	176.3	5.5%	34.9%
Direct Costs	80.4	109.3	114.5		
Gross Profits	50.3	57.9	61.9	7.0%	23.0%
SG & A	15.9	19.8	22.3		
EBITDA	34.4	38.1	39.6	4.0%	14.8%
Depreciation & Amortisation	10.9	13.1	13.8		
EBIT	23.6	24.9	25.7	3.2%	9.2%
Gross Margin	38.5%	34.6%	35.1%		
EBITDA Margin	26.3%	22.8%	22.5%		
EBIT Margin	18.1%	14.9%	14.6%		

About HCL Technologies

HCL Technologies is one of India's leading global IT Services companies, providing software-led IT solutions, remote infrastructure management services and BPO. Having made a foray into the global IT landscape in 1999 after its IPO, HCL Technologies focuses on Transformational Outsourcing, working with clients in areas that impact and re-define the core of their business. The company leverages an extensive global offshore infrastructure and its global network of offices in 16 countries to deliver solutions across select verticals including Financial Services, Retail & Consumer, Life Sciences Aerospace, Automotive, Semiconductors, Telecom and MPE (Media Publishing & Entertainment). For the quarter ended 30th September 2006, HCL Technologies, along with its subsidiaries had revenue (TTM) of US \$ 1.058 billion (Rs. 4797 crore) and employed 36,452 professionals. For more information, please visit www.hcltech.com

About HCL Enterprise

HCL Enterprise is a leading Global Technology and IT enterprise that comprises two companies listed in India - HCL Technologies & HCL Infosystems. The 3-decade-old enterprise, founded in 1976, is one of India's original IT garage start-ups. Its range of offerings span Product Engineering, Technology and Application Services, BPO, Infrastructure Services, IT Hardware, Systems Integration, and distribution of ICT products. The HCL team comprises approximately 40,000 professionals of diverse nationalities, who operate from 16 countries including 300 points of presence in India. HCL has global partnerships with several leading Fortune 1000 firms, including leading IT and Technology firms. For more information, please visit www.hcl.in

Forward-looking Statements

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.

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