

# HCL Technologies Limited

## Quarterly Results Update

Quarter ended March 31, 2004

powering imagination

HCL TECHNOLOGIES | **HCL**

**26<sup>th</sup> April 2004**

## **Q3 FY2004 – Key Highlights**

### **Financial Highlights**

- Revenue at Rs 6.47bn up by 8.9% in US dollar terms
- EBITDA up by 18% QoQ (in INR)
- EBITDA margin up 270bps, driven primarily by forex
- Consolidated net income at Rs 1.26bn, up by 42.9% sequentially
- BPO EBITDA margins have doubled over the previous quarter
- BPO business turns PAT positive
- Days of sales outstanding at the end of the quarter is 67 days, as compared to 60 days in the last quarter
- 3<sup>rd</sup> quarterly dividend at 100% declared

### **Business Highlights**

- Total clients at 454, including 61 Fortune 500 clients. 26 new clients
- Clients having a run rate of more than \$1mn stood at 104
- Net addition of 1,718 employees of which 682 were added in the software services business and 922 in BPO.

**Performance Review**

<p><b>Continued growth in software services business and overall revenues</b></p>	<p>Revenues from software business showed good traction with a growth of 6% in US\$ terms (1.3% in INR). Overall HCLT revenues in the quarter grew by 8.9% in US\$ terms (4% in INR).</p>																				
<table border="1"> <thead> <tr> <th>Rs. Mn</th> <th>Q1FY04</th> <th>Q2FY04</th> <th>Q3FY04</th> </tr> </thead> <tbody> <tr> <td><b>Software Services business</b></td> <td>4699.2</td> <td>5154.1</td> <td>5220.6</td> </tr> <tr> <td>Δ QoQ</td> <td>20.4%</td> <td>9.7%</td> <td>1.3%</td> </tr> <tr> <td><b>HCLT revenues</b></td> <td>5607.8</td> <td>6223.2</td> <td>6472.4</td> </tr> <tr> <td>Δ QoQ</td> <td>19.1%</td> <td>11.0%</td> <td>4.0%</td> </tr> </tbody> </table>	Rs. Mn	Q1FY04	Q2FY04	Q3FY04	<b>Software Services business</b>	4699.2	5154.1	5220.6	Δ QoQ	20.4%	9.7%	1.3%	<b>HCLT revenues</b>	5607.8	6223.2	6472.4	Δ QoQ	19.1%	11.0%	4.0%	
Rs. Mn	Q1FY04	Q2FY04	Q3FY04																		
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Δ QoQ	19.1%	11.0%	4.0%																		
<p><b>Continued improvement in operating margins</b></p>	<p>The company's operating margins have shown some improvement continuing with the trend established in the previous two quarters. EBITDA margins (without the effect of forex gains) have improved by 40bps. EBITDA margin for the quarter (including the impact of forex gains) stood at 22.5%.</p>																				
<table border="1"> <thead> <tr> <th></th> <th>Q1FY04</th> <th>Q2FY04</th> <th>Q3FY04</th> </tr> </thead> <tbody> <tr> <td><b>EBITDA margin</b></td> <td>18.5%</td> <td>19.8%</td> <td>22.5%</td> </tr> </tbody> </table>		Q1FY04	Q2FY04	Q3FY04	<b>EBITDA margin</b>	18.5%	19.8%	22.5%													
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<b>EBITDA margin</b>	18.5%	19.8%	22.5%																		
<p><b>Continued ramp-up on manpower, adding scale</b></p>	<p>Manpower addition continued to remain strong with the recruitment of 2,247 employees during the quarter with a net addition of 1,718 people. This includes 682 people in software services business and 922 in BPO.</p>																				
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Net addition	1,962	1,062	1,718																		
<p><b>Top clients maintain good growth rates</b></p>	<p>The current top 5, top 10 and top 20 clients of the company have grown by 12%, 10% and 11% respectively on a sequential basis. The revenue contribution from top clients is given below:</p>																				
<table border="1"> <thead> <tr> <th>% Revenue</th> <th>Q1FY04</th> <th>Q2FY04</th> <th>Q3FY04</th> </tr> </thead> <tbody> <tr> <td><b>Top 5</b></td> <td>31.0</td> <td>33.0</td> <td>31.1</td> </tr> <tr> <td><b>Top 10</b></td> <td>43.1</td> <td>42.8</td> <td>41.9</td> </tr> <tr> <td><b>Top 20</b></td> <td>54.1</td> <td>54.2</td> <td>52.7</td> </tr> </tbody> </table>	% Revenue	Q1FY04	Q2FY04	Q3FY04	<b>Top 5</b>	31.0	33.0	31.1	<b>Top 10</b>	43.1	42.8	41.9	<b>Top 20</b>	54.1	54.2	52.7					
% Revenue	Q1FY04	Q2FY04	Q3FY04																		
<b>Top 5</b>	31.0	33.0	31.1																		
<b>Top 10</b>	43.1	42.8	41.9																		
<b>Top 20</b>	54.1	54.2	52.7																		
<p><b>Highly liquid balance sheet</b></p>	<p>Cash and treasury assets currently make up around 59% of HCLT's balance sheet. The DSO at the end of the quarter stands at 67 days as compared to 60 at the end of the previous quarter.</p>																				
<p><b>Interim dividend declared</b></p>	<p>The company has declared an interim dividend of Rs.2.0 per share for the quarter ended March 31, 2004. This in line with the company's policy of considering quarterly dividends, subject to adequacy of profits and compliance with all applicable legal requirements.</p>																				

**Update on business categories**

<b>Software Services</b>	<p>The revenues from software services grew 1.3% sequentially in INR (6% in US\$). EBITDA from the business increased by 10.3% driven primarily by increased forex gains.</p> <p>This business saw a net addition of 682 people during the quarter, taking the total headcount to 10,528. While 414 people were added to the organic software business, 268 people were added in the non-organic software entities.</p>
<b>BPO Services</b>	<p>HCLT's BPO revenues had a QoQ growth of 27.3% in INR (33.3% in US\$). With the healthy scale-up in business, the EBITDA margins in the business have doubled. The business has also turned PAT positive in the current quarter.</p> <p>Total manpower witnessed a growth of 922 taking the permanent employees in this business to 3,197.</p>
<b>Infrastructure Services</b>	<p>The infrastructure services business of the company had a QoQ growth of 5.4% in revenues in INR (10.3% in US\$). The business has also seen a continued improvement in profitability metrics over the last two quarters. Efforts to tap into the global remote infrastructure management business are showing encouraging results.</p> <p>The business saw a net addition of 105 people during the quarter.</p>
<b>Government Practice</b>	<p>This business has seen a sequential decline of 12.8% in INR (16.7% in US\$) in revenues. However, with intensive efforts to control costs in this business, the profitability metrics have improved.</p>

**Other business details****New clients and projects**

During the quarter, HCLT added 26 new clients, taking its total tally of active clients to 454. The distribution of revenues across the company's clients has been indicated in the table.

**Revenue contribution for the quarter**

<b>From</b>	<b>%</b>
Top 5	31.1
Top 10	41.9
Top 20	52.7

**The details of some of the significant new engagements are:**

HCLT won a large outsourcing contract for application development and maintenance from a leading multinational publishing and information services company with operations in 25 countries. The company's core markets are spread across the health, tax, accounting, corporate/financial, legal/regulatory and education sectors. A new ODC has been set up for the client.

HCLT has established an onsite relationship for support of application development for a leading international provider of port terminal and logistics solutions, a subsidiary of a Fortune 500 Logistics & Transportation company.

A new ODC has also been set up for a global provider of secure electronic transaction solutions: from smart-cards and point-of-service payment terminals to network carriage and payment engines. HCLT is working on the enhancement, maintenance and support of the Internet Payment Gateway system.

A leading business management products and services provider has tasked HCLT to develop an automation framework for CRM that validates data and automatically creates a browser based intranet application to view reports.

A leading innovator in the international semiconductor industry that designs, develops, manufactures and markets a broad range of semiconductors and complete system solutions is using HCLT to reengineer and develop some of its applications.

HCLT has also won an order to develop firmware for a semiconductor company developing IP cores and highly integrated ASIC solutions for storage applications.

In another new engagement for a company that designs and manufactures electronic and electromechanical products for demanding aerospace and defense applications, HCLT will undertake PLD verification to stringent DO 254 standards.

For a new customer in automated defect inspection systems, HCLT will develop a re-usable Wafer Map control Object, a prototype cluster controller and a scheduler interface.

HCLT will soon be assisting a leading provider of broadband wireless access systems in the development of their next generation access device based on the IEEE802.16a and Wi-Max specifications. HCLT's involvement will be in BSP and Diagnostics, IXP2400 Micro-code Development and Embedded NMS.

For a provider of airborne satellite communications and navigation systems HCLT has won the mandate for software verification and requirement based testing of the secure communication control system for the Chinook Helicopter.

HCLT is offering CAD/CAE conversion expertise from STEP to CATIA V5 to a leading European services company in the fields of mining, industry systems, building safety, civil engineering, exploration and geo surveys.

For a leading Australian bank, HCLT is providing test automation services for one of its banking products using the IBM-Rational tool called XDE tester.

Apart from the above, the quarter witnessed the significant ramping up of existing engagements with clients choosing to consolidate their relationships with HCLT. Key among these is a relationship with a leading provider of information to legal, corporate, government and academic markets. The last quarter witnessed the team being doubled to more than 150 consultants.

HCLT has also taken up an assignment to design and develop a Regulatory Solution for an existing banking client in the UK. The project would support the Bank to comply with the revised requirements of IAS 39 - "Financial Instruments: Recognition and Measurement". The Solution would be implemented for retail banking and covers the Bank's mortgages and personal loans. Development of an Effective Yield Curve Engine and enabling generation of IAS Compliance Financial Statements are the highlights of this engagement, which is to be executed onsite and offshore.

HCLT has also commenced a project in the area of credit risk management for its existing Banking client in UK. The project involves development of a Credit Risk Engine and requisite data feeds. Once implemented, this Solution will enable the Bank to meet the emerging regulations under Basel II (Credit Risk).

During the quarter HCLT also completed the development of its Application Portfolio for Outsourcing targeted at large opportunities where customers have never outsourced before. The APO methodology is now an HCLT Intellectual Property.

HCLT has also successfully deployed its project management tool 'HCL PMO' across its 16 Offshore Development Centers and Centers of Excellence. This web- based platform will allow HCLT to collaborate effectively with customers and stake holders to ensure timely and quality deliveries. It will automate and execute best practice methodologies, enabling HCLT to compete effectively for outsourcing opportunities.

**Partnership with IBM Rational**

HCLT has entered into a strategic partnership with IBM Rational Software, the leading software development platform, to further enhance its software development capabilities. IBM Rational tools will help in standardization and automation enabling HCLT's project management teams to optimize on the software development time.

HCLT has invested in purchasing a large number of floating Rational Licenses. These licenses will be deployed over the central server that will be accessible to the entire organization for use.

**Human Resource Initiatives**

HCLT saw a strong growth in its headcount. During the quarter, the company added 2,477 people (on a gross basis). The net employee addition during the quarter was 1,718 of which 682 were added in the software services business and 922 were added in the BPO business. The headcount of the company (including subsidiaries) at the end of the quarter stood at 14,783 up from 13,065 at the end of the previous quarter. The current annualized attrition rate is 14.6%.

**Infrastructure**

During the current quarter, the company spent an amount of Rs.575.5mn on capital expenditure. The total seat capacity (for organic software business) at the end of the quarter stood at 8,635. The last quarter saw the commissioning of a new Software Development Center at Gurgaon, near New Delhi. The center has a planned capacity of 600 seats. Video-conferencing, Inter building connectivity between the Gurgaon centers and VOIP facilities have been commissioned.

**KEY OPERATIONAL METRICS**

<b>ORGANIC SOFTWARE</b>	
<b>REVENUE BREAKUP</b>	(\$'000)
Offshore Centric	62,551
Onsite	33,034
<b>BILLING RATES METRICS</b>	
<b>Efforts billed (manmonths)</b>	
Offshore Centric	14,348
Onsite	3,391
Subcontracted Efforts	298
<b>Capacity Utilisation (%)</b>	
Offshore Centric	75.3%
Onsite	93.4%
<b>Bill Rates (\$'000/Manmonth)</b>	
Offshore Centric	4.36
Onsite	9.74
<b>CONSOLIDATED</b>	
<b>REVENUE BREAK UP (%)</b>	
<b>Location</b>	
Offshore Centric	80
Onsite	20
<b>Geography</b>	
US	58.7
Europe	23.0
Asia Pacific	18.3
<b>Service Offerings</b>	
Technology Development Services	24.5
Software Product Engg Services	15.7
Applications Services	38.6
Infrastructure Services	10.2
BPO Services	11.0
<b>Repeat Business (%)</b>	81
<b>CLIENT CONCENTRATION</b>	
No. of Million \$ Clients	104
No. of 5 Million \$ Clients	21
No. of Fortune 500 clients	61
<b>% Contribution from:</b>	
Top 5 clients	31.1
Top 10 clients	41.9
Top 20 clients	52.7

**MANPOWER DETAILS**

<b>CONSOLIDATED</b>	<b>As on</b>	
	<b>Mar 31 '04</b>	<b>Dec 31 '03</b>
<b>TOTAL</b>	<b>14,783</b>	<b>13,065</b>
<b>Software Services</b>	<b>10,528</b>	<b>9,846</b>
<b>Organic</b>	<b>8,512</b>	<b>8,098</b>
<b>Technical</b>	<b>7,648</b>	<b>7,263</b>
Offshore	6,477	6,226
Onsite	1,171	1,037
<b>Support</b>	<b>864</b>	<b>835</b>
Sales and Marketing	110	114
Others	754	721
Offshore	663	633
Onsite	201	202
<b>Non-organic</b>	<b>2,016</b>	<b>1,748</b>
<b>Technical</b>	1,859	1,598
<b>Support</b>	157	150
<b>Infrastructure services</b>	<b>924</b>	<b>819</b>
<b>Organic</b>	<b>924</b>	<b>819</b>
Technical	605	523
Support	319	296
<b>BPO</b>	<b>3,197</b>	<b>2,275</b>
<b>Organic</b>	<b>2,878</b>	<b>2,027</b>
<b>Non-organic</b>	<b>319</b>	<b>248</b>
<b>Government</b>	<b>134</b>	<b>125</b>
<b>Non-organic</b>	<b>134</b>	<b>125</b>
Technical	110	93
Support	24	32
<b>Annualised Attrition (&gt;1 yr.)</b>	<b>14.57%</b>	<b>10.50%</b>



**Financials**

**(Third Quarter analysis based on the unaudited US GAAP financial results for Q3FY 2003-04)**

**Consolidated Income Statement (as per US GAAP)**

in Rs.mn

	Quarterly details			Growth	
	JFM' 03	OND'03	JFM' 04	ΔQoQ	ΔYoY
<b>Gross Revenues</b>	<b>4658.1</b>	<b>6223.2</b>	<b>6472.4</b>	<b>4%</b>	<b>39%</b>
Direct Costs	2775.2	3959.8	4197.9		
<b>Gross Profits</b>	<b>1882.9</b>	<b>2263.4</b>	<b>2274.5</b>	<b>0%</b>	<b>21%</b>
SG & A	921.0	1042.0	981.5		
Foreign Exchange Gains/ (Loss)	10.6	12.9	163.3		
<b>EBIDTA</b>	<b>972.5</b>	<b>1234.3</b>	<b>1456.3</b>	<b>18%</b>	<b>50%</b>
Depreciation & Amortisation	226.1	270.0	267.8		
<b>EBIT</b>	<b>746.3</b>	<b>964.2</b>	<b>1188.5</b>	<b>23%</b>	<b>59%</b>
Other Income, net	150.7	158.5	266.7		
<b>EBT</b>	<b>897.0</b>	<b>1122.7</b>	<b>1455.2</b>	<b>30%</b>	<b>62%</b>
Provision for Tax	63.1	128.8	76.9		
<b>EAT</b>	<b>833.9</b>	<b>994.0</b>	<b>1378.3</b>	<b>39%</b>	<b>65%</b>
Share from equity investments	45.4	64.7	(6.8)		
Share of (income) / loss of minority shareholders	(80.8)	(148.2)	(148.5)		
<b>Net Income</b>	<b>798.5</b>	<b>910.5</b>	<b>1222.9</b>	<b>34%</b>	<b>53%</b>
Stock-based sales incentive (Non Cash)	(4.4)	(30.3)	35.2		
<b>Net Income after stock-based sales incentive</b>	<b>794.1</b>	<b>880.2</b>	<b>1258.1</b>	<b>43%</b>	<b>58%</b>
Extraordinary charge for reduction in value of investments	(190.6)	-			
Gain on divestment of stake in HPS	-	2633.2	0.0		
<b>Consolidated Net Income</b>	<b>603.5</b>	<b>3513.4</b>	<b>1258.1</b>	<b>-64%</b>	<b>108%</b>

**Key ratios**

	Quarterly details		
	JFM' 03	OND'03	JFM' 04
Gross Margin	40.4%	36.4%	35.1%
Opex/Gross revenue	19.8%	16.7%	15.2%
EBIDTA Margin	20.9%	19.8%	22.5%
Consolidated Net income/Gross revenue	13.0%	56.5%	19.4%

**Consolidated Balance Sheet (as per US GAAP)**

in Rs.mn

	As On		
	31 <sup>st</sup> Mar'03	31 <sup>st</sup> Dec'03	31 <sup>st</sup> Mar'04
<b>ASSETS</b>			
a. Cash and cash equivalents	968.0	5808.8	1335.1
b. Accounts receivable, net	3610.2	4063.3	4719.0
c. Treasury Investments	13490.4	15539.7	19880.7
d. Other current assets	2313.4	2681.8	2670.1
<b>A. Total current assets (a+b+c+d)</b>	<b>20381.9</b>	<b>28093.6</b>	<b>28604.9</b>
B. Property and equipment, net	2617.4	3219.0	3632.8
C. Intangible assets, net	2138.0	2167.3	2173.4
D. Investments in Venture Funds / Equity investees	2445.1	883.4	887.3
E. Other Assets	467.0	431.3	416.9
<b>Total assets (A+B+C+D+E)</b>	<b>28049.4</b>	<b>34794.6</b>	<b>35715.4</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
e. Total current liabilities	3430.9	5062.5	5245.3
f. Long -term debt	-	1367.7	1306.5
g. Other liabilities	147.3	194.3	204.7
<b>E. Total liabilities (e+f+g)</b>	<b>3578.3</b>	<b>6624.5</b>	<b>6756.5</b>
F. Minority Interest	525.0	911.6	996.9
G. Total Stockholders equity	23946.2	27258.5	27962.0
<b>Total liabilities and Stockholders equity (E+F+G)</b>	<b>28049.4</b>	<b>34794.6</b>	<b>35715.4</b>

**Note: Unrealised gains on Treasury Investments as of March 31, 2004 stood at Rs450.3mn.**

### Q3 FY2004 results

### Revenue breakup between various business categories in Rs.mn

	Software Services			BPO Services		
	OND'03	JFM'04	QoQ	OND'03	JFM'04	QoQ
<b>Gross Revenues</b>	<b>5154.1</b>	<b>5220.6</b>	<b>1%</b>	<b>556.7</b>	<b>708.7</b>	<b>27%</b>
Direct Costs	3195.3	3341.4		441.0	509.7	
<b>Gross Profits</b>	<b>1958.7</b>	<b>1879.2</b>	<b>-4%</b>	<b>115.7</b>	<b>199.0</b>	<b>72%</b>
SG & A	824.9	750.5		73.9	106.3	
Foreign Exchange Gains/ (Loss)	7.1	129.7		3.4	25.7	
<b>EBIDTA</b>	<b>1140.8</b>	<b>1258.4</b>	<b>10%</b>	<b>45.2</b>	<b>118.4</b>	<b>162%</b>
Depreciation & Amortisation	165.0	162.7		69.6	76.2	
<b>EBIT</b>	<b>975.8</b>	<b>1095.7</b>	<b>12%</b>	<b>(24.4)</b>	<b>42.2</b>	
Interest & Other Income, net	154.7	276.6		(4.4)	(5.5)	
<b>EBT</b>	<b>1130.4</b>	<b>1372.3</b>	<b>21%</b>	<b>(28.8)</b>	<b>36.7</b>	
Provision for Tax	123.4	65.1		2.9	6.0	
<b>EAT</b>	<b>1007.1</b>	<b>1307.2</b>	<b>30%</b>	<b>(31.6)</b>	<b>30.7</b>	

	Infrastructure Services			Govt. Practice		
	OND'03	JFM'04	QoQ	OND'03	JFM'04	QoQ
<b>Gross Revenues</b>	<b>629.4</b>	<b>663.1</b>	<b>5%</b>	<b>104.0</b>	<b>86.6</b>	<b>-17%</b>
Direct Costs	455.4	488.9		88.9	64.4	
<b>Gross Profits</b>	<b>174.0</b>	<b>174.2</b>	<b>0%</b>	<b>15.0</b>	<b>22.2</b>	<b>48%</b>
SG & A	115.9	116.0		27.3	8.7	
Foreign Exchange Gains/ (Loss)	2.6	8.3		(0.2)	(0.5)	
<b>EBIDTA</b>	<b>60.7</b>	<b>66.5</b>	<b>10%</b>	<b>(12.5)</b>	<b>13.0</b>	
Depreciation & Amortisation	29.1	23.9		6.3	4.9	
<b>EBIT</b>	<b>31.6</b>	<b>42.6</b>	<b>35%</b>	<b>(18.8)</b>	<b>8.1</b>	
Interest & Other Income, net	8.2	(4.5)		0.0	0.0	
<b>EBT</b>	<b>39.8</b>	<b>38.1</b>	<b>-4%</b>	<b>(18.7)</b>	<b>8.1</b>	
Provision for Tax	2.3	5.8		0.2	0.0	
<b>EAT</b>	<b>37.5</b>	<b>32.3</b>	<b>-14%</b>	<b>(19.0)</b>	<b>8.1</b>	

Inter Co Adjustment	
OND'03	JFM'04
(220.9)	(206.6)
(220.9)	(206.6)

### Key ratios

	Software Services		BPO Services		Infrastructure Services	
	OND'03	JFM'04	OND'03	JFM'04	OND'03	JFM'04
Gross Margin	38.0%	36.0%	20.8%	28.1%	27.6%	26.3%
Opex/Gross revenue	16.0%	14.4%	13.3%	15.0%	18.4%	17.5%
EBIDTA Margin	22.1%	24.1%	8.1%	16.7%	9.6%	10.0%
Net income/Gross revenue	19.5%	25.0%	-5.7%	4.3%	6.0%	4.9%

	Govt. Practice	
	OND'03	JFM'04
Gross Margin	14.5%	25.6%
Opex/Gross revenue	26.2%	10.1%
EBIDTA Margin	-12.1%	15.1%
Net income/Gross revenue	-18.4%	9.4%

**\$ Assumptions**

The financials are based on a convenience translation using the closing US\$ rates for the last day of the quarter:

US\$1 = Rs.43.55 for JFM'04

US\$1 = Rs.45.59 for OND'03

US\$1 = Rs.47.65 for JFM'03

**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 organisations. Founded in 1991, HCL Technologies 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 Technologies delivers these services through an extensive offshore software development infrastructure and a vast global marketing network 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 among others banking, funds management, insurance, petrochemicals, pharmaceuticals, aerospace, automotives, semi-conductors and retail. As of 31 March 2004, HCL Technologies Limited, along with its subsidiaries, had 14,783 employees. The HCL Technologies team today has operations spanning 26 locations in 14 countries — covering over 80% of the world IT market. Together with its knowledge of embedded systems, core technologies and application development expertise, HCL Technologies 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](http://www.hcltech.com)

**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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